

SEPA CREDIT TRANSFER RULEBOOK
2018 CHANGE REQUEST PUBLIC CONSULTATION DOCUMENT

COVER PAGE

The Single Euro Payments Area (SEPA) payment schemes, as set out in the SEPA Credit Transfer (SCT), the SEPA Instant Credit Transfer (SCT Inst), the SEPA Direct Debit Core (SDD Core) and the SEPA Direct Debit Business to Business (SDD B2B) rulebooks, evolve based on a transparent change management process adhered to by the European Payments Council (EPC). For details on the principles governing the EPC scheme change management process, we refer to sections 5, 6 and 7 in this document and the sources listed at the end of this page.

This SCT 2018 Change Request Public Consultation Document (document EPC005-18) details change requests for possible modifications to be introduced into the next version of the SCT rulebook. This public consultation document builds on change requests submitted by stakeholder representatives, banking communities and by EPC Working and Support Groups. The SCT 2018 Change Request Public Consultation Document offers the analyses and recommendations of the EPC Scheme Evolution and Maintenance Working Group (SEMWG) on the way forward with regard to individual change requests. A summary overview of the change requests and related recommendations by the SEMWG is provided in section 1 of this Change Request Public Consultation Document.

The EPC submits the SCT 2018 Change Request Public Consultation Document for public consultation. The public consultation takes place between 13 March and 10 June 2018.

All scheme participants and stakeholders are encouraged to provide feedback on the possible changes to be introduced into the next version of the SCT rulebook by completing the response template EPC009-18 and send it to change-request.EPC-scheme@epc-cep.eu by 10 June 2018 at 17h00 CET at the latest.

Proposed changes detailed in this SCT 2018 Change Request Public Consultation Document, which are broadly accepted by all scheme participants and stakeholders, and that are technically and legally feasible, will be taken forward, after approval by the Scheme Management Board (the EPC decision-making body in charge of the schemes' administration and evolution). Others will not be retained. The updated version of the SCT rulebook will be published in November 2018 for implementation in November 2019. In accordance with industry best practice, payment service providers and their suppliers have a one-year lead time to address rulebook updates prior to such updates taking effect.

More information about the maintenance and the evolution of the SCT scheme is available in Chapter 4 of the [Scheme Management Internal Rules \(The Internal Rules\)](#) being a binding Annex to the current applicable SCT rulebook.

It should be noted that the EPC is under the legal obligation to ensure compliance of the SCT rulebook with existing EU legislations or to any new EU legislation impacting the SCT rulebook.



Therefore, the EPC reserves the right to make necessary changes to the SCT rulebook at all times in order to ensure that the SCT rulebook does comply with changes to existing EU legislation or with the entry into force of any new EU legislation.

Please refer to Annex 1 for the original detailed change requests. This document contains only a summary of each individual change request.



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1. EXECUTIVE SUMMARY: MAJOR CHANGE REQUESTS TO THE SCT RULEBOOK

1.1. EPC Approach

The principles governing the evolution of the Single Euro Payments Area (SEPA) payment schemes as set out in the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) rulebooks are detailed in the 'SEPA Scheme Management Internal Rules' (the Internal Rules). These Internal Rules are available for download on the European Payments Council ([EPC Website](#)). Sections 5, 6 and 7 in this SCT 2018 Change Request Public Consultation Document detail the application of the Internal Rules in the EPC scheme change management process.

The Internal Rules make a difference between so called major and minor changes to the EPC rulebooks. A major change is a change that affects or proposes to alter the substance of the rulebooks and the schemes. Any change to chapters 5 and 6 of the rulebooks are always considered a major change. A minor change is a change of an uncontroversial and usually technical nature that facilitates the comprehension and use of the rulebooks.

This executive summary of the SCT Change Request 2018 Public Consultation Document highlights change requests for major changes to the SCT rulebook received in this scheme change management cycle. Change requests for minor changes to the SCT rulebook are set out in section 4 of this Change Request Public Consultation Document. All change requests to the SCT rulebook are submitted for public consultation between 13 March and 10 June 2018. Information on how to share feedback with the EPC is included on the cover page of this Change Request Public Consultation Document.

The EPC received **25** change requests for major changes to be introduced into the SCT rulebook. The change requests submitted to the EPC are included in Annex 1 to this document.

A first change request is to clarify which SCT scheme participants must comply with the mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs) of the SCT rulebook.

Various change requests relate to the extension in characters of structured and unstructured remittance information and the combination of different types of such information. The SEMWG itself proposes a separate annex to the SCT rulebook supporting such extension in remittance information as an option to the SCT scheme.

Another suggested change to the SCT rulebook is to allow payments originated outside of SEPA to be allowed to be sent / processed as SCT transactions in SEPA (i.e. incoming one-leg out euro credit transfers).

A further proposal is to include an automated Repayment service in the SCT scheme to enable the Beneficiary to reimburse the Originator, either in full or in part. Only the Beneficiary would be able to initiate such repayment transaction.

Several change requests have been submitted to the existing Recall and the Request for Recall by the Originator (RFRO) procedures:

- Concrete changes to resolve several issues with respect to both procedures and to harmonize as best as possible the description between these two procedures;
- Foresee the possibility for a Request for Status Update for the Originator Bank in the Recall process. This feature is already included in the RFRO process.



- Extension of the period for the Originator Bank to submit a Recall from 10 to 30 banking business days;
- Extension of the response deadline for the Beneficiary Bank to a RFRO to 15 banking business days. With this change request submitted, the SEMWG itself proposes to apply this change request as well to the Recall procedure.
- Possibility for the Originator to request Beneficiary details following a negative answer to a RFRO.

Another change request covers the inclusion of ISO 20022 account management messages in the SCT scheme and their mandatory use in the interbank space.

A further contribution is that an SCT instruction containing an IBAN but not the related BIC, can be transmitted even if one of the two SCT Inst scheme participants covered by that SCT instruction is based in a non-EEA SEPA country.

The proposal has been made to include clear validation responsibilities to participants and CSMs to execute the SEPA Usage Rules in the interbank IGs. A further suggestion is to include clearing and settlement specific r-transaction reason codes in the SCT scheme.

Finally, the suggestion has been made to foresee extra reasons for the Beneficiary Bank to respond to a SCT Inquiry.

All change requests to the SCT rulebook received were reviewed by the EPC Scheme Evolution and Maintenance Working Group (SEMWG). These change requests include the recommendation of the SEMWG regarding each of these change requests. Each recommendation reflects one of the options detailed in items a) through f) below:

- a) The change request is **already provided for** in the scheme: no action is necessary for the EPC.
- b) The change request **should be incorporated into the scheme**: the change request would become part of the scheme and the rulebook would be amended accordingly.
- c) The change request **should be included in the scheme** as an **optional feature**:
 - The new feature is optional and the rulebook would be amended accordingly;
 - Each scheme participant¹ may decide to offer the feature to its customers, or not.
- d) The change request **is not considered fit for SEPA wide use** and could be **handled as an additional optional service (AOS)** by interested communities:
 - The proposed new feature would not be included in the rulebook or in the implementation guidelines released by the EPC with regard to the rulebooks;
 - The development of AOS is out of scope of the EPC. The EPC does however publish declared AOS arrangements on its website for information;
 - The EPC may consider the inclusion of AOS arrangements, if supported by enough communities, in a future version of the rulebook.
- e) The change request **cannot be part** of the existing scheme for one of the following reasons:
 - It is technically impossible;

¹ A scheme participant is a payment service provider which has formally adhered to an EPC SEPA scheme.



- It is not feasible (explained on a case by case basis);
- It is out of scope of the EPC;
- It does not comply with the SEPA Regulation² or any other relevant EU legislation.

f) The change request may be considered for the development of a **new scheme**:

- The change request reflects major changes which cannot be integrated into an existing scheme;
- To develop the change request further, i.e. to develop a new scheme, the following requirements must be met:
 - The benefits of the new scheme for payment end users are demonstrated prior to the launch of the development phase;
 - It is demonstrated that enough stakeholders will make use of the new scheme;
 - A cost-benefit analysis is provided;
 - It complies with the SEPA Regulation or any other relevant Regulation.

1.2. Overview of Change Requests and Proposed Way Forward for Consideration by Respondents to the Public Consultation

The below table lists all the received change requests which are submitted for public consultation. The SEMWG has issued a recommendation on the way forward about each change request. The reasons underlying each recommendation are detailed in section 2. The final decision whether a change request will be incorporated into the rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the SEMWG on the way forward.

In case the contributors do not agree with the SEMWG recommendation, they are requested to indicate in the comments section of the response template EPC009-18 their preferred way forward (e.g., support of the original change request, selecting another option).

Furthermore, any additional comments are welcome in the comments section.

Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
1	Rulebook clarification to Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	EPC SEMWG	Should be incorporated into the scheme - option b
2	Changes to the Recall procedure	EPC SEMWG	Should be incorporated into the scheme - option b

² Regulation (EU) No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009



Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
3	Changes to the 'Request for Recall by the Originator' (RFRO) procedure	EPC SEMWG	Should be incorporated into the scheme - option b
7	Extra reasons for the response to a SCT Inquiry	EPC SEMWG	Should be incorporated into the scheme - option b
8	Editorial restructuring of the rulebook sections on SCT rulebook processing flows	EPC SEMWG	Should be incorporated into the scheme - option b
9	Inclusion of Extended Remittance Information (ERI) option	EPC SEMWG	Should be incorporated as an option into the scheme - option c
10	Change request withdrawn	EPC SEMWG	
11	Change request withdrawn	EPC SEMWG	
15	Mandatory use of the acmt.022 message in the interbank space	Deutsche Bank	Cannot be part of the existing scheme – option e
17	Addition of a Repayment service	EuroCommerce	Should be incorporated into the scheme - option b
18	Extension response deadline for Beneficiary Banks to a Request for Recall by the Originator (RFRO)	Dutch Payments Association	Should be incorporated into the scheme - option b
19	Possibility for the Originator to request Beneficiary details following a negative answer to a Request for Recall by the Originator	Dutch Payments Association	Cannot be part of the existing scheme – option e
25	SEPA transaction processing based on IBAN-Only also for non-EEA SEPA countries	Payment Committee Switzerland	Should be incorporated into the scheme - option b
27	Inclusion of incoming One-Leg Out euro credit transfers	Bank of America Merrill Lynch	Cannot be part of the existing scheme – option e
28	Inclusion of R-transaction reason code ED05	equensWorldline	Should be incorporated into the scheme - option b
29	inclusion of R-transaction reason code CNOR	equensWorldline	Should be incorporated into the scheme - option b



Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
32	Clear validation responsibilities to participants and CSMs to execute the SEPA Usage Rules in the interbank IGs	equensWorldline	Cannot be part of the existing scheme – option e
35	Extension of the period for the Originator Bank to submit a Recall request	Spanish banking community	Cannot be part of the existing scheme – option e
37	Extended Remittance Information option to deliver extended structured remittance information to the Beneficiary	European Association of Corporate Treasurers	No SEMWG recommendation – see change request # 09
38	Amendment in business requirements for Attribute AT-05 - The Remittance Information	European Association of Corporate Treasurers	No SEMWG recommendation – see change request # 09
39	Option to allow contemporaneous presence of unstructured and structured remittance information	European Association of Corporate Treasurers	No SEMWG recommendation – see change request # 09
40	Increase the space for the unstructured remittance information	European Association of Corporate Treasurers	Cannot be part of the existing scheme – option e
41	Increase the space for the structured remittance information	European Association of Corporate Treasurers	No SEMWG recommendation – see change request # 09
42	Allow Originator Bank adhered to the Extended Remittance Information option to send both structured and unstructured information to the Beneficiary Bank adhered to the option	European Association of Corporate Treasurers	No SEMWG recommendation – see change request # 09



Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
43	Allow Beneficiary Bank adhered to the Extended Remittance Information option to send both structured and unstructured information to the Beneficiary	European Association of Corporate Treasurers	No SEMWG recommendation – see change request # 09

1.3. Overview of Changes to Align the Next Version of the SCT Rulebook with any Existing EU Legislation and with the Entry into Force of New EU Legislation

The contributors to this public consultation are welcome to comment on these changes.

Ref.	Topic	Contributor	Way forward
At this point in time, no items have been identified that require a change to the SCT rulebook due to any EU legislation.			



2. DETAILED ANALYSIS OF MAJOR CHANGE REQUESTS TO THE SCT RULEBOOK

2.1. # 1: Rulebook clarification to Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)

2.1.1. Description

This change request was made by the SEMWG.

As of the version 1.0 of the 2017 rulebooks, the SCT and SDD scheme participants are obliged to accept at least but not exclusively Customer-to-Bank (C2B) SEPA payment message files based on the EPC's C2B Implementation Guidelines (IGs) defined for all four schemes.

However, there are scheme participants in the role of Originator Bank or Creditor Bank that do not offer at all the service of accepting and processing ISO 20022 XML message– based electronic bulk files of SCT instructions/ SDD collections for their Originators and Creditors.

An example is consumer-only oriented SCT participants or SDD scheme participants handling small volumes of SDD collections. The concerned consumers and professionals enter the SCT instructions and SDD collections respectively directly in the online banking portals of these scheme participants.

The SEMWG believes these EPC scheme participants should not be obliged to invest in tools to handle ISO 20022 XML message– based electronic C2B bulk payment files if none of their customers will ever use such method of transmitting SCT instructions/ SDD collections.

The change request proposes rewording in some very specific rulebook sections to reflect this reality. It clarifies which Originator Banks and Creditor Banks must comply with the mandatory C2B IGs of the respective EPC schemes.

2.1.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2019**.

2.1.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the C2B implementation guidelines.



2.2. # 2: Changes to the Recall procedure

2.2.1. Description

This change request was made by the SEMWG.

It highlights several issues which have been reported with respect to the SCT Recall procedure. Where applicable, these issues may also occur for Recalls made under the SCT Inst scheme.

It proposes concrete changes in both SCT rulebooks to resolve such issues and to harmonize as best as possible the Recall process description in both SCT rulebooks.

It further suggests including the possibility for a Request for Status Update in the Recall process of both SCT rulebooks. The feature is already included in the 'Request for a Recall by the Originator' (RFRO) process of both SCT rulebooks. It will be of further assistance to the Originator Bank to the benefit of the Originator in the exceptional case the Originator Bank has not received any response from the Beneficiary Bank after the Recall response deadline defined in both SCT rulebooks.

2.2.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2019**.

2.2.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.3. # 3: Changes to the 'Request for Recall by the Originator' (RFRO) procedure

2.3.1. Description

This change request was made by the SEMWG.

In analogy with the change request item # 02, the SEMWG reviewed the 'Request for Recall by the Originator' (RFRO) procedure considering that the following issues may occur although the rulebook requires either a positive or a negative response (note: the RFRO procedure becomes effective as of November 2018 only under both SCT schemes):

- The Beneficiary Bank does not respond to the RFRO request from the Originator Bank within the deadline defined in the SCT rulebooks because the Beneficiary Bank may have contacted the Beneficiary but did not receive a reply from the Beneficiary.
- The Beneficiary Bank may not reply with the appropriate positive message (pacs.004) but with a "ordinary" transfer message (pacs.008) which can cause reconciliation problems on the side of the Originator Bank

The SEMWG proposes concrete changes in both SCT rulebooks to prevent such issues and to harmonize as best as possible the RFRO process description in both SCT rulebooks.

Another change is to adapt the 'Remarks' section of the DS-07 'Request for Recall by the Originator Dataset' (SCT rulebook) and the DS-08 'Request for Recall by the Originator Dataset' (SCT Inst rulebook).

The final part of the change request is to extend the list of reasons for non-acceptance of the Request for Recall by the Originator compared to the list of reasons possible under the standard Recall procedure.

2.3.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2019**.

2.3.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.4. # 7: Extra reasons for the response to a SCT Inquiry

2.4.1. Description

This change request was made by the SEMWG.

The response-to-SCT Inquiry dataset in section 4.6.10 describes among others the attributes for the response to the inquiry "Claim of Non-Receipt". The dataset lists the attributes 42 (settlement date of the credit transfer) and 83 (non-receipt of the credit transfer) as possible responses.

However, it can happen that the Beneficiary Bank is not allowed to credit the Beneficiary due to a regulatory reason. Another scenario could be that the Beneficiary Bank has already sent a Reject or Return for this SCT transaction. The concerned dataset or the attribute AT-83 does not yet foresee the transmission of such reasons back to the Originator Bank.

The change request is to adapt the name and the description of the attribute AT-83 to cover such scenarios as well.

2.4.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2019**.

2.4.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.5. # 8: Editorial restructuring of the rulebook sections on SCT rulebook processing flows

2.5.1. Description

This change request was made by the SEMWG.

With the publication of the SCT Inst rulebook in November 2016, the EPC tries to harmonise its two SCT rulebooks as much as possible.

To this end, the EPC proposes to restructure the sections 4.3 and 4.4 of the SCT rulebook in line with the set-up of these two sections under the SCT Inst rulebook.

The aim of this restructuring is to allow a better comparison of the processing flows between the two credit transfer-based EPC rulebooks. This specific change request does not contain any content changes.

2.5.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2019**.

2.5.3. Rulebook impact

If this change request is supported, this will impact only the rulebook.



2.6. # 9: Inclusion of Extended Remittance Information (ERI) option

2.6.1. Description

This change request was made by the SEMWG.

The current SCT scheme permits the end-to-end carrying of remittance information (RI) with a maximum of 140 characters of unstructured RI. During the last years different stakeholder groups submitted change requests asking for a possibility to transmit more than just 140 characters in RI per SCT Instruction/ SCT Transaction message. To meet these previous demands from stakeholder groups, the EPC proposes a formal SCT rulebook **option** for Extended Remittance Information (ERI option). This option proposal has been worked out as a separate rulebook annex.

If this change request is accepted, it will have only an impact to those SCT scheme participants that wish to implement this option. SCT scheme participants that do not support this option do not have to make any investment (apart of adding an additional reason in the attribute AT-R3).

The major elements of this ERI option are:

- The ERI option supports the transmission and the processing of the following combination of RI in Credit Transfer Instructions and Transactions:
 - One occurrence of 140 characters of unstructured RI and
 - Up to 999 occurrences of 280 characters of structured RI based on the ISO 20022 standard.
- SCT scheme participants wishing to offer the rulebook ERI option, formally must declare their participation to this option to the EPC. Major condition for the participation to the ERI option is that the SCT scheme participant must support this option at least in the role of Beneficiary Bank.
- The Originator Bank must verify if the Beneficiary Bank is an ERI Option Participant or not. The Originator Bank only sends SCT transaction messages with ERI to Beneficiary Banks that are participants to the SCT ERI option. Beneficiary Banks not participating to the ERI option will only get one occurrence of 140 characters of unstructured RI.
- By default, the Beneficiary Bank submits only the occurrences of structured RI to the Beneficiary, unless the Beneficiary Bank and the Beneficiary have made an arrangement whereby the Beneficiary Bank submits the combination of unstructured RI and the structured RI to the Beneficiary.
- The messages used for exception processing and inquiries for ERI-populated SCT transactions must only contain the occurrence of 140 characters of unstructured RI.

2.6.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request as an **option** within the scheme (**option c**) entering into effect as of **November 2019**.

2.6.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.7. # 10: Change request has been withdrawn

2.7.1. Description

This change request has been withdrawn.



2.8. # 11: Change request has been withdrawn

2.8.1. Description

This change request has been withdrawn.



2.9. # 15: Mandatory use of the acmt.022 message in the interbank space

2.9.1. Description

This change request was made by Deutsche Bank.

It proposes that all scheme participants are obliged to support

- sending and receiving ISO IdentificationModificationAdviceV02 (acmt.022);
- forwarding electronically ISO IdentificationModificationAdviceV02 (acmt.022) to their (corporate) clients if requested by their clients.

The request would entail that an additional message must be sent from the creditor agent to the debtor agent in case of SCT to inform the transaction initiator about changes in the counterparty account details, e.g. new IBAN, new BIC or new bank relationship. In practice, it would be mandatory for

- the Beneficiary Bank to inform the Originator Bank in case Beneficiary account details have changed;
- the Originator Bank makes this information available to the Originator upon request of the Originator, i.e. if the Originator can process the acmt.022 message.

The contributor further reports that such change would respond to the “Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features”.

2.9.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

This change request is not related a specific type of EPC SEPA transaction. It applies to the customers’ general account administration management.

The SEMWG sees this change request outside the scope of the EPC SEPA schemes. Furthermore, the request has also personal data protection implications which have to be investigated as well.

2.9.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.10.# 17: Addition of a Repayment service

2.10.1. Description

This change request was made by EuroCommerce.

(note from the EPC: even though the change request itself exclusively refers to the SCT Inst scheme, the EPC has included this request also in the 2018 SCT rulebook change management cycle to harmonize as best as possible both SCT rulebooks in case this change request would be supported).

Currently the SCT rulebooks define that when the Beneficiary's account has already been credited and the Beneficiary wishes to return the funds, it can only do this by initiating a new SCT (Inst) transaction.

The contributor points out that payers purchasing goods or services at merchant points of sale often change their mind, return the goods or refine their requirements post event. The contributor believes that payers should be entitled to obtain a refund through the original payment method seamlessly whilst ensuring a consistent user experience.

The contributor therefore proposes to include an automated refund service in the SCT Inst scheme to enable the Beneficiary to promptly reimburse/refund the Originator, either in full or in part. Only the Beneficiary would be able to initiate such refund transaction.

As the Beneficiary may not receive the information on the IBAN of the Originator in the bank-to-customer credit transfer data set, the refund transaction should refer to the payment reference of the initial SCT Inst transaction which the Beneficiary has received from the Beneficiary Bank. With this reference, the Beneficiary Bank can retrieve all necessary details of the initial SCT Inst transaction to reimburse the Originator.

2.10.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**).

The SEMWG proposal is to include clarifications in the IGs through new usage rules, and in the Clarification Paper of the SCT and SCT Inst rulebooks how to execute such repayment.

2.10.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.11.# 18: Extension response deadline for Beneficiary Banks to a Request for Recall by the Originator (RFRO)

2.11.1. Description

This change request was made by the Dutch Payments Association.

The contributor suggests extending the period for Beneficiary Banks from 10 to 15 Banking Business Days after the receipt of the Request for Recall by the Originator (RFRO), for providing either a positive or negative answer to the Originator Bank.

Extending the period to respond increases the likelihood for Beneficiary Banks to receive, if needed, the proper authorization from the Beneficiaries for debiting their account in time.

2.11.2. SEMWG analysis and recommendation

This change would prevent unnecessary negative answers to Originator Banks caused by Beneficiaries who are not able to provide their proper authorization for debiting their account to the Beneficiary Bank in time. The quality of the outcome of the RFRO procedure would improve substantially.

To achieve as much as possible consistency between similar types of exception handling, the SEMWG recommends extending the maximum period for Beneficiary Banks to respond to a **Recall** procedure from 10 to 15 Banking Business Days. This measure will increase the quality of the outcome of the Recall procedure.

The SEMWG suggests incorporating the change request **both for Recall and RFRO** into the scheme (**option b**) entering into effect as of **November 2019**.

Each stakeholder taking part in the public consultation of the 2018 SCT rulebook change management cycle, is invited to indicate if:

- a) It supports the change request related to the RFRO procedure
- b) It is in favour to extend the response deadline for Beneficiary Banks for a Recall procedure from 10 to 15 Banking Business Days

2.11.3. Rulebook impact

If this change request is supported, this will impact only the rulebook.



2.12.# 19: Possibility for the Originator to request Beneficiary details following a negative answer to a Request for Recall by the Originator

2.12.1. Description

This change request was made by the Dutch Payments Association and relates to the Request for Recall by the Originator (RFRO) procedure.

The contributor suggests expanding the possibility of appeal for the Originator if a negative answer to the Request for Recall is received from the Beneficiary Bank.

If the Beneficiary Bank is obliged to provide a negative answer, nowadays the communicated decision from the Beneficiary, regarding the concerned initial Credit Transfer, is final from the perspective of the Originator Bank as well as the Beneficiary Bank.

However, the Originator can (still) disagree with this communicated decision and might wish to contact the Beneficiary directly, to take legal action. Since the Originator has no access to the correct contact details of the Beneficiary, the Originator Bank can ask for the correct contact details (Name, Address, Place) of the Beneficiary via the Beneficiary Bank.

After this request the Beneficiary Bank can provide the Originator Bank with the requested contact details (Name, Address, Place). However, the (non-intended) Beneficiary always can submit a well-founded objection to this provision of the requested contact details (Name, Address, Place) to the Beneficiary Bank. The Beneficiary Bank will inform the Originator Bank as soon as possible about this objection.

2.12.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**). It sees national data protection obstacles in several countries to share such information about the Beneficiary.

With such national limitations in sharing personal data in mind and taking the assumption that such procedure would be based on ISO 20022 messages, the SEMWG is concerned about the uneven balance between the implementation costs of such procedure and the number of such requests filed by Originators.

Each stakeholder taking part in the public consultation of the 2018 SCT rulebook change management cycle, is invited to indicate if:

- a) It supports the change request related to the RFRO procedure
- b) It is in favour to apply this change request as well to the **Recall** procedure

2.12.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the C2B implementation guidelines.



2.13.# 25: SEPA transaction processing based on IBAN-Only also for non-EEA SEPA countries

2.13.1. Description

This change request was made by the Payment Committee Switzerland.

The actual version of the rulebooks and implementation guidelines request that the BIC code is mandatory if a bank is located in a non-EEA SEPA country or territory.

The contributor proposes

- To allow bank customers in SEPA countries to use <<IBAN-only>> also for banks located in non-EEA SEPA countries or territories. The request is to delete the obligation that BIC is mandatory for non-EEA SEPA countries or territories in all EPC rulebooks and implementation guidelines.
- If (for any reason) it is not possible to allow bank customers in SEPA countries to use <<IBAN-only>> for all non-EEA SEPA countries or territories the change request should be interpreted to allow <<IBAN-Only>> for payments from/to Switzerland.

The change request explains in detail the arguments for dropping the EPC rulebook rule of IBAN+BIC for transactions to and from non-EEA SEPA countries.

2.13.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**).

If a SCT scheme participant can support the acceptance and the processing of a SCT instruction from the Originator containing an IBAN but not the related BIC, even if one of the two SCT scheme participants covered by that SCT instruction is based in a non-EEA SEPA country, it is allowed to do so and to communicate this service to its customers.

2.13.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the C2B implementation guidelines.



2.14.# 27: Inclusion of incoming One-Leg Out euro credit transfers

2.14.1. Description

This change request was made by Bank of America Merrill Lynch.

The contributor proposes to allow payments originated outside of SEPA to be allowed to be sent / processed as SCT transactions in SEPA.

This will ensure comparable treatment for SEPA zone residents irrespective of the origination of these types of credit transfer. The change will ensure that a SEPA credit transfer will be able to be originated without the need for the originator payment account to be in the SEPA zone.

Currently, the only way in which these payments can be received are by way of cross-border wires or cheques / bank drafts which can incur significant bank fees in transit so meaning the beneficiaries receive less funds than originally expected.

2.14.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**). The change request has too many possible implications requiring first a thorough operational and legal analysis before it can be included within the rulebook change management cycle.

2.14.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the SMIRs, the C2B and interbank implementation guidelines.



2.15.# 28: Inclusion of R-transaction reason code ED05

2.15.1. Description

This change request was made by equensWorldline.

As the rulebooks currently do not include many technical codes, every clearing institution or CSM defines its own error codes. The error codes are not included in the main interbank formats. Therefore, technical errors often can only be mapped to the reason code MS03 (= reason not specified) when forwarded to another participant. This leads to lack of clarity, misunderstandings, requests for clarification and repetition of the errors.

The contributor suggests implementing the R-transactions reason code ED05 (= "Settlement of the transaction has failed"). This code should be foreseen in the pacs.002 (SCT Reject) from the CSM to the Originator Bank. ED05 is more specific than MS03 (= Reason not specified), which is currently being used.

2.15.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**).

This provides clarity on the concrete reason of an unsuccessfully executed SCT transaction to the Originator Bank.

2.15.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.16.# 29: Inclusion of R-transaction reason code CNOR

2.16.1. Description

This change request was made by equensWorldline.

As the rulebooks currently do not include many technical codes, every clearing institution or CSM defines its own error codes. The error codes are not included in the main interbank formats. Therefore, technical errors often can only be mapped to the reason code MS03 (= reason not specified) when forwarded to another participant. This leads to lack of clarity, misunderstandings, requests for clarification and repetition of the errors.

The contributor suggests implementing the R-transactions reason code CNOR (= "Creditor bank is not registered under this BIC in the CSM"). This code should be foreseen in the pacs.004 (SCT return). Currently CNOR is allowed only in the pacs.002 and pain.002.

CNOR is needed in the SCT Return (pacs.004) between the EACHA-CSMs, in the following scenario:

CSM1 sends a credit transfer to CSM2, but CSM2 has no route to the Beneficiary Bank ("no reach"). CSM2 then returns (pacs.004 with CNOR), not rejects (pacs.002), the credit transfer back to CSM1 because in the return process (pacs.004) also the funds are returned to CSM1 automatically (whereas in the reject process (pacs.002) the funds have to be booked back manually, which is more work than automatically).

If CSM1 forwards the pacs.004 to the Originator Bank it can use CNOR also in this case. CNOR then replaces the current code MS03 (= Reason not specified), MS03 is not specific enough.

2.16.2. SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**).

This provides clarity on the concrete reason of an unsuccessfully executed SCT transaction to the Originator Bank.

2.16.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.17.# 32: Clear validation responsibilities to participants and CSMs to execute the SEPA Usage Rules in the interbank IGs

2.17.1. Description

This change request was made by equensWorldline.

The EPC rulebooks currently define SEPA Usage Rules but not the responsibilities for executing these. All too often there is lack of clarity if a certain check/validation must be done, can be done or must not be done by a participant that is not the Creditor Agent or Debtor Agent. The contributor provides a number of examples to highlight the current situation.

The contributor states that it must be clear to all the parties involved in the processing chain who is responsible for which validation. EPC should define the responsibilities in general or for each SEPA Usage Rule in the implementation guidelines.

The in-depth checks and validation should be performed exclusively by the bank of the end users. The other involved interbank players should only reject a payment if it is not possible to forward (e.g. format validations fail, BIC is not reachable).

2.17.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

The responsibilities defined in the rulebook remain assigned to the scheme participants even though the actual execution of the duties linked to these responsibilities is done by other parties. It is up to each scheme participant on how to enforce this delegation of responsibilities to these other parties.

2.17.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.18.# 35: Extension of the period for the Originator Bank to submit a Recall request

2.18.1. Description

This change request was made by the Spanish banking community.

The current SCT rulebook states that a Recall can only be executed as long as the credit transfer processed had been executed up to 10 banking business days ago.

The contributor suggests extending the period in which an Originator Bank could request a Recall from 10 to 30 banking business days. Nevertheless, the period during which an answer to the Recall from the Beneficiary Bank remains the same (i.e. within 10 banking business days).

The main aim of this proposal is to avoid manual actions for Recalls that occur when the period of 10 banking business days has passed. Currently, after this period, the actions of the Originator Bank to retrieve a credit transfer are sending an email, SWIFT message or a fax to the Beneficiary Bank, or contacting it by phone.

2.18.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

The current 10 banking business days period is especially designed to handle technical reasons and duplicates even though it can also be used for fraud. Technical reasons and duplicates should be detected by the Originator Bank and be resolved as quickly as possible.

After these first ten banking business days, the Originator Bank or the Originator can fall back to the Request for Recall by the Originator (RFRO) process which gives up to 13 months to make such RFRO.

2.18.3. Rulebook impact

If this change request is supported, this will impact the rulebook and the interbank implementation guidelines.



2.19.# 37: Extended Remittance Information option to deliver extended structured remittance information to the Beneficiary

2.19.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests inserting an option (“Extended Remittance Information” option) in the rulebook to properly manage the delivery to the Beneficiary of extended structured remittance information.

2.19.2. SEMWG analysis and recommendation

The SEMWG itself proposes an Extended Remittance Information option under change request # 9 which takes in account the change requests # 37, 38, 39, 41, 42 and 43.

Therefore, the SEMWG does not propose a concrete recommendation for the change request # 37 for the public consultation.

The SEMWG looks forward to the comments on the general topic of extended remittance information from the stakeholders taking part in the public consultation.

2.19.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.20.# 38: Amendment in business requirements for Attribute AT-05 - The Remittance Information

2.20.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests amendments in the business requirements for the attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer – when structured remittance information is used. Its proposal is that ‘Structured Remittance Information’ should be redefined in the rulebook as ‘Structured Machine to Machine Remittance Information’.

It further proposes that business requirements, implementation guidelines and clarification papers have a specific mention to automatic treatment of the information and an indication that such information should be transferred to the Beneficiary only when electronic means in the bank-to-customer space are used, such as in electronic account statements or other electronic formats using dataset DS-04 - Bank to customer credit transfer information (optional in other cases).

It further requests to evaluate the possibility to have a specific new attribute code for the renamed “Structured Machine to Machine Remittance Information”.

Considering the opportunity to use the available ISO 20022 standard for end to end straight-through-processing reconciliation, the contributor proposes that the Beneficiary Bank may drop received ‘Structured Machine to Machine Remittance Information’ and not make it available to a Beneficiary who is connected with an interface which does not comply with the ISO 20022 XML standard.

2.20.2. SEMWG analysis and recommendation

The SEMWG itself proposes an Extended Remittance Information option under change request # 9 which takes in account the change requests # 37, 38, 39, 41, 42 and 43.

Therefore, the SEMWG does not propose a concrete recommendation for the change request # 38 for the public consultation.

The SEMWG looks forward to the comments on the general topic of extended remittance information from the stakeholders taking part in the public consultation.

2.20.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.21.# 39: Option to allow contemporaneous presence of unstructured and structured remittance information

2.21.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests introducing an option to allow contemporaneous presence of unstructured and structured remittance information in payment messages from Originator to Beneficiary.

2.21.2. SEMWG analysis and recommendation

The SEMWG itself proposes an Extended Remittance Information option under change request # 9 which takes in account the change requests # 37, 38, 39, 41, 42 and 43.

Therefore, the SEMWG does not propose a concrete recommendation for the change request # 39 for the public consultation.

The SEMWG looks forward to the comments on the general topic of extended remittance information from the stakeholders taking part in the public consultation.

2.21.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.22.# 40: Increase the space for the unstructured remittance information

2.22.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests increasing the space in the payment messages for the unstructured remittance information to 280 characters (two recurrences of the xml ISO tag "Ustrd").

Currently both business requirements in the rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate a maximum of 140 characters for unstructured remittance information.

The increased space will allow originators, especially consumers normally not using the structured remittance information, to insert more information for the Beneficiary to identify the items paid and increase the possibility of reconciliation of the payment.

2.22.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

The SEMWG members representing national banking communities reported that currently there is no other market demand to increase the number of characters for unstructured remittance information.

2.22.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.23.# 41: Increase the space for the structured remittance information

2.23.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests inserting an option to increase space in the payment messages for the structured remittance information from a minimum of 2.800 characters (20 occurrences of the xml ISO tag "Strd") to a maximum of 139.860 characters (999 occurrences of the xml ISO tag "Strd").

2.23.2. SEMWG analysis and recommendation

The SEMWG itself proposes an Extended Remittance Information option under change request # 9 which takes in account the change requests # 37, 38, 39, 41, 42 and 43.

Therefore, the SEMWG does not propose a concrete recommendation for the change request # 41 for the public consultation.

The SEMWG looks forward to the comments on the general topic of extended remittance information from the stakeholders taking part in the public consultation.

2.23.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.24.# 42: Allow Originator Bank adhered to the Extended Remittance Information option to send both structured and unstructured information to the Beneficiary Bank adhered to the option

2.24.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests allowing the Originator Bank which has adhered to the "Extended Remittance Information" option to send to the Beneficiary Bank also adhered to the option, both structured and unstructured remittance information.

2.24.2. SEMWG analysis and recommendation

The SEMWG itself proposes an Extended Remittance Information option under change request # 9 which takes in account the change requests # 37, 38, 39, 41, 42 and 43.

Therefore, the SEMWG does not propose a concrete recommendation for the change request # 42 for the public consultation.

The SEMWG looks forward to the comments on the general topic of extended remittance information from the stakeholders taking part in the public consultation.

2.24.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



2.25.# 43: Allow Beneficiary Bank adhered to the Extended Remittance Information option to send both structured and unstructured information to the Beneficiary

2.25.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor suggests allowing the Beneficiary Bank that has adhered to the “Extended Remittance Information” option, to send to the Beneficiary both structured and unstructured remittance information.

2.25.2. SEMWG analysis and recommendation

The SEMWG itself proposes an Extended Remittance Information option under change request # 9 which takes in account the change requests # 37, 38, 39, 41, 42 and 43.

Therefore, the SEMWG does not propose a concrete recommendation for the change request # 43 for the public consultation.

The SEMWG looks forward to the comments on the general topic of extended remittance information from the stakeholders taking part in the public consultation.

2.25.3. Rulebook impact

If this change request is supported, this will impact the rulebook, the C2B and interbank implementation guidelines.



3. CHANGES PERTAINING TO THE IMPACT OF THE SEPA REGULATION OR ANY OTHER EU LEGISLATION

As the EPC is under the legal obligation to ensure compliance of the rulebooks with the SEPA Regulation or of any other EU legislation, proposed changes to the rulebooks under this section are not subject to public consultation. They are included in this document for information but the contributors to this public consultation can comment on these changes.

For this release management cycle, no changes have been deemed required at this point in time.



4. DETAILED ANALYSIS OF MINOR CHANGES TO THE SCT RULEBOOK

The SEMWG recommends supporting the following minor change requests:

4.1. Change Requests

Section	Description	Reason for change	Type of Change
Entire rulebook	Replace the terms "Originator Bank" and "Beneficiary Bank" into "Originator PSP" and "Beneficiary PSP" throughout the entire rulebook	Participation to the EPC schemes is not limited to banks only. The term Payment Services Provider (PSP) covers a wider range of actors.	CHAN
Section 0.1	The reference [10] should now refer to the document EPC012-17	Instead of a scheme adherence guide per scheme, a single adherence guide for all EPC schemes has been published	CLAR
Section 2.4	2 nd paragraph: extra wording: The payment accounts of the Originator and of the Beneficiary may be in euro or any other currency.	To ensure alignment with the wording in the SCT Inst rulebook.	TYPO
Chapter 7	Include the definition for Payment Account and put this term in capital letters throughout the rulebook.	To ensure alignment with the wording in the SCT Inst rulebook.	TYPO & CLAR



5. PRINCIPLES GOVERNING THE CHANGE MANAGEMENT CYCLE

5.1. Change Request Public Consultation Document

This Change Request Public Consultation Document is submitted by the SEMWG in accordance with the procedures set out in the Internal Rules in respect of changes to the SCT rulebook.

5.2. Structure of the Change Request Public Consultation Document

Sections 2, 2.13 and 4 describe the changes to the SCT rulebook which are proposed in this Change Request Public Consultation Document.

These change requests fall into three categories:

- Section 2 covers innovative change requests to technical operations in chapters 3 and 4 of the rulebook and other significant non-technical changes which fall within the definition of major changes;
- Section 2.13 covers change requests to align the SCT rulebook with the SEPA Regulation and any other EU legislation;
- Section 4 proposes changes to correct typing errors and provide additional clarification to the SCT rulebook. These changes consist of minor changes to the SCT rulebook which are uncontroversial in nature and do not affect technical operations.

Annex 1 contains all received original change requests for the 2018 SCT rulebook change management cycle.



6. CHANGE MANAGEMENT CYCLE IN RESPECT OF MAJOR CHANGE REQUESTS

6.1. Consideration of Change Requests

In accordance with chapter 4.1.4 of the Internal Rules, a number of change requests with respect to the rulebooks have been submitted for consideration to the SEMWG. 25 of these are applicable to the SCT scheme.

Following consideration of these change requests as required under chapter 4.1.6 of the Internal Rules, the SEMWG has determined: (a) that the change requests set out in section 2 and 2.13 meet the criteria for acceptance into the 2018 SCT rulebook change management cycle; and (b) that the change requests set out in section 4 constitute minor change requests invoking the procedures set out in Chapter 4.3 of the Internal Rules.

6.2. Change Request Public Consultation Document

The SEMWG is responsible for the preparation and development of a Change Request Public Consultation Document in respect of the major change requests referred to in section 2 above, and guiding the change requests through the rulebook change management cycle.

The SEMWG has therefore formulated this Change Request Public Consultation Document under chapter 4.2 of the Internal Rules. This Change Request Public Consultation Document analyses the major changes which have been proposed, and contains in Annex 1 the original change requests.

6.3. SEMWG Recommendations

The SEMWG is required under chapter 4.2.1 of the Internal Rules to issue a recommendation on the way forward with regard to each change request; the reasons underlying each recommendation are detailed in section 2. The final decision whether a change request will be incorporated into the SCT rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the SEMWG on the way forward. In case the contributors do not agree with the SEMWG recommendation, they are requested to indicate their preferred way forward.

6.4. Public Consultation on the Change Requests

The EPC encourages all SEPA stakeholders to provide feedback during the public consultation. PSP communities are asked to consult all their members who are involved in the SCT scheme to ensure that the views of the payment services constituency are considered in the public consultation process. The SEMWG encourages the PSP communities to consult as wide a range of stakeholders as possible, including participants, end users and service suppliers. All stakeholders should provide feedback to the EPC on the Change Request Public Consultation Document by **10 June 2018 at 17h00 CET at the latest**.

6.5. Next Steps

Considering the comments received during the public consultation, the SEMWG will produce a Change Proposal Submission Document to the EPC Scheme Management Board (SMB) for decision-making purposes in accordance with section 4.2.5 of the Internal Rules, and to the EPC Stakeholder Forums (see section 4.4 of the Internal Rules), i.e. the Scheme End-User Forum (SEUF) and the EPC Scheme Technical Forum (ESTF), for their respective positions on the SEMWG Change Proposals.



Approved change requests will be incorporated into the version 1.0 of the 2019 SCT rulebook and published in November 2018 with the intention that they become effective in November 2019.

6.6. Further Information

The above is a summary of the change management process. If you would like further information please refer to the Internal Rules or contact the EPC Secretariat.



7. CHANGE MANAGEMENT CYCLE IN RESPECT OF MINOR CHANGE REQUESTS

7.1. Publication of List of Minor Change Requests

The SEMWG has identified certain minor change requests which they consider necessary for the SCT rulebook.

The SEMWG is required under the Internal Rules to publish a list of minor change requests on the EPC website and to ensure that the list may be viewed by all stakeholders. This obligation shall be met by the publication of this Change Request Public Consultation Document, and in particular through the provision of section 4 noting certain change requests as 'minor'.

7.2. Comments on the Minor Change Requests

All stakeholders may submit comments on the list of minor change requests in this Change Request Public Consultation Document.

7.3. Submission of the List of Minor Change Requests to the SMB

The list of minor change requests shall be submitted to the SMB via the Change Proposal Submission Document in accordance with section 4.2.5 of the Internal Rules.



ANNEX 1 - ORIGINAL CHANGE REQUESTS

[X] Public – [] Internal Use – [] Confidential – [] Strictest Confidence

Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#01 - Rulebook clarification to the Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	14 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

17 November 2019 – effectiveness date of the 2019 EPC SEPA scheme rulebooks.

1.2 Description of the change request:

As of the version 1.0 of the 2017 rulebooks, the SCT and SDD scheme participants are obliged to accept at least but not exclusively Customer-to-Bank (C2B) SEPA payment message files based on the EPC's C2B Implementation Guidelines (IGs) defined for all four schemes.

Originators and Creditors still have the choice either to continue using their previously chosen C2B file set-up or to opt for the C2B file based on EPC specifications. On the other hand, the scheme participants must be technically capable of supporting the EPC C2B SEPA payment file specifications.

However, there are scheme participants in the role of Originator Bank or Creditor Bank that do not offer at all the service of accepting and processing ISO 20022 XML message-based electronic bulk files of SCT instructions/ SDD collections for their Originators and Creditors.

An example is consumer-only oriented SCT participants or SDD scheme participants handling small volumes of SDD collections. The concerned consumers and professionals enter the SCT instructions and SDD collections respectively directly in the online banking portals of these scheme participants. There are even scheme participants which only accept paper-based C2B SEPA payment instructions.

The SEMWG believes these EPC scheme participants should not be obliged to invest in tools to handle ISO 20022 XML message-based electronic C2B bulk payment files if none of their customers will ever use such method of transmitting SCT instructions/ SDD collections.

The following concrete changes are proposed in the SCT, SCT Inst, SDD Core and SDD B2B rulebooks:

A. 2017 SCT Rulebook Version 1.0

Section 0.5.1 SEPA Credit Transfer Scheme Implementation Guidelines

(...)

The SEPA Credit Transfer Scheme Implementation Guidelines are available as two complementary documents:

- the ~~mandatory~~ guidelines regarding the inter-bank messages (SEPA Credit Transfer Scheme Inter-bank Implementation Guidelines)
- the guidelines regarding the customer-to-bank messages (SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines) which each participant is obliged to support at the request of the Originator.

The SEPA Credit Transfer Scheme Inter-Bank Implementation Guidelines (reference [1]) and the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines (reference [12]) which set out the rules for implementing the credit transfer ISO 20022 XML standards, constitute **binding** supplements to the Rulebook.

Important specification to reference [12]: only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-



to-Bank Credit Transfer Instructions, the Originator Bank is obliged to accept at least but not exclusively Customer-to-Bank Credit Transfer Instructions which follow the specifications defined in [12] at the request of the Originator.

Section 4.5.1 DS-01 Customer to bank Credit Transfer Information

(...)

Rules applied:	<p><u>Only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank Credit Transfer Instructions.</u> (The Originator Bank is obliged to accept <u>at least but not exclusively</u> customer-to-bank Credit Transfer Instructions <u>which follow the specifications defined in the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines covered in Chapter 0.5</u> at the request of the Originator, which are based on the credit transfer ISO 20022 XML initiation message standards in the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines as defined in Chapter 0.5.</p> <p>Where any of the above attributes (except for AT-45, see rules applied in DS-02) are provided by the Originator within a payment instruction, they must be transported by the Originator Bank to the Beneficiary Bank in accordance with DS-02 subject to any overriding legal/regulatory requirements</p> <p>Information relating to an Originator Reference Party and/or Beneficiary Reference Party is included only for the purpose of assisting the Originator and/or Beneficiary in managing their payments and is not required by the Originator Bank and/or Beneficiary Bank for the purpose of the execution of the payment to which the information relates</p>
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Section 5.2 Compliance with the Rulebook

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- the SEPA Credit Transfer Scheme Inter-Bank Implementation Guidelines
- the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines when as Originator Bank it offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank Credit Transfer Instructions

B. 2017 SCT Inst rulebook version 1.0

Section 0.5.1 SEPA Instant Credit Transfer (SCT Inst) Scheme Implementation Guidelines

(...)

The SCT Inst Scheme Implementation Guidelines are available as two complementary documents:

- the ~~mandatory~~ guidelines regarding the Inter-Bank messages (SCT Inst Scheme Inter-Bank Implementation Guidelines (reference [1]))
- the guidelines regarding the Customer-to-Bank messages (SCT Inst Scheme Customer-to-Bank Implementation Guidelines (reference [10])) which each Participant is obliged to support at the request of the Originator.

The SCT Inst Scheme Inter-Bank Implementation Guidelines and the SCT Inst Scheme Customer-to-Bank Implementation Guidelines which set out the rules for implementing the credit transfer ISO 20022 XML standards, constitute **binding** supplements to the Rulebook.

Important specification to reference [10]: only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-



to-Bank SCT Inst Instructions, the Originator Bank is obliged to accept at least but not exclusively Customer-to-Bank SCT Inst Instructions which follow the specifications defined in [12] at the request of the Originator.

Section 4.5.1 DS-01 Customer to bank Credit Transfer Information

(...)

Rules applied	<p><u>Only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank SCT Inst Instructions, t</u>The Originator Bank is obliged to accept <u>at least but not exclusively</u> Customer-to-Bank SCT Inst Instruction messages <u>which follow the specifications defined in the SCT Inst Scheme Customer-to-Bank Implementation Guidelines covered in Chapter 0.5</u> at the request of the Originator. which are based on the credit transfer ISO 20022 XML initiation message standards in the SCT Inst Scheme Customer-to-Bank Implementation Guidelines as defined in Chapter 0.5.</p> <p>Where any of the above attributes (except for AT-45, see rules applied in DS-02) are provided by the Originator within a payment instruction, they must be transported by the Originator Bank to the Beneficiary Bank in accordance with DS-02 subject to any overriding legal/regulatory requirements.</p> <p>Information relating to an Originator Reference Party and/or Beneficiary Reference Party is included only for the purpose of assisting the Originator and/or Beneficiary in managing their payments and is not required by the Originator Bank and/or Beneficiary Bank for the purpose of the execution of the payment to which the information relates.</p>
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Section 5.2 Compliance with the Rulebook

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- SCT Inst Scheme Inter-Bank Implementation Guidelines
- SCT Inst Scheme Customer-to-Bank Implementation Guidelines when as Originator Bank it offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank SCT Inst Instructions

C. 2017 SDD Core Rulebook Version 1.0

Section 0.5.1 SEPA Direct Debit Scheme Implementation Guidelines

(...)

The SEPA Core Direct Debit Scheme Implementation Guidelines are available as two complementary documents:

- the ~~mandatory~~ guidelines regarding the inter-bank Collection messages (SEPA Core Direct Debit Scheme inter-bank Implementation Guidelines) and
- the guidelines regarding the Customer-to-Bank Collection messages (SEPA Core Direct Debit Scheme Customer-to-Bank Implementation Guidelines) which each participant is obliged to support at the request of the Creditor.

The SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines (reference [9]) and the SEPA Core Direct Debit Scheme Customer-to-Bank Implementation



Guidelines (reference [12]) which set out the rules for implementing the direct debit ISO 20022 XML Standards; constitute **binding** supplements to the Rulebook.

Important specification to reference [12]: only when the Creditor Bank offers to its Creditors the service of accepting and processing electronically bundled Customer-to-Bank Collections, the Creditor Bank is obliged to accept at least but not exclusively Customer-to-Bank Collections which follow the specifications defined in [12] at the request of the Creditor.

Section 4.7.4 DS-03 – Customer to Bank Collection

Description: The Creditor must supply the following attributes. Attributes known by the Creditor Bank may be filled in by the Creditor Bank. This is a matter between the Creditor and the Creditor Bank. Attributes are mandatory unless otherwise indicated.

Only when the Creditor Bank offers to its Creditors the service of accepting and processing electronically bundled Customer-to-Bank Collections, the Creditor Bank is obliged to accept at least but not exclusively Customer-to-Bank Collections messages which follow the specifications defined at the request of the Creditor which are based on the direct debit ISO 20022 XML initiation message standards in the SEPA Core Direct Debit Scheme Customer-to-Bank Implementation Guidelines covered in as defined in Chapter 0.5 at the request of the Creditor.

Section 5.2 Compliance with the Rulebook

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- the SEPA Core Direct Debit Scheme Inter-Bank Implementation Guidelines
- the SEPA Core Direct Debit Scheme Customer-to-Bank Implementation Guidelines when as Creditor Bank it offers to its Creditors the service of accepting and processing electronically bundled Customer-to-Bank Collections

D. SDD B2B Rulebook Version 7.1

Section 0.5.1 SEPA Business-to-Business Direct Debit Implementation Guidelines (...)

The SEPA Business-to-Business Direct Debit Scheme Implementation Guidelines are now available as two complementary documents:

- the ~~mandatory~~ guidelines regarding the inter-bank Collection messages (SEPA Business-to-Business Direct Debit Scheme Inter-bank Implementation Guidelines) and
- the guidelines regarding the Customer-to-Bank Collection messages (SEPA Business-to-Business Direct Debit Scheme Customer-to-Bank Implementation Guidelines) which each participant is obliged to support at the request of the Creditor.

The SEPA Business-to-Business Direct Debit Inter-bank Implementation Guidelines (reference [9]) and the SEPA Business-to-Business Direct Debit Scheme Customer-to-Bank Implementation Guidelines (reference [12]) which set out the rules for



implementing the direct debit ISO 20022 XML standards, constitute **binding** supplements to the Rulebook.

Important specification to reference [12]: only when the Creditor Bank offers to its Creditors the service of accepting and processing electronically bundled Customer-to-Bank Collections, the Creditor Bank is obliged to accept at least but not exclusively Customer-to-Bank Collections which follow the specifications in [12] at the request of the Creditor.

Section 4.7.4 DS-03 – The Business Customer to Bank Collection (□ e-Mandates)

Description: The Creditor must supply the following attributes. Attributes known by the Creditor Bank may be filled in by the Creditor Bank. This is a matter between the Creditor and the Creditor Bank. Attributes are mandatory unless otherwise indicated.

Only when the Creditor Bank offers to its Creditors the service of accepting and processing electronically bundled Customer-to-Bank Collections, the Creditor Bank is obliged to accept at least but not exclusively Customer-to-Bank Collections messages at the request of the Creditor which follow the specifications defined are based on the direct debit ISO 20022 XML initiation message standards in the SEPA Business-to-Business Direct Debit Scheme Customer-to-Bank Implementation Guidelines covered as defined in Chapter 0.5 at the request of the Creditor.

Section 5.2 Compliance with the Rulebook

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- the SEPA Business-to-Business Direct Debit Inter-Bank Implementation Guidelines
- the SEPA Business-to-Business Direct Debit Scheme Customer-to-Bank Implementation Guidelines when as Creditor Bank it offers to its Creditors the service of accepting and processing electronically bundled Customer-to-Bank Collections

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change clarifies which Originator Banks and Creditor Banks must comply with the mandatory C2B IGs of the respective EPC schemes.

2. Impact on the interbank space:

No impact.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact to the C2B messages themselves in the C2B IGs.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:



Yes. This change clarifies which Originator Banks and Creditor Banks now must comply with the C2B IGs of the respective EPC schemes.

5. The nature of the change request:

a. A change (deleting or replacing an existing Rulebook element by a new one)

Yes

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES, this change request provides clarity about which Originator Banks and Creditor Banks have to comply with the mandatory C2B IGs of the respective EPC schemes.
Is the change request underpinned by a cost-benefit analysis?	NO.
Does the change fit in the strategic objectives for SEPA?	YES. It supports the further harmonization whereby SDD Creditors and SCT Originators can submit their SEPA payment files based on just a single set of specifications which all Creditor Banks and Originator Banks in SEPA have to accept
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#02 – Changes to the Recall procedure
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.0 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.0
Request Date:	14 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

17 November 2019 – effectiveness date of the 2019 EPC SEPA scheme rulebooks.

1.2 Description of the change request:

The following issues have been reported with respect to the SCT Recall procedure:

- Sometimes Recalls appear not to be issued for one of the three permitted Recall reasons (technical error, duplication or fraud).
- Scheme participants are receiving Recall messages after the deadline defined in the SCT rulebook. To manage these events, scheme participants are obliged to use a manual exception handling.
- The Beneficiary Bank does not respond to the Recall from the Originator Bank within the deadline defined in the SCT rulebook because the Beneficiary Bank may have contacted the Beneficiary but did not receive a reply from the Beneficiary.
- The Beneficiary Bank sometimes does not reply with the appropriate positive message (pacs.004) but with a "ordinary" transfer message (pacs.008) which can cause reconciliation problems on the side of the Originator Bank

Where applicable, upper-mentioned issues may also occur for Recalls made under the SCT Inst scheme.

In addition, it is proposed to include the possibility for a Request for Status Update in the Recall process of both SCT rulebooks. The feature is already included in the 'Request for a Recall by the Originator' (RFRO) process of both SCT rulebooks. The 2017 version of the pacs.028 message used under the RFRO process can be re-used. It will be of further assistance to the Originator Bank to the benefit of the Originator in the exceptional case the Originator Bank has not received any response from the Beneficiary Bank after the Recall response deadline defined in both SCT rulebooks.

The following concrete changes are proposed in the SCT rulebook **and** the SCT Inst rulebook to resolve such issues and to harmonize as best as possible the Recall process description in both SCT rulebooks.

Note:

The 2018 change request #08 from the EPC proposes editorial changes among other in the structural presentation of the Recall description of the SCT rulebook. The purpose of item # 08 is to align the structure of the SCT Recall description with the one in the SCT Inst rulebook.

If the change request items # 03 and #08 are supported in the 2018 rulebook change management cycle, the current section numbering for the points A. and B. below will be adapted.

A. 2017 SCT rulebook version 1.1 - Section 4.4 Exception Processing Flow

(...)

A **Recall** occurs when the Originator Bank requests to cancel a **SEPA-Credit Transfer Transaction**. ~~The Recall procedure must be initiated by the Originator Bank within 10 Banking Business Days after execution date of the SCT subject to the Recall.~~ The Recall procedure can be initiated only by the Originator Bank, which may do it on behalf of the Originator's customer.



Before initiating the Recall procedure, the Originator Bank has to check if the Credit Transfer Transaction~~SCT(s)~~ is are subject to one of the ~~reasons listed below~~

~~A bank may initiate a Recall procedure for~~ following reasons only:

- Duplicate sending
- Technical problems resulting in erroneous Credit Transfer Transaction(s)~~SCT(s)~~
- Fraudulent originated Credit Transfer Instruction

The step by step process flow for a Recall (PR02) is given in Section 4.3.2.

The main characteristics of a Recall and the answer to a Recall (DS-05 and DS-06 in section 4.6) are:

- The Originator Bank must send out the Recall within the period of 10 Banking Business Days following the execution date of the initial Credit Transfer Transaction subject to the Recall.
- The ~~returned~~ amount sent back can differ from the Original Amount of the Credit Transfer Transaction~~Instruction~~. The Beneficiary Bank may decide to charge a fee to the Originator Bank.
- The Recall message is routed through the same path taken by the ~~initial/original~~ Credit Transfer Transaction~~credit transfer~~, with no alteration of the data contained in the ~~initial/original~~ Credit Transfer Transaction~~credit transfer~~.
- A record of the relevant data relating to the initial Credit Transfer Transaction~~credit transfer~~, sufficient to provide an audit trail, is included.
- Recall messages contain a reason code (attribute AT-48, see below).
- If initiated before settlement, the Recall will lead to a cancellation, according to the CSM's own procedures agreed with its participants. If initiated after settlement, the Recall will be forwarded by the CSM.

~~The step by step process flow for a Recall (PR02) is given in Section 4.3.2 and stipulates that~~

- The Beneficiary Bank ~~must has to~~ provide the Originator Bank with an answer to a Recall within 10 Banking Business Days following the receipt of the SCT Recall request from the Originator Bank.
The Beneficiary Bank is in breach with the Rulebook if it has not responded to the Recall by the Originator Bank within this period of 10 Banking Business Days. If the Beneficiary Bank has received no response from the Beneficiary to this Recall within these 10 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason "No response from the Beneficiary" to the Originator Bank.
- In case the Beneficiary Bank can report a positive answer to a Recall, the Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the amount through a separate Credit Transfer Transaction message.

It is the decision of the Beneficiary Bank if it wants to charge a ~~return~~ fee to the Originator Bank. This practice is only allowed for a **positive** response to a Recall. For this purpose, a field is dedicated in the ~~answer~~return message. This practice is limited to ~~the Rrecalls procedure~~ only and has under no circumstances effect on the normal Rreturn procedure as defined in the SCT Rulebook. ~~It is purely limited and restricted for recalls only.~~



B. 2017 SCT rulebook version 1.1 - Section 4.3.2 Recall Processing Flow (PRO2)

(...)

CT-02.00 & CT-02.01 The Originator Bank realizes the need to recall an Credit Transfer TransactionSCTs.

It may also receive a request from the Originator (see CT-02.00).

Before initiating the Recall procedure, the Originator Bank must check if the initial Credit Transfer TransactionSCT(s) subject to the Recall:

- ~~H~~had an execution date ~~towards the CSM~~ of less than or equal to 10 Banking Business Days before the ~~R~~recall.
- ~~H~~ads ~~(have)~~ really been wrongly executed for one of the reasons listed below:
 - Duplicate sending
 - Technical problems resulting in erroneous Credit Transfer Transaction SCT(s)
 - Fraudulent originated Credit Transfer Instruction

The path used for initiating the Recall should be identical to the one used for the initial Credit Transfer TransactionSCT subject to the Recall.

The Originator Bank must send out the Recall within the period of 10 Banking Business Days following the execution date of the initial Credit Transfer Transaction.

CT-02.01R The Originator Bank can reject the request of the Originator to make a Recall when it judges that the initial Credit Transfer TransactionSCT is not the subject of one of the foregoing reasons or if this request was submitted more than 10 Banking Business Days after the execution date of the initial SCT Transactions.

CT-02.02 The CSM will check if the Credit Transfer TransactionSCT is already executed, if not it should handle the Recall before execution according to its own procedures agreed with its participants. If the Credit Transfer TransactionSCT is already executed the CSM will transfer the Recall to the Beneficiary Bank.

CT-02.03 The Beneficiary Bank must always handle the Recall ~~upon receipt of such request~~ and must provide ~~either~~ a positive or negative answer within 10 Banking Business Days following the receipt of the Recall from the Originator Bank.

If the Credit Transfer TransactionSCT was already credited to the Beneficiary's account, there are sufficient funds on the account and the funds are not yet ~~transferred back~~returned, the Beneficiary Bank may, depending on the legislation in its country and/or contractual agreement with the Beneficiary:

- Generate immediate positive answer by debiting the account
- Decide it is necessary to ask the Beneficiary for debit authorisation
- Be obliged to get the Beneficiary's authorization to debit its account

CT-02.03A If needed: the Beneficiary is asked for his authorization to let the Beneficiary Bank debit its payment account for a Recall.



CT-02.03R The Beneficiary Bank will generate a negative answer to the Originator Bank and give reason for it if:

- ~~T~~here are insufficient funds on the account
- ~~T~~he account is closed
- ~~T~~here is a legal reason: to be explained in a clear text
- Beneficiary's refusal
- ~~N~~o response from the Beneficiary
- ~~Initial Credit Transfer Transaction Original Credit Transfer~~ never received
- ~~The Funds of the initial Credit Transfer Transaction already transferred back~~ready returned transaction

~~**CT-02.04** If needed the Beneficiary is asked for his authorization for a Recall.~~

CT-02.045 The Beneficiary Bank generates a positive answer to the Recall. The Beneficiary Bank ~~by~~ debits~~ing~~ the account of the Beneficiary (if needed, the Beneficiary Bank waits until it has received the authorisation from the Beneficiary for debiting his account).

CT-02.056 The CSM receives the positive answer to the Recall from the Beneficiary Bank and settles this with the Originator Bank.

CT-02.067 The Originator Bank credits the account of the Originator with the amount of the positive answer to the Recall.

CT-02.07 (NEW) In the exceptional case of no response from the Beneficiary Bank within the deadline of 10 Banking Business Days following the receipt of the Recall from the Originator Bank, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

~~**CT-02.08** The Beneficiary Bank receives a negative answer or no answer from the Beneficiary to process the Recall and generates therefore a negative answer message.~~

~~**CT-02.08R** The Beneficiary Bank received no debit authorisation or no answer at all from the Beneficiary and generates therefore a negative answer message in which it gives the reason for refusal.~~

C. 2017 SCT rulebook version 1.1 – Section 4.6.5 DS-05 Recall of Credit Transfer Dataset

Identification:	DS-05
Name:	The Recall of a Credit Transfer Dataset
Description:	This dataset contains the messages for description of the minimum information that an Originator Bank needs to make available to the Beneficiary Bank
Attributes contained:	<u>Request for</u> Recall of Credit Transfer: <ul style="list-style-type: none"> • An exact copy of the original Interbank Payment dataset (DS-02) which is being recalled.



Identification:	DS-05
Name:	The Recall of a Credit Transfer Dataset
	<ul style="list-style-type: none">• 04 The amount of the SEPA Credit Transfer in euro• 48 The Recall reason code• R2 Identification of the type of party initiating the "R" message• R7 The specific reference of the Bank initiating the Recall• 49 Additional Information to AT-48 The Recall reason code
Remarks:	<p>Except for AT-49, these attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in Chapter.</p> <p><u>In case the Request for Status Update is used, a clear reference to the original Recall of the Credit Transfer needs to be provided besides the copy of DS-02.</u></p>

D. 2017 SCT rulebook version 1.1 – Section 4.7.1 Attribute Details

Identification:	AT-48
Name:	The Recall reason code
Description:	This code explains the reason for the Recall for a <u>SEPA Credit Transfer Collection</u> . It is defined by the Originator Bank who initiates the Recall. It can be used by the Beneficiary Bank to inform the Beneficiary about the reason for debit of the account of the Beneficiary.
Value range:	Codes are: <ul style="list-style-type: none">• Duplicate sending• Technical problems resulting in erroneous SCTs• <u>Fraudulent originated credit transfer</u>• <u>Request for Status Update</u>



E. 2017 SCT Inst rulebook version 1.1 – Section 4.3.2.2 SCT Inst Recall processing

An **SCT Inst Recall** occurs when the Originator Bank requests to cancel an SCT Inst Transaction. The Recall procedure can be initiated only by the Originator Bank which may do it on behalf of the Originator.

Before initiating the Recall procedure, the Originator Bank has to check if the SCT Inst Transaction is subject to one of the following reasons only:

- Duplicate sending
- Technical problems resulting in erroneous SCT Inst Transaction(s)
- Fraudulent originated SCT Inst Instruction

The step-by-step process flow for a SCT Inst Recall (PR-02) is given below. ~~The Beneficiary Bank has to provide the Originator Bank with an answer to the SCT Inst Recall within 10 Banking Business Days following the SCT Inst Recall from the Originator Bank.~~

The main characteristics of a SCT Inst Recall and the answer to a SCT Inst Recall (DS-05 and DS-06 in section 4.5) are:

- The Originator Bank has to send out the SCT Inst Recall within 10 Banking Business Days after the execution date of the initial SCT Inst Transaction.
- ~~The amount sent back can differ from the Original Amount~~initial amount of the SCT Inst Transaction. ~~If the Beneficiary Bank may decides~~ to charge a fee to the Originator Bank.
- ~~The SCT Inst Recall message is routed through the same path taken by intermediaries used for~~ the initial SCT Inst Transaction, with no alteration of the data contained in the initial SCT Inst Transaction.
- ~~A~~ record of the relevant data relating to the initial SCT Inst Transaction, sufficient to provide an audit trail, is included.
- Recall messages contain a reason code (attribute AT-48).
- ~~The Originator Bank has to send out the SCT Inst Recall within 10 Banking Business Days after the execution date of the initial SCT Inst Transaction~~
- The Beneficiary Bank must provide the Originator Bank with an answer to ~~the~~ SCT Inst Recall within 10 Banking Business Days following the receipt of the SCT Inst Recall from the Originator Bank.
The Beneficiary Bank is in breach with the Rulebook if it has not responded to the SCT Inst Recall by the Originator Bank within this period of 10 Banking Business Days. If the Beneficiary Bank has received no response from the Beneficiary to this SCT Inst Recall within these 10 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason "No response from the Beneficiary" to the Originator Bank.
- In case the Beneficiary Bank can report a positive answer to a SCT Inst Recall, the Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the amount through a separate SCT Inst Transaction message.
- Each party in the Interbank Space receiving the SCT Inst Recall from the Originator Bank or receiving the answer to the SCT Inst Recall from the Beneficiary Bank, has to send the concerned SCT Inst Recall and the answer to the SCT Inst Recall **Immediately** to the following party in the Interbank Space, the Beneficiary Bank or the Originator Bank.



It is the decision of the Beneficiary Bank if it wants to charge a ~~return~~-fee to the Originator Bank. This practice is only allowed for a **positive** response to a SCT Inst Recall. For this purpose, a field is dedicated in the answer message. ~~This practice is purely limited to Recalls only.~~

(...)

CT-02.01 The Originator Bank realises the need to recall an SCT Inst Transaction. It may also receive a Recall request from the Originator (see CT-02.00).

Before initiating the Recall procedure, the Originator Bank must check if the initial SCT Inst Transaction:

- Had an execution date of less than or equal to 10 Banking Business Days before the Recall.
- Had been wrongly executed for one of the reasons listed below:
 - Duplicate sending
 - Technical problems resulting in an erroneous SCT Inst Transaction
 - Fraudulent originated SCT Inst Instruction

The path used for initiating the Recall should be identical to the one used through the same parties in the Interbank Space used for the initial SCT Inst Transaction.

The Originator Bank has to send out the SCT Inst Recall within the period of 10 Banking Business Days following the execution date of the SCT Inst Transaction.

CT-02.01R The Originator Bank can reject the request of the Originator to make a Recall when it judges that the initial SCT Inst Transaction is not the subject of one of the foregoing reasons or if this request was submitted more than 10 Banking Business Days after the execution date of the initial SCT Inst Transaction. -

CT-02.02 The parties in the Interbank Space transmit Instantly the SCT Inst Recall to the Beneficiary Bank



CT-02.03 The Beneficiary Bank must always handle the SCT Inst Recall and must provide a positive or negative answer within 10 Banking Business Days following the receipt of the SCT Inst Recall from the Originator Bank.

If there are sufficient Funds on the Payment Account and the Funds are not yet transferred back by the Beneficiary, the Beneficiary Bank may, depending on the legislation in its country and/or contractual agreement with the Beneficiary:

- Generate an immediate positive answer by debiting the Payment Account
- Decide whether it is necessary to ask the Beneficiary for debit authorisation
- Be obliged to get the Beneficiary's authorization to debit its Payment Account

CT-02.03A If needed: the Beneficiary is asked for his authorization to let the Beneficiary Bank debit its Payment Account for a SCT Inst Recall

CT-02.03R The Beneficiary Bank will generate a negative answer to the Originator Bank and give reason for it if:

- ~~T~~here are insufficient Funds on the Payment Account
- ~~T~~he Payment Account is closed
- ~~T~~here is a legal reason: to be explained in a clear text
- Beneficiary's refusal
- ~~N~~o response from the Beneficiary within the 10 Banking Business Days following the receipt of the SCT Inst Recall from the Originator Bank
- ~~I~~nitial SCT Inst Transaction never received
- ~~T~~he Funds of the initial SCT Inst Transaction already transferred back

The parties in the Interbank Space transmit Instantly the negative answer to the SCT Inst Recall to the Originator Bank.

CT-02-04 The Beneficiary Bank generates a positive answer to the Recall request. The Beneficiary Bank ~~by debiting~~ the Payment Account of the Beneficiary (if needed, after the Beneficiary Bank has received authorisation from the Beneficiary to debit his Payment Account).

CT-02.05 The parties in the Interbank Space transmit Instantly the positive answer to the SCT Inst Recall.

The CSM of the Originator Bank in the Interbank Space transmits the positive answer to the Recall from the Beneficiary Bank.

The CSMs of the Beneficiary Bank and of the Originator Bank make the necessary arrangements to establish a settlement position between the two Banks.

CT-02.06 The Originator Bank credits the Payment Account of the Originator with the amount of the positive answer to the Recall.



CT-02.07 (NEW) In the exceptional case of no response from the Beneficiary Bank within the deadline of 10 Banking Business Days following the receipt of the SCT Inst Recall from the Originator Bank, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

F. 2017 SCT Inst rulebook version 1.1 – Section 4.5.5 DS-05 Recall of an SCT Inst Dataset

Identification	DS-05
Name	The Recall of an SCT Inst dataset
Description	This dataset contains the messages for description of the minimum information that an Originator Bank needs to make available to the Beneficiary Bank
Attributes contained	<u>Request for Recall of an SCT Inst:</u> <ul style="list-style-type: none">• An exact copy of the original Interbank payment dataset (DS-02) which is being recalled.• 04 The amount of the SCT Inst in euro• 48 The Recall reason code• R2 Identification of the type of party initiating the “R” message• R6 The specific reference of the bank initiating the Recall• 49 Additional Information to AT-48 The Recall reason code
Remarks	Except for AT-49, these attributes reflect business requirements and do not prescribe fields in the SCT Inst Scheme Interbank Implementation Guidelines as defined in Chapter Error! Reference source not found.. <u>In case the Request for Status Update is used, a clear reference to the original Recall of the SCT Inst needs to be provided besides the copy of DS-02.</u>

G. 2017 SCT Inst rulebook version 1.1 – Section 4.6 Business Requirements for Attributes

Identification:	AT-48
Name:	The Recall reason code
Description:	This code explains the reason for the Recall for a <u>SCT Inst TransactionCollection</u> . It is defined by the Originator Bank who initiates the <u>SCT Inst</u> Recall. It can be used by the Beneficiary Bank to inform the Beneficiary about the reason for debit of the Payment Account of the Beneficiary.
Value range:	Codes are: <ul style="list-style-type: none">• Duplicate sending• Technical problems resulting in an erroneous SCT Inst



- | | |
|--|--|
| | <ul style="list-style-type: none">• <u>Fraudulent originated SCT Inst</u>• <u>Request for Status Update</u> |
|--|--|

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change further specifies the rules and deadlines that the SCT and SCT Inst scheme participants have to respect with regards to Recalls.

2. Impact on the interbank space:

Yes. Firmer specifications are given to SCT and SCT Inst scheme participants what they need to do and within a certain timespan when handling Recalls.

Implementation of the 2017 version of the pacs.028 message to support the possibility for a 'Request for Status Update' in the Recall process of both SCT rulebooks. This message is already selected for the 'Request for a Recall by the Originator' process in both SCT rulebooks going live in November 2018.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Implementation of the 2017 version of the pacs.028 message.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)

Yes

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES, this change request emphasizes that Beneficiary Banks have to give a formal answer to a (SCT Inst) Recall within a well-defined period of time.
Is the change request underpinned by a cost-benefit analysis?	NO.
Does the change fit in the strategic objectives for SEPA?	YES. It sets clearly outspoken rules and deadlines for all SCT and SCT Inst scheme participants by when Recalls need to be concluded. Non-compliance of these rules and deadlines are a breach against the SCT rulebooks.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#03 – Changes to the 'Request for Recall by the Originator' procedure
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.0 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.0
Request Date:	14 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

17 November 2019 – effectiveness date of the 2019 EPC SEPA scheme rulebooks.

1.2 Description of the change request:

In analogy with the change request item # 02 (review of the Recall procedure in both SCT rulebooks), a review of the 'Request for Recall by the Originator' (RFRO) procedure has been done on following grounds:

- The Beneficiary Bank does not respond to the RFRO request from the Originator Bank within the deadline defined in the SCT rulebooks because the Beneficiary Bank may have contacted the Beneficiary but did not receive a reply from the Beneficiary.
- The Beneficiary Bank may not reply with the appropriate positive message (pacs.004) but with a "ordinary" transfer message (pacs.008) which can cause reconciliation problems on the side of the Originator Bank

Another change is to adapt the 'Remarks' section of the DS-07 'Request for Recall by the Originator Dataset' (SCT rulebook) and the DS-08 'Request for Recall by the Originator Dataset' (SCT Inst rulebook). The interbank Implementation Guidelines (IGs) specify the usage of a 'FI to FI Payment Status Request' message (pacs.028) to request for a status update for a RFRO.

There are no data elements in the pacs.028 that can accommodate attributes AT-50 (AT-52 for SCT Inst) 'Reason code for the Request for Recall by the Originator' and AT-52 (AT-54 for SCT Inst) 'Additional Information to AT-50 Reason code for the Request for Recall by the Originator'.

Pacs.028 however makes a reference to the Request for Recall by the Originator (camt.056) and includes AT-51 (AT-53 for SCT Inst) 'The specific reference of the Originator Bank for the Request for Recall by the Originator'.

The final proposal is to extend the list of reasons for non-acceptance of the Request for Recall by the Originator compared to the list of reasons possible under the standard Recall procedure.

The EPC proposes the following concrete changes in the SCT rulebook **and** the SCT Inst rulebook to a) resolve such issues and b) to harmonize as best as possible the RFRO process description in both SCT rulebooks.



A. **2017 SCT rulebook version 1.1 - Section 4.4 Exception Processing Flow**

(...)

A **Request for Recall by the Originator** can be initiated by the Originator Bank after an Originator has requested the Originator Bank to reverse a settled Credit Transfer Transaction for a reason other than duplicate sending, technical problems resulting in erroneous Credit Transfer Transaction(s) and a fraudulently originated Credit Transfer Instruction.

The Originator Bank is obliged to inform the Originator that such Request for Recall does not guarantee that the Originator will effectively receive back the Funds of the initial Credit Transfer Transaction. It will depend on the consent of the Beneficiary whether to turn back the Funds to the Originator.

The main characteristics of a Request for Recall by the Originator (DS-07) are:

- The message for a Request for Recall by the Originator is routed through the same path which was used for the initial Credit Transfer Transaction.
- A record of the relevant data relating to the initial Credit Transfer Transaction message, sufficient to provide an audit trail, is included with no alteration of the data contained in the initial Credit Transfer Transaction.
- The message contains a reason code (attribute AT-50, see section 4.7) highlighting the reason for the Request for Recall by the Originator.
- The Beneficiary Bank must send its answer to a Request for Recall by the Originator within 10 Banking Business Days following the receipt of the Request for Recall by the Originator from the Originator Bank.

Process steps for a Request for Recall by the Originator

Step 1 The Originator Bank receives the Request for Recall by the Originator. Before initiating the procedure for a Request for Recall by the Originator, the Originator Bank must check if

- The Originator has provided a ~~comprehensible~~ reason for this request as this reason will be submitted to the Beneficiary for its consideration.
- The debit date of the original Credit Transfer Transaction forming the subject of the Request for Recall by the Originator falls within the period of 13 months preceding the date at which the Request for Recall by the Originator has been received by the Originator Bank.

If these conditions are not met, the Originator Bank is allowed to reject the Request for Recall by the Originator.

The Originator Bank communicates to the Originator that the Request for Recall by the Originator is no guarantee that the Originator will effectively get back the Funds of the initial Credit Transfer Transaction.

The path used for initiating the Request for Recall by the Originator must have to be identical to the one used for the initial Credit Transfer Transaction.

Step 2 The CSM routes the Request for Recall by the Originator to the Beneficiary Bank.

Step 3 ~~The Beneficiary Bank must always handle the Request for Recall by the Originator and provide either a positive or negative answer to the Originator Bank within 10 Banking Business Days after the receipt of the Request for Recall by the Originator.~~
The Beneficiary Bank will present the Request for Recall by the Originator with the reason to the Beneficiary for its consideration.



~~The non response to a Request for Recall by the Originator will be considered as a breach against the Rulebook.~~

The Beneficiary Bank is in breach with the Rulebook if it has not responded to the Request for Recall by the Originator within this period of 10 Banking Business Days. If the Beneficiary Bank has received no response from the Beneficiary to this Request for Recall by the Originator within these 10 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason “No response from the Beneficiary” to the Originator Bank.

Step 4A Upon receipt of a positive response from the Beneficiary (DS-08 in section 4.6): the Beneficiary Bank debits the account of the Beneficiary and transfers the funds back via the CSM to the Originator Bank. If needed, the Beneficiary Bank waits until it has received the authorisation from the Beneficiary for debiting his account. The Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the Funds through a separate Credit Transfer Transaction message.

It is the decision of the Beneficiary Bank if it wants to charge a ~~return~~ fee to the Originator Bank. This practice is only allowed for a **positive** response to a Request for Recall by the Originator. For this purpose, a field is dedicated in the response message DS-08.

Step 4B Upon receipt of a negative response from the Beneficiary (DS-08): the Beneficiary Bank will route the Beneficiary’s refusal via the CSM back to the Originator Bank. The Originator Bank communicates the refusal to the Request for Recall by the Originator to the Originator.

The communicated decision by the Beneficiary on the concerned initial Credit Transfer Transaction finalises the fate of the initial Credit Transfer Transaction from the perspective of both the Originator Bank and the Beneficiary Bank.

Step 4C In an exceptional case of no response from the Beneficiary Bank after 10 Banking Business Days after the receipt of the Request for Recall by the Originator, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

Step 5 The Originator Bank credits the account of the Originator with the amount reported in the positive response message.



B. 2017 SCT rulebook version 1.1 - Section 4.6.7 Request for Recall by the Originator Dataset

Identification:	DS-07
Name:	Request for Recall by the Originator dataset
Description:	This dataset contains the attributes describing the minimum information that the Originator Bank needs to make available in a Request for Recall by the Originator
Attributes contained:	<ul style="list-style-type: none">• 50 Reason code for the Request for Recall by the Originator• 51 The specific reference of the Originator Bank for the Request for Recall by the Originator• 52 Additional Information to AT-50 Reason code for the Request for Recall by the Originator• An exact copy of the original Interbank Payment dataset (DS-02) which the Request for Recall by the Originator relates to
Remarks:	<p>These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in Chapter 0.5.</p> <p>In case the reason code 'Request for Status Update' is used, an exact copy of a clear reference to the original Request for Recall by the Originator needs to be provided instead of besides the copy of DS-02.</p>

C. 2017 SCT rulebook version 1.1 - Section 4.7 Business requirements for Attributes

Identification:	AT-55
Name:	Reason code for non-acceptance of the Request for Recall by the Originator
Description:	The codes define the reason for non-acceptance of the Request for Recall by the Originator
Value range	<p>Codes are:</p> <ul style="list-style-type: none">• <u>Beneficiary's refusal</u>• <u>Legal reasons</u>• <u>Account closed</u>• Insufficient funds on the account• <u>No response from Beneficiary</u>• <u>Initial SCT Transaction never received</u>• Already recalled <u>returned</u> transaction



D. 2017 SCT Inst rulebook version 1.1 – Section 4.3.2.3 Request for Recall by the Originator

A **Request for Recall by the Originator** can be initiated by the Originator Bank after an Originator has requested the Originator Bank to get the reimbursement of a settled SCT Inst Transaction for a reason **other than** duplicate sending, technical problems resulting in erroneous SCT Inst Transactions or a fraudulently originated SCT Inst Instruction (see section 4.3.2.2).

The Originator Bank is obliged to inform the Originator that such Request for Recall does not guarantee that the Originator will effectively receive back the **Funds** of the initial SCT Inst Transaction. It will depend on the consent of the Beneficiary whether to turn back the Funds to the Originator.

The main characteristics of a Request for Recall by the Originator (see DS-08 in section 4.5) are:

- The message for a Request for Recall by the Originator is routed through the same path which was used for the initial SCT Inst Transaction.
- A record of the relevant data relating to the initial SCT Inst Transaction message, sufficient to provide an audit trail, is included with no alteration of the data contained in the initial SCT Inst Transaction.
- The message contains a reason code (attribute AT-52, see section 4.6-θ) highlighting the reason for the Request for Recall by the Originator.
- The Originator Bank has the choice to send out the Request for Recall by the Originator either Instantly or not.
- The Beneficiary Bank ~~has to~~must send ~~out its~~the answer to a Request for Recall by the Originator within 10 Banking Business Days following the receipt of the Request for Recall by the Originator from the Originator Bank.
- Each party in the Interbank Space receiving the Request for Recall by the Originator from the Originator Bank or receiving the answer to the Request for Recall by the Originator from the Beneficiary Bank, ~~has to~~must send the concerned Request for Recall by the Originator and the answer to the Request for Recall by the Originator **Immediately** to the following party in the Interbank Space, the Beneficiary Bank and the Originator Bank.



Process steps for a Request for Recall by the Originator

Step 1 The Originator Bank receives the Request for Recall by the Originator. Before initiating the procedure for a Request for Recall by the Originator, the Originator Bank must check if

- ~~The~~ Originator has provided a ~~comprehensible~~ reason for this request as this reason will be submitted to the Beneficiary for its consideration.
- ~~The~~ debit date of the original SCT Inst Transaction forming the subject of the Request for Recall by the Originator falls within the period of 13 months preceding the date at which the Request for Recall by the Originator has been received by the Originator Bank.

If these conditions are not met, the Originator Bank is allowed to reject the Request for Recall by the Originator.

The Originator Bank communicates to the Originator that the Request for Recall by the Originator is no guarantee that the Originator will effectively get back the ~~F~~unds of the initial SCT Inst Transaction.

The path used for initiating the Request for Recall by the Originator ~~has to~~must be identical to the one used for the initial SCT Inst Transaction.

Step 2 The parties in the Interbank Space transmit Instantly the Request for Recall by the Originator to the Beneficiary Bank.

Step 3 ~~The Beneficiary Bank must always handle the Request for Recall by the Originator and must provide either a positive or negative answer to the Originator Bank within 10 Banking Business Days after the receipt of the Request for Recall by the Originator.~~ The Beneficiary Bank will present the Request for Recall by the Originator with the reason to the Beneficiary for its consideration.

~~The non-response to a Request for Recall by the Originator will be considered as a breach of the Rulebook.~~

The Beneficiary Bank is in breach with the Rulebook if it has not responded to the Request for Recall by the Originator within this period of 10 Banking Business Days. If the Beneficiary Bank has received no response from the Beneficiary to this Request for Recall by the Originator within these 10 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason "No response from the Beneficiary" to the Originator Bank.

Step 4A Upon receipt of a positive response from the Beneficiary (see DS-09 in section 4.5): the Beneficiary Bank debits the Payment Account of the Beneficiary and transfers the Funds back via the parties in the Interbank Space. If needed, the Beneficiary Bank waits until it has received authorisation from the Beneficiary to debit his Payment Account. The Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the Funds through a separate SCT Inst Transaction message.

It is the decision of the Beneficiary Bank if it wants to charge a ~~return~~ fee to the Originator Bank. This practice is only allowed for a **positive** response to a Request for Recall by the Originator. For this purpose, a field is dedicated in the response message DS-09.



Step 4B Upon receipt of a negative response from the Beneficiary (DS-09): the Beneficiary Bank will route the Beneficiary's refusal via the parties in the Interbank Space back to the Originator Bank. The Originator Bank communicates the refusal to the Request for Recall by the Originator to the Originator.

The communicated decision by the Beneficiary on the concerned initial SCT Inst Transaction finalises the fate of the initial SCT Inst Transaction from the perspective of both the Originator Bank and the Beneficiary Bank.

Step 4C In an exceptional case of no response from the Beneficiary Bank after 10 Banking Business Days after the receipt of the Request for Recall by the Originator, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

Step 5 The Originator Bank credits the Payment Account of the Originator with the amount reported in the positive response message.

E. 2017 SCT Inst rulebook version 1.1 – Section 4.5.8 DS-08 Request for Recall by the Originator Dataset

Identification	DS-08
Name	Request for Recall by the Originator dataset
Description	This dataset contains the attributes describing the minimum information that the Originator Bank needs to make available in a Request for Recall by the Originator
Attributes contained	<ul style="list-style-type: none">• 52 Reason code for the Request for Recall by the Originator• 53 The specific reference of the Originator Bank for the Request for Recall by the Originator• 54 Additional Information to AT-52 Reason code for the Request for Recall by the Originator• An exact copy of the original Interbank payment dataset (DS-02) which the Request for Recall by the Originator relates to
Remarks	<p>These attributes reflect business requirements and do not prescribe fields in the SCT Inst Scheme Interbank Implementation Guidelines as defined in Chapter 0.5.</p> <p>In case the reason code 'Request for Status Update' is used, an exact copy of a clear reference to the original Request for Recall by the Originator needs to be provided besides instead of the copy of DS-02.</p>



F. 2017 SCT Inst rulebook version 1.1 – Section 4.6 Business Requirements for Attributes

Identification:	AT-57
Name:	Reason code for non-acceptance of the Request for Recall by the Originator
Description:	The codes define the reason for non-acceptance of the Request for Recall by the Originator
Value range	Codes are: <ul style="list-style-type: none">• <u>Beneficiary's refusal</u>• <u>Legal reasons</u>• <u>Account closed</u>• Insufficient funds on the account• <u>No response from Beneficiary</u>• <u>Initial SCT Transaction never received</u>• Already returnedcalled transaction

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change further specifies the rules and deadlines that the SCT and SCT Inst scheme participants must respect with regards to Request for Recall by the Originator.

2. Impact on the interbank space:

Yes. Firmer specifications are given to SCT and SCT Inst scheme participants what they need to do and within a certain timespan when handling Recalls.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes. Changes in the range of reasons for some specific attributes in the response message to the RFRO in the interbank IGs.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)

Yes

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES, this change request emphasizes that Beneficiary Banks have to give a formal answer to a (SCT Inst) Request for Recall by the Originator within a well-defined period of time.
Is the change request underpinned by a cost-benefit analysis?	NO.
Does the change fit in the strategic objectives for SEPA?	YES. It sets clearly outspoken rules and deadlines for all SCT and SCT Inst scheme participants by when Requests for Recall by the Originator need to be concluded. Non-compliance of these rules and deadlines are a breach against the SCT rulebooks.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#07 – Extra reasons for the response to a SCT Inquiry
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	14 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

17 November 2019 – effectiveness date of the 2019 EPC SEPA scheme rulebooks.

1.2 Description of the change request:

The response-to-SCT Inquiry dataset in section 4.6.10 describes among others the attributes for the response to the inquiry “Claim of Non-Receipt”. The dataset lists the attributes 42 (settlement date of the credit transfer) and 83 (non-receipt of the credit transfer) as possible responses.

However, it can happen that the Beneficiary Bank is not allowed to credit the Beneficiary due to a regulatory reason. Another scenario could be that the Beneficiary Bank has already sent a Reject or Return for this SCT Transaction. The concerned dataset or the attribute AT-83 does not yet foresee the transmission of such reasons back to the Originator Bank.

The change request is to adapt the name and the description of the attribute AT-83 as follows:

Identification:	AT-83
Name:	Non-receipt of the credit transfer <u>/ non-execution due to regulatory reason</u>
Description:	In response to the “Claim of Non-Receipt” SCT inquiry from the Originator Bank, the Beneficiary Bank reports that <ul style="list-style-type: none">• <u>it has not received the original credit transfer <u>or</u></u>• <u>it could not credit the account of the Beneficiary due to regulatory reasons (if the Beneficiary Bank is allowed to communicate such reason under the applicable legislation).</u>• <u>The Beneficiary Bank has already sent a Reject or Return for this SCT Transaction</u>

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. Extend the use of a specific rulebook attribute for more than one reason to respond negatively to a “Claim of Non-Receipt” inquiry.

2. Impact on the interbank space:

Yes. See point 1 above.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The message field used for attribute AT-83 will contain three reason codes: one for non-receipt and a second one for non-execution due to regulatory reasons.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No.



5. The nature of the change request:

a. A change (deleting or replacing an existing Rulebook element by a new one)

Yes.

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element) No.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	Yes. It concerns the re-use of a specific rulebook attribute for more than one reason to respond negatively to a "Claim of Non-Receipt" inquiry.
Is the change request underpinned by a cost-benefit analysis?	No. The change concerns only the provision of an additional reason code to an existing rulebook attribute for such negative response.
Does the change fit in the strategic objectives for SEPA?	Yes. The Beneficiary Bank will be in the position to provide an additional and concrete reason about the non-execution of a SCT transaction following an inquiry message from the Originator Bank.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes. The change concerns only the provision of an additional reason code to an existing rulebook attribute.
Do you consider that the change request does not impede SEPA-wide interoperability?	Yes.
Do you consider that the change request is in the scope of the scheme involved?	Yes. The SCT inquiry procedure is a new feature of the SCT rulebook. Any improvement contributes to the added-value of this procedure.

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#08 – Editorial restructuring of the rulebook sections on SCT rulebook processing flows
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	14 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

17 November 2019 – effectiveness date of the 2019 EPC SEPA scheme rulebooks.

1.2 Description of the change request:

With the publication of the SCT Inst rulebook in November 2016, the EPC tries to harmonise its two SCT rulebooks as much as possible.

To this end, the EPC proposes to restructure the sections 4.3 and 4.4 of the SCT rulebook in line with the set-up of these two sections under the SCT Inst rulebook.

The aim of this restructuring is to allow a better comparison of the processing flows between the two credit transfer-based EPC rulebooks. This specific change request does **not** contain any content changes.



4.3 SEPA Credit Transfer Processing Flow

4.3.1 SEPA Credit Transfer Processing Flow ~~(PR-01)~~

The following diagram identifies a number of process steps, which are described below.

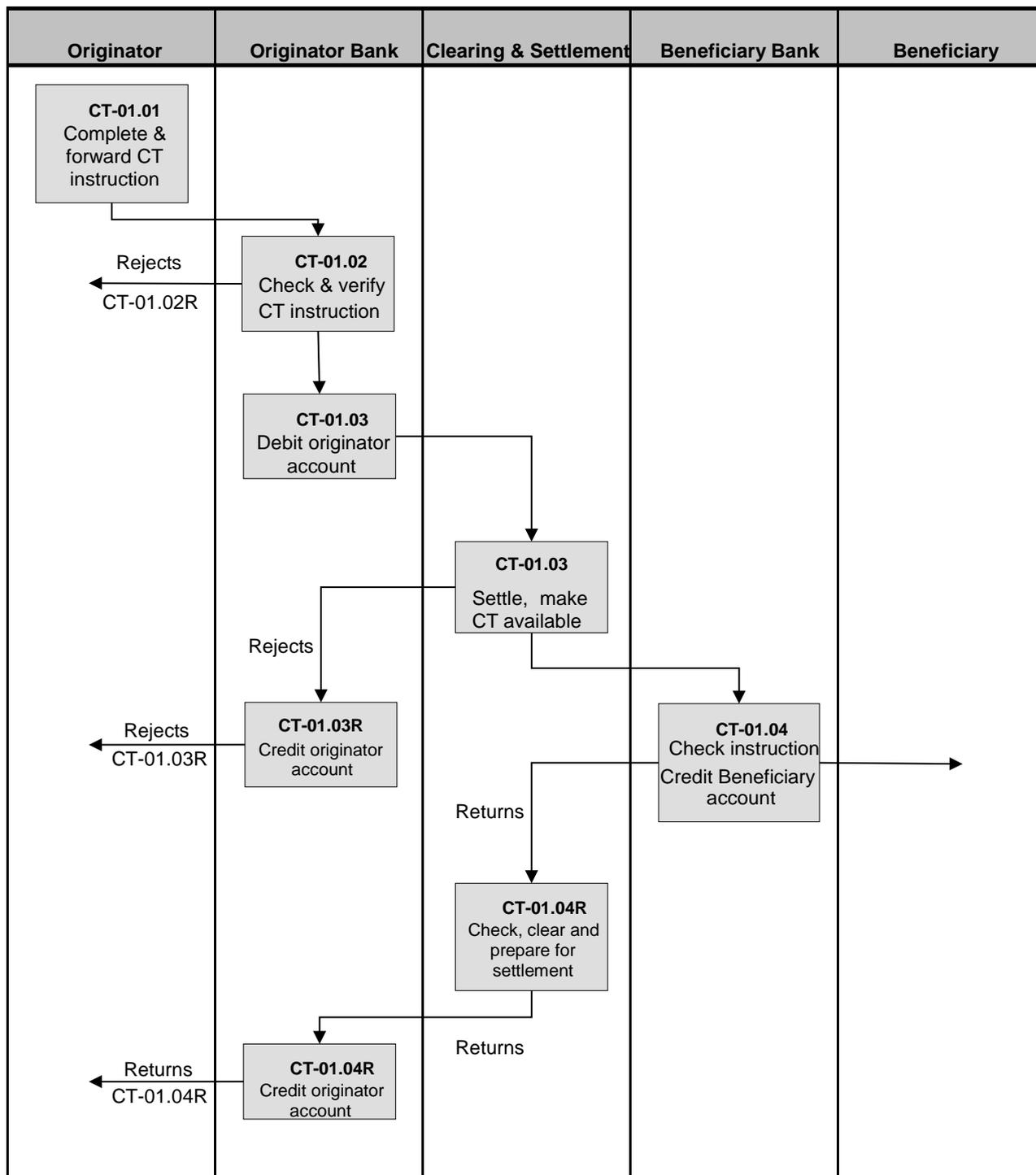


Figure 1: Credit Transfer Process ~~(PR-01)~~



(...)

~~4.3.2 Recall Processing Flow (PR02)~~

The Recall processing flow section becomes a sub-section under 4.3.2

4.4 4.3.2 Exception Processing Flow

Credit transfer transactions are handled according to the time frame described in section 4.3.1. If, for whatever reason, any party cannot handle the transaction in the normal way, the process of exception handling starts. The messages resulting from these situations are all handled in a standardised way, at process level as well as at dataset level.

4.3.2.1 Reject processing

A '**Reject**' occurs when a credit transfer is not accepted for normal execution before interbank Settlement. If the rejection is at the point at which the Originator instructs the Originator Bank, for the purposes of the Scheme, the Originator Bank need only inform the Originator of the reason.

(...)

4.3.2.2 Return processing

A '**Return**' occurs when a credit transfer is diverted from normal execution after **interbank Settlement**, and is sent by the Beneficiary Bank to the Originator Bank for a credit transfer that cannot be executed for valid reasons such as wrong account number or account closed with the consequence that the Beneficiary account cannot be credited on the basis of the information contained in the original credit transfer message. The Return procedure must not be used in cases where the Beneficiary's account has already been credited and the Beneficiary wishes to return the funds. Instead, the procedure of initiating a new Credit Transfer applies.

(...)

4.3.2.3 Recall processing

A **Recall** occurs when the Originator Bank requests to cancel a SEPA Credit Transfer. The Recall procedure must be initiated by the Originator Bank within 10 Banking Business Days after execution date of the SCT subject to the Recall. The Recall procedure can be initiated only by the Originator Bank, which may do it on behalf of its customer. Before initiating the Recall procedure, the Originator Bank has to check if the SCT(s) are subject to one of the reasons listed below

(...)



The following diagram shows the step by step process flow for a Recall. (PR02) is given in Section 4.3.2

The following diagram identifies a number of process steps, which are described below.

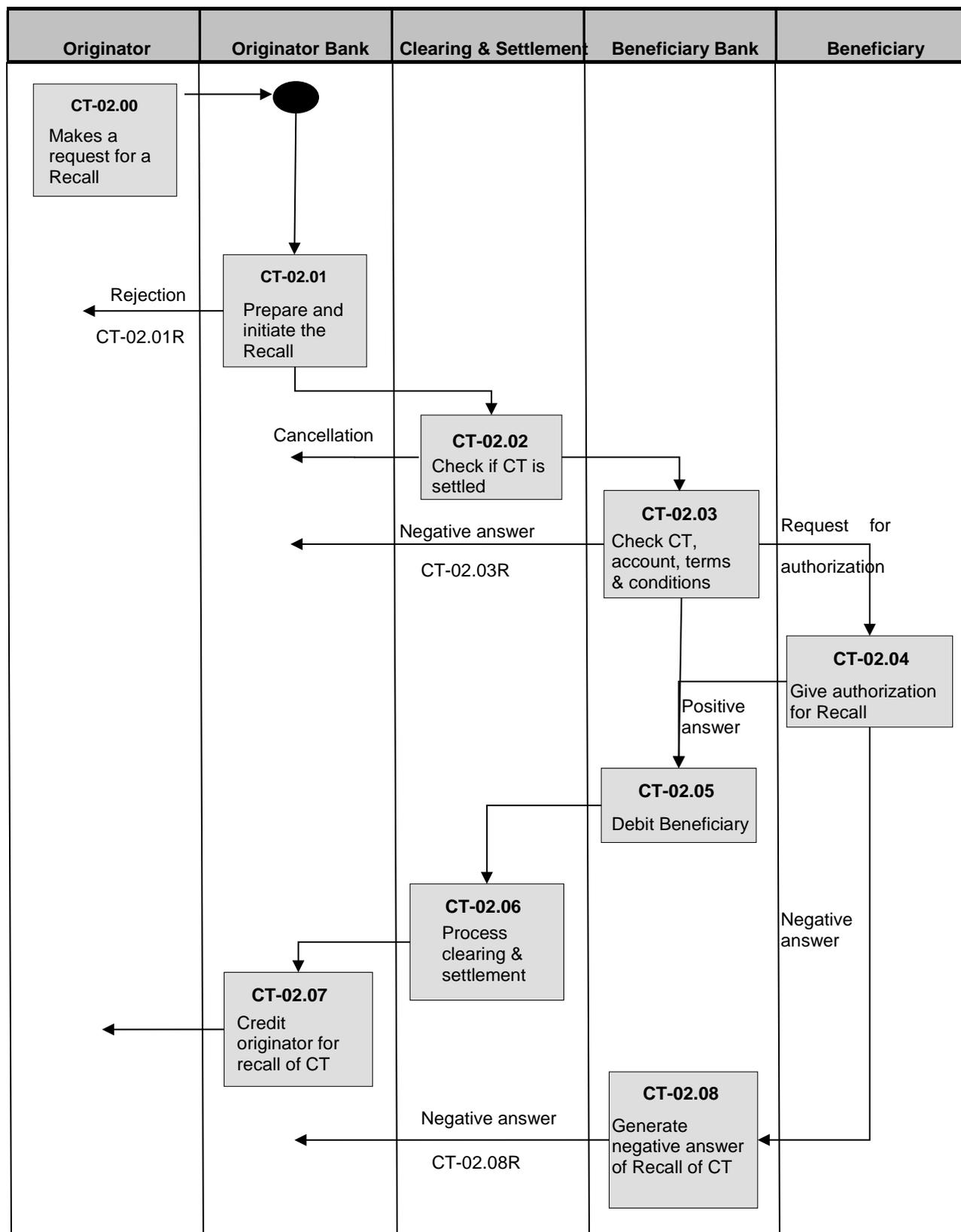




Figure 2: Credit Transfer Recall Process (PR-02)

(...)

~~Important note: the 'Request for Recall by the Originator' enters into force as of 18 November 2018~~

4.3.2.4 Request for Recall by the Originator

A **Request for Recall by the Originator** can be initiated by the Originator Bank after an Originator has requested the Originator Bank to reverse a settled credit transfer for a reason other than duplicate sending, technical problems resulting in erroneous Credit Transfer(s) and a fraudulently originated Credit Transfer. The Originator Bank is obliged to inform the Originator that such Request for Recall does not guarantee that the Originator will effectively receive back the funds of the initial Credit Transfer. It will depend on the consent of the Beneficiary whether to turn back the funds to the Originator.

(...)

4.5.4.4 Inquiry process

(...)

4.6 4.5 Business Requirements for Datasets

(...)

4.7 4.6 Business Requirements for Attributes

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

No.

2. Impact on the interbank space:

No.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)

No

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)



No



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	Not applicable – this change request consists of major <u>editorial</u> changes only.
Is the change request underpinned by a cost-benefit analysis?	Not applicable
Does the change fit in the strategic objectives for SEPA?	Not applicable
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Not applicable
Do you consider that the change request does not impede SEPA-wide interoperability?	Not applicable
Do you consider that the change request is in the scope of the scheme involved?	Not applicable

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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#09 – Extended Remittance Information (ERI) option
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	14 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

17 November 2019 – effectiveness date of the 2019 EPC SEPA scheme rulebooks.

1.2 Description of the change request:

The current SCT scheme permits the end-to-end carrying of remittance information (RI) with a maximum of 140 characters of unstructured RI. The SCT rulebook attribute AT-05 remittance information further provides a few standards on how Beneficiaries and Originators can structure the RI within a single RI field having a capacity of 140 characters.

During the last couple of years different stakeholder groups submitted change requests asking for a possibility to transmit more than just 140 characters in RI per SCT Instruction/ SCT Transaction message. This indicates that the present 140 characters of remittance information are not enough for certain users or communities in the SEPA area.

To meet these previous demands from stakeholder groups, the EPC proposes a formal SCT rulebook **option** for Extended Remittance Information (ERI option) based on ISO 20022 message standard. The major principles for this ERI option are:

- The ERI option supports the transmission and the processing of the following combination of RI in Credit Transfer Instructions and Transactions:
 - One occurrence of 140 characters of unstructured RI and
 - Up to 999 occurrences of 280 characters of structured RI based on the ISO 20022 standard.
- SCT scheme participants wishing to offer the rulebook ERI option, formally must declare their participation to this option to the EPC.

Major condition for the participation to the ERI option is that the SCT scheme participant must support this option at least in the role of Beneficiary Bank.

- The Originator Bank must verify upfront if the Beneficiary Bank is an ERI Option Participant or not. The Originator Bank sends Credit Transfer Transactions containing ERI only to those Beneficiary Banks that are ERI Option Participants.

In case the Originator Bank receives Credit Transfer Instructions containing ERI addressed to a Beneficiary Bank that is not an ERI Option Participant, the Originator Bank must reject the concerned Credit Transfer Transactions addressed to this Beneficiary Bank unless the Originator Bank and the Originator have made an arrangement whereby in such case, the Originator Bank can just transfer the single occurrence of the 140 characters of unstructured RI and can remove the occurrences of structured RI.

- The Beneficiary Bank passes as a minimum the occurrences of structured RI to the Beneficiary. The Beneficiary Bank is free to arrange with the Beneficiary to submit as well the unstructured RI;
- The exchange of ERI between the Beneficiary Bank and the Beneficiary is only made available through an agreed electronic format (preferably based on ISO 20022);



- In case the Beneficiary Bank is an ERI Option Participant but the Beneficiary has not made an arrangement with the Beneficiary Bank on the delivery and the presentation of ERI, the Beneficiary Bank removes the occurrences of structured RI and transmits only the occurrence of 140 characters of unstructured RI to the Beneficiary;
- The messages used for exception processing and inquiries for ERI-populated SCT transactions must only contain the occurrence of 140 characters of unstructured RI.

The EPC suggests the following changes to the SCT rulebook:

A. Separate Annex V outlining the specifications for the ERI option.

This Annex amends a number of sections of the SCT rulebook.

B. Changes in the SCT rulebook itself:

1. Update to section 0.5.1 SEPA Credit Transfer Scheme Implementation Guidelines

A new paragraph at the end of the section:

The features covered in reference [1] and reference [12] with respect to the Extended Remittance Information (ERI) option, are only binding for the ERI option Participants.

2. New section 0.5.3:

0.5.3 Rules specific to ERI Option

The rules specific to the ERI option are described in Annex V. Sections of the main body of the Rulebook impacted by the ERI option are identified with the indication: '= > ERI' next to the title of the concerned section.

3. Section 2.7 Remittance Data => ERI

A new paragraph at the end of the section:

The Scheme offers the ERI Option to Participants (see Annex V). A Participant that receives ERI as defined by this Rulebook option but is not a ERI Option Participant, shall transfer back the Credit Transfer Instruction or Transaction containing such ERI to the Originator or the Originator Bank as a Reject or as a Return depending if the Credit Transfer Transaction has already been settled at interbank level or not.

4. Section 4.7 Business Requirements for Attributes



Identification:	AT-R3
Name:	The reason code for non-acceptance of the SEPA Credit Transfer
Description:	This code identifies the reason for the non-acceptance of the SEPA Credit Transfer.
Value range:	<p>The reasons for a Reject by the Originator Bank or the CSM are as follows:</p> <ul style="list-style-type: none">• Account identifier incorrect (i.e. invalid IBAN)• Bank identifier incorrect (i.e. invalid BIC)• Duplicate payment• File received after Cut-off Time• Operation/transaction code incorrect, invalid File format• Regulatory reason• Reason not specified• Beneficiary Bank not registered under this BIC in the CSM• <u>Originator Bank not registered under this BIC in the CSM</u>• <u>ERI option not supported</u> <p>The reasons for a Return by the Beneficiary Bank are as follows:</p> <ul style="list-style-type: none">• Account address invalid• Account blocked, reason not specified• Account closed• Account identifier invalid (i.e. invalid IBAN or account number does not exist)• Bank identifier incorrect (i.e. invalid BIC)• Beneficiary deceased• By order of the Beneficiary• Credit transfer forbidden on this type of account (e.g. savings account)• Duplicate payment• Operation/transaction code incorrect, invalid File format• Regulatory reason• <u>Reason not specified</u>• <u>ERI option not supported</u>

5. [Section 5.2 Compliance with the Rulebook](#)

A new paragraph at the end of the section:

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- the SEPA Credit Transfer Scheme Inter-Bank Implementation Guidelines
- the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines
- the Internal Rules, as set out in Annex II to this Rulebook
- any validly made order or notice issued as part of the SEPA Scheme Management processes under the Rulebook and the Internal Rules.

The features covered in reference [1], reference [12] and in Annex V with respect to the ERI Option, are only binding for the ERI Option Participants.

6. [Section 7 Defined Terms in the Rulebook: new terms to be added](#)

ERI option

Extended Remittance Information



ERI Option Participant Participant which has formally declared its participation to this option to the EPC

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. The Scheme would contain a formal rulebook option to exchange more RI.

2. Impact on the interbank space:

Yes, but only for those SCT scheme participants that wish to implement this option. SCT scheme participants that do not support this option do not have to make any investment (apart of adding an additional reason in the attribute AT-R3).

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The C2B and interbank Implementation Guidelines would have to include as well concrete specifications on how the ERI should be populated in the relevant pain and the pacs messages.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Yes.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)

No

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

Yes



2 Elements for evaluation.

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

<p>Is the change request a case for SEPA wide acceptance?</p>	<p>The ERI subject had been addressed repeatedly by specific end-user groups in the past years.</p> <p>Previous change requests from the EPC and from specific end-user groups did not reach sufficient consensus among all actors.</p> <p>The EPC now considers this request provides the flexibility and the SEPA-wide reach to those SCT scheme participants that wish to develop ERI solutions.</p> <p>SCT scheme participants that see no need to have an ERI solution in place, do not have to make any investment. When they still receive ERI-contained SCT transactions, they can simply reject them.</p>
<p>Is the change request underpinned by a cost-benefit analysis?</p>	<p>No. Given that this change request presents an option with the rulebook and the SCT scheme participants must formally declare their participation to it, the exercise for a cost-benefit analysis for the implementation of this SCT option is left to each SCT scheme participant.</p>
<p>Does the change fit in the strategic objectives for SEPA?</p>	<p>Yes. Specific end-user groups from several SEPA countries have repeatedly requested a ERI solution.</p> <p>The EPC concludes that this change request will enhance the SEPA transaction processing within their organizations and at their counterparties across SEPA countries.</p>
<p>Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?</p>	<p>Yes. The 2009 version of the ISO 20022 standard used for the SCT rulebook allows an unrestricted number of occurrences of structured and unstructured RI.</p>
<p>Do you consider that the change request does not impede SEPA-wide interoperability?</p>	<p>Yes. The proposed ERI solution would be based on the 2009 version of the ISO 20022 standard used for the SCT rulebook.</p>
<p>Do you consider that the change request is in the scope of the scheme involved?</p>	<p>Yes.</p>



ANNEX V – EXTENDED REMITTANCE INFORMATION



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0 Introduction to this Annex

The Scheme foresees an Extended Remittance Information (ERI) Option whereby the following combination of Remittance Information (RI) can be transmitted:

- One occurrence of 140 characters of unstructured RI **and**
- Up to 999 occurrences of 280 characters of structured RI based on the ISO 20022 standard.

The ERI Option gives Originators the possibility to transmit this specific ERI combination end-to-end to the Beneficiary through the Customer-to-Bank (C2B) Credit Transfer Instruction messages used under the SCT scheme.

The description of the ERI Option is contained in the following documents:

1. This Annex of the Rulebook: it covers the specific business and operational rules, and rights and obligations of the ERI Option;
2. The adapted ISO 20022 XML message standards for the C2B and the Interbank messages defined in [12] and [1] of the Rulebook.



1. VISION AND OBJECTIVES

1.7 The Business Benefits of the Scheme

For Originators and Beneficiaries as users:

(Addition at the end of the section)

The inclusion of the Extended Remittance Information (ERI) Option brings additional advantages to especially corporate Originators and Beneficiaries:

- Transmission of a large volume of structured Remittance Information (RI) within a single Credit Transfer Instruction that has a concrete value for the Beneficiary or leads to a swift settlement of several payment obligations for the Originator. Examples are:
 - Use of a single Credit Transfer Instruction by the Originator to settle a total amount of several accounts payables, possibly netted off with granted credit note, while transmitting structured RI for each concerned invoice and credit note item
 - Receipt of a single Credit Transfer Transaction amount that settles several accounts receivables, possibly netted off with granted credit notes, whereby the received structured RI is automatically straight through processed and reconciled with each relevant open accounts receivable position
- Less need to use to use other means to exchange large volume of RI or other information related to accounts payable, accounts receivable or to other business transactions

For Participants

(Addition at the end of the section)

The inclusion of the ERI Option brings additional advantages to the Participants:

- Participants can offer an additional optional SEPA wide standardised service for Originators and Beneficiaries that wish to exchange a high volume of structured RI with their counterparties
- Participants can increase the commercial attractiveness of their SCT services and as an effect the Scheme itself



2. Scope of the Scheme

2.2 Description of Scope of the Scheme

The following key elements are included within the scope of the Scheme:

(Addition at the end of the section)

- The ERI Option supports the transmission and the processing of the following combination of RI in Credit Transfer Instructions and Transactions:
 - One occurrence of 140 characters of unstructured RI **and**
 - Up to 999 occurrences of 280 characters of structured RI based on the ISO 20022 standard.
- ERI Option Participants are Participants who have formally declared their participation to this Option to the EPC;
- The ERI Option does not support:
 - The exchange of unstructured ERI of more than one occurrence of 140 characters of unstructured RI;
 - The exchange of structured ERI through message formats based on another standard than ISO 20022 or through interfaces between the scheme actors that do not support ISO 20022 XML messages.

2.6 Reachability

(Addition at the end of the section)

ERI Option Participants shall offer services related to the ERI Option in the role of at least Beneficiary Bank, or in the role of both Originator Bank and Beneficiary Bank.

2.7 Remittance Data

(Replacement of the contents of the entire section with the following text)

The unstructured RI and the extended structured RI under the ERI Option supplied by the Originator in the Credit Transfer Instruction must be forwarded in full and without alteration by the Originator Bank and any Intermediary Bank and CSM to the Beneficiary Bank.

If the Beneficiary has an arrangement with the Beneficiary Bank for the concrete delivery and presentation of ERI, the Beneficiary Bank must deliver the ERI to the Beneficiary in accordance to the specifications concluded in such arrangement.

In case there is no such arrangement between the Beneficiary Bank and the Beneficiary, the Beneficiary Bank must deliver only the received occurrence of 140 characters of unstructured RI in full and without alteration to the Beneficiary.

When the Originator provides a Structured Creditor Reference with a Credit Transfer Instruction, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.



4. Business and Operational Rules

New section 'ERI Processing'

(This section precedes the section 'Business Requirements for Datasets')

- The Originator Bank must verify upfront if the Beneficiary Bank is an ERI Option Participant or not. The Originator Bank sends Credit Transfer Transactions containing ERI only to those Beneficiary Banks that are ERI Option Participants.

In case the Originator Bank receives Credit Transfer Instructions containing ERI addressed to a Beneficiary Bank that is not an ERI Option Participant, the Originator Bank must reject the concerned Credit Transfer Transactions addressed to this Beneficiary Bank unless the Originator Bank and the Originator have made an arrangement whereby in such case, the Originator Bank can just transfer the single occurrence of the 140 characters of unstructured RI and can remove the occurrences of structured RI.

- The ERI is transmitted from the Originator to the ERI Option Participants based on the ISO 20022 XML Customer-to-Bank messages described in [12] and the ISO 20022 XML Inter-Bank messages described in [1] of the Rulebook;
- Each ERI Option Participant determines with its CSM and Intermediary Banks how to transport the ERI up to the ERI Option Participant-counterparty;
- The Beneficiary Bank passes as a minimum the occurrences of structured RI to the Beneficiary. The Beneficiary Bank is free to arrange with the Beneficiary to submit as well the unstructured RI;
- The exchange of ERI between the Beneficiary Bank and the Beneficiary is only made available through an agreed electronic format (preferably based on ISO 20022);
- In case the Beneficiary Bank is an ERI Option Participant but the Beneficiary has not arranged with the Beneficiary Bank on the delivery and the presentation of ERI, the Beneficiary Bank removes the occurrences of structured RI and transmits only the occurrence of 140 characters of unstructured RI to the Beneficiary;
- The messages used for exception processing and inquiries for ERI-populated SCT transactions must only contain the occurrence of 140 characters of unstructured RI.



Renumbered section 'Business Requirements for Datasets'

DS-01 Customer-to-Bank Credit Transfer Information

(Changes or additions made in red)

Identification:	DS-01
Name:	Customer-to-Bank Credit Transfer Information
Description:	The following list of attributes represents the full range of data which may be provided by the Originator and transported under the Scheme rules via Dataset DS-02
Attributes contained	<ul style="list-style-type: none">• 01 The IBAN of the account of the Originator• 02 The name of the Originator• 03 The address of the Originator• 04 The amount of the SEPA Credit Transfer in euro• 05 The unstructured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction• xx The structured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction• 07 The Requested Execution Date of the Credit Transfer Instruction• 08 The name of the Originator Reference Party• 09 The identification code of the Originator Reference Party• 10 The Originator identification code• 20 The IBAN of the account of the Beneficiary• 21 The name of the Beneficiary• 22 The address of the Beneficiary• 23 The BIC code of the Beneficiary Bank (only mandatory when Beneficiary Bank is located in a non-EEA SEPA country or territory)• 24 The Beneficiary identification code• 28 The name of the Beneficiary Reference Party• 29 The identification code of the Beneficiary Reference Party• 41 The Originator's reference of the Credit Transfer Transaction• 44 The purpose of the SEPA Credit Transfer• 45 The category purpose of the SEPA Credit Transfer
Technical characteristics	<ul style="list-style-type: none">• From a business perspective, customer-to-bank Credit Transfer Instructions may be initiated as single or bulk payments. A single payment relates to one Originator account to be debited by a specified amount, and one Beneficiary account to be credited. A bulk payment relates to one Originator account to be debited for the total amount, and more than one Beneficiary account to be credited, each for an individually specified amount. Rules for bulk presentation are beyond the scope of the Scheme



Identification:	DS-01
Name:	Customer-to-Bank Credit Transfer Information
Rules applied:	<p>Based on an arrangement between the Originator Bank and the Originator on the use of the ERI Option, the Originator Bank willis obliged to accept Customer-to-Bank Credit Transfer Instruction messages at the request of the Originator which are based on the credit transfer ISO 20022 XML initiation message standards in the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines as defined in Chapter 0.5.</p> <p>In case the Originator Bank receives Credit Transfer Instructions containing ERI addressed to a Beneficiary Bank that is not an ERI Option Participant, the Originator Bank must reject the concerned Credit Transfer Transactions addressed to this Beneficiary Bank unless the Originator Bank and the Originator have made an arrangement whereby in such case, the Originator Bank can just transfer AT-05 and can remove AT-XX.</p> <p>Where any of the other above attributes specified above (except for AT-45, see rules applied in DS-02) are provided by the Originator within a payment instruction, they must be transported by the Originator Bank to the Beneficiary Bank in accordance with DS-02 subject to any overriding legal/regulatory requirements.</p> <p>Information relating to an Originator Reference Party and/or Beneficiary Reference Party is included only for the purpose of assisting the Originator and/or Beneficiary in managing their payments and is not required by the Originator Bank and/or Beneficiary Bank for the purpose of the execution of the payment to which the information relates</p>
Remarks	<p>These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme C2B Implementation Guidelines as defined in Chapter 0.5.</p> <p>For this dataset, the attribute 23 'The BIC code of the Beneficiary Bank' is only mandatory when the Beneficiary Bank is located in a non-EEA SEPA country or territory. This attribute remains mandatory in DS-02 (Interbank Payment).</p>

DS-02 Interbank Payment Dataset

(Changes or additions made in red)

Identification:	DS-02
Name:	The Interbank Payment Dataset
Description:	This dataset describes the content of the Interbank Payment message (mandatory unless otherwise indicated).
Attributes contained	<ul style="list-style-type: none"> • 01 The IBAN of the account of the Originator • 02 The name of the Originator • 03 The address of the Originator (only mandatory when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country or territory) • 04 The amount of the credit transfer in euro • 05 The unstructured Remittance Information (Optional) sent by the Originator to the Beneficiary in the Credit Transfer Instruction



Identification:	DS-02
Name:	The Interbank Payment Dataset
	<ul style="list-style-type: none"> • xx The structured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction • 06 The BIC code of the Originator Bank • 08 The name of the Originator Reference Party (Optional) • 09 The identification code of the Originator Reference Party (Optional) • 10 The Originator identification code (Optional) • 20 The IBAN of the account of the Beneficiary • 21 The name of the Beneficiary • 22 The address of the Beneficiary (Optional) • 23 The BIC code of the Beneficiary Bank • 24 The Beneficiary identification code (Optional) • 28 The name of the Beneficiary Reference Party (Optional) • 29 The identification code of the Beneficiary Reference Party (Optional) • 40 The identification code of the SEPA electronic credit transfer Scheme • 41 The Originator's reference of the Credit Transfer Transaction • 42 The Settlement Date of the SEPA Credit Transfer • 43 The Originator Bank's reference number of the credit transfer message • 44 The purpose of the SEPA Credit Transfer (Optional) • 45 The category purpose of the SEPA Credit Transfer (Optional)
Technical characteristics	From a business perspective, interbank credit transfers are always considered to be single payments, each containing one Originator account and one Beneficiary account. The use of term "bulk payments" in the interbank space refers to the physical layer of the SEPA Credit Transfer Scheme Interbank Implementation Guidelines.
Rules applied:	<p>Where an Originator has provided information in a specific payment instruction relating to an optional DS-02 field (with the exception of AT-45), this field will be populated in the Interbank Payment message, subject to any overriding legal/regulatory requirements.</p> <p>Regarding AT-45, when the agreement between Originator and Originator Bank only involves a specific processing at Originator Bank level, said Originator Bank is not obliged to send AT-45 to the Beneficiary Bank as part of DS-02.</p>
Remarks	These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in Chapter 0.5.

DS-04 – Bank-to-Customer Credit Transfer Information

(Changes or additions made in red)

Identification:	DS-04
Name:	The Bank-to-Customer Credit Transfer Information
Description:	Description of the minimum information that a Beneficiary Bank needs to make available to the Beneficiary.



Identification:	DS-04
Name:	The Bank-to-Customer Credit Transfer Information
Attributes contained:	<ul style="list-style-type: none">• 02 The name of the Originator• 04 The amount of the SEPA Credit Transfer in euro• 05 The unstructured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction• __xx The structured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction• 08 The name of the Originator Reference Party (optional)• 09 The identification code of the Originator Reference Party (optional)• 10 The Originator identification code• 20 The IBAN of the account of the Beneficiary• 21 The name of the Beneficiary• 24 The Beneficiary identification code• 28 The name of the Beneficiary Reference Party (optional)• 29 The identification code of the Beneficiary Reference Party (optional)• 41 The Originator's reference of the Credit Transfer Transaction• 42 The Settlement Date of the SEPA Credit Transfer (optional)• __44 The purpose of the SEPA Credit Transfer (optional)
Rules applied:	<p>Following an arrangement between the Beneficiary and the Beneficiary Bank, the Beneficiary Bank shall provide the Beneficiary with either the contents in AT-XX, or the contents in both AT-05 and AT-XX, in full and without alteration. In absence of such arrangement, the Beneficiary Bank shall deliver only the contents in AT-05 to the Beneficiary.</p> <p>Where any of the above attributes, optional or not, are present in an Interbank Payment message (DS-02) the contents must be made available in full by the Beneficiary Bank to the Beneficiary, subject to any prior agreement to the contrary.</p> <p>Where the Beneficiary and Beneficiary Bank have an explicit agreement regarding the deduction of charges then the amount of the charges will be made clear to the Beneficiary.</p> <p>A Beneficiary Bank may drop received extended Reference Party information (attributes 08, 09, 28, 29 and 44) and not make it available to a Beneficiary who uses an interface which does not comply with the ISO 20022 XML standard.</p>

4.7 Business Requirements for Attributes

(Replacement of the entire contents of the attribute AT-05 with the following description)



Identification:	AT-05
Name:	The unstructured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction
Description:	A maximum of 140 characters of unstructured Remittance Information. This allows the Originator to provide unstructured Remittance Information to the Beneficiary if the Beneficiary Bank has no arrangement with the Beneficiary for the delivery of the contents of AT-XX containing structured Extended Remittance Information under the ERI Option.

(New attribute)

Identification:	AT-XX
Name:	The structured Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction
Description:	A maximum of 999 occurrences of 280 characters of structured Remittance Information based on the ISO 20022 standard.



5. RIGHTS AND OBLIGATIONS OF ALL PARTICIPANTS

5.2 Compliance with the Rulebook

(Addition at the end of the section)

In addition, an ERI Option Participant shall comply with the Annex V of the Rulebook, including amendments as and when they are made and properly communicated to ERI Option Participants, and with the sections foreseen for Annex V in the Implementation Guidelines of the Rulebook.

5.3 Reachability

(Addition at the end of the section)

ERI Option Participants shall offer services related to the ERI Option in the role of at least Beneficiary Bank, or in the role of both Originator Bank and Beneficiary Bank.

Each ERI Option Participant needs to determine how to achieve full reachability for the use of the ERI Option.

5.4 Eligibility for participation

(Addition at the end of the section)

In order to be eligible as an ERI Option Participant, an ERI Option Participant must at all times be a Participant to the Scheme.

5.5 Becoming a Participant

(Changes or additions made in red)

Any undertaking which is eligible under section 5.4 above may apply to become a Participant.

Applications shall be submitted to the EPC in accordance with its application procedures as set out in the Internal Rules.

To apply to become a Participant, an undertaking shall submit to the EPC and executed and original Adherence Agreement and submit Supporting Documentation to the EPC. A Participant may appoint an agent to complete an Adherence Agreement on its behalf. If the latter procedure is adopted the Participant undertakes all rights and obligations under the Rulebook and the documents specified in section 5.4 above as if it had completed the Adherence Agreement itself.

In addition, a Participant that applies to become an ERI Option Participant shall formally declare its participation to this Option according to the procedures defined by the EPC.

The EPC may require additional information from the applicant in support of its application.

An applicant becomes a Participant **or ERI Option Participant** on an admission date specified by the EPC in accordance with the Internal Rules. Names of applicants which will become Participants **or ERI Option Participants** at a future date may be pre-published, and a date designated and published when they will become Participants **or ERI Option Participants**.

In consideration of the mutual obligations constituted by the Rulebook, an applicant agrees to be bound by, becomes subject to and shall enjoy the benefits of, the Rulebook upon becoming a Participant **and the Annex V of the Rulebook upon becoming an ERI Option Participant**.



If the application to become a Participant **or ERI Option Participant** is rejected, the applicant shall receive notice of such in writing and be provided with a statement of the reasons for such rejection.

Upon receipt of such a written rejection, the applicant may appeal against the decision in accordance with the Internal Rules.

5.6 Credit Transfer Scheme List of Participants

(Addition at the end of the section)

Above-mentioned stipulations also apply on the Sub-List of ERI Option Participants which the EPC publicly discloses on a regular basis.

5.7 Obligations of an Originator Bank

(Addition at the end of the first list of bullet points)

- Comply with applicable provisions issued from time to time in relation to Extended Remittance Information as set out in the Rulebook and Annex V;

5.8 Obligations of a Beneficiary Bank

(Addition at the end of the first list of bullet points)

- Comply with applicable provisions issued from time to time in relation to Extended Remittance Information as set out in the Rulebook and Annex V;

5.11 Termination

A Participant may terminate its status as a Participant **or only as an ERI Option Participant** by giving no less than six months' prior written notice to the CAC, such notice to take effect on a designated day (for which purpose such a day will be designated at least one day for each month). As soon as reasonably practicable after receipt of such notice, it or a summary shall be published to all other Participants in an appropriate manner.

Notwithstanding the previous paragraph, upon receipt of the participant's notice of termination **as a Participant or only as an ERI Option Participant** by the CAC, the Participant and the CAC may mutually agree for the termination to take effect on any day prior to the relevant designated day.

A former Participant **or only as an ERI Option Participant** shall continue to be subject to the Rulebook in respect of all activities which were conducted prior to termination of its status as a Participant **or only as an ERI Option Participant** and which were subject to the Rulebook, until the date on which all obligations to which it was subject under the Rulebook prior to termination have been satisfied.

Upon termination of its status as a Participant **or only as an ERI Option Participant**, an undertaking shall not incur any new obligations under the Rulebook. Further, upon such termination, the remaining Participants **or only as an ERI Option Participants** shall not incur any new obligations under the Rulebook in respect of such undertaking's prior status as a Participant **or only as an ERI Option Participant**. In particular, no new SEPA Credit Transfer obligations may be incurred by the former Participant **or only as an ERI Option Participant** or in favour of the former Participant **or only as an ERI Option Participant**.



The effective date of termination of a Participant's status as a Participant **or only as an ERI Option Participant** is (where the Participant has given notice in accordance with the first paragraph of section 5.11) the effective date of such notice, or (in any other case) the date on which the Participant's name is deleted from the Credit Transfer Scheme List of Participants **and/or from the Sub-List of ERI Option Participants**, and as of that date the Participant's **or only as an ERI Option Participant's** rights and obligations under the Rulebook shall cease to have effect except as stated in this section 5.11.

This section, sections 5.9, 5.10, 5.12 and Annex II of the Rulebook shall continue to be enforceable against a Participant **or only as an ERI Option Participant**, notwithstanding termination of such Participant's status as a Participant **or only as an ERI Option Participant**.

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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

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Your reference:	SDDInst
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.0 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.0 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.0
Request Date:	06 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2019

1.2 Description of the change request:

All banks are obliged to support

sending and receiving ISO IdentificationModificationAdviceV02 (acmt.022)

forwarding electronically ISO IdentificationModificationAdviceV02 (acmt.022) to their (corporate) clients if so requested by their clients

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

This is an additional message to be sent from the creditor agent to the debtor agent (in case of SCT) or the debtor agent to the creditor agent (in case of Direct Debits) to inform the transaction initiator about changes in the counterparty account details, e.g. new IBAN, new BIC or new bank relationship

This is in response to the "DIRECTIVE 2014/92/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features"

Additional community specific services by banks (e.g. Spanish Folleto72, Italian Transferability, Dutch Overstapp etc) to forward the payment instrument to the new bank can still be offered.

2. Impact on the interbank space:

- A new message will have to be implemented primarily by banks and CSMs as a mandatory development. For interested bank clients this is an optional (value added) service made available to clients, who asked for it.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The Message Implementation Guides will have to be updated to incorporate the details of how the individual fields of the acmt.022 will have to be populated to allow adequate population of fields to support the underlying scenarios as outlined above).

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Respective obligations need to be included in the following Rulebooks:

- **SCT Rulebook:**



5.7 Obligations of an Originator Bank (of the SCT)

The Originator Bank is requested to forward an incoming acmt.022 message to the Originator

5.8 Obligations of a Beneficiary Bank (of the SCT)

The Beneficiary Bank is obliged to send an acmt.022 message to the Originator Bank if so agreed between the Beneficiary Bank and the Beneficiary

- SDD CORE Rulebook

5.7 Obligations of a Creditor Bank

The Creditor Bank bank is obliged to forward an incoming acmt.022 message to the Creditor if so agreed between Creditor and Creditor Bank

5.8 Obligations of a Debtor Bank

The debtor bank is obliged to send an acmt.022 message to the Creditor Bank if so agreed between the Debtor Bank and the debtor

- SDD B2B Rulebook

5.7 Obligations of a Creditor Bank

The Creditor Bank bank is obliged to forward an incoming acmt.022 message to the Creditor if so agreed between Creditor and Creditor Bank

5.8 Obligations of a Debtor Bank

The debtor bank is obliged to send an acmt.022 message to the Creditor Bank if so agreed between the Debtor Bank and the debtor

5. The nature of the change request:

- A change (deleting or replacing an existing Rulebook element by a new one)

The suggestion is to make it mandatory that

- the Beneficiary Bank informs the Originator Bank in case Creditor account details have changed (in case of SCT)
- The Debtor Bank bank informs the Originator Bank in case Debtor account details have changed (in case of SDD)
- the Originator Bank makes this information available to the Originator upon request of the Originator, i.e. if the Originator is able to process the acmt.022 message
- A variant (adding an alternative – optional – rule alongside an existing Rulebook element)



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES A similar process (in certain cases based on legacy file formats) is in place within a number of countries however, with different file formats and processes, e.g. <ul style="list-style-type: none">• Italian Transferability service• Spanish Folleto 72• French CAI messages/SEPA Mail• Dutch Overstapp service
Is the change request underpinned by a cost-benefit analysis?	NO However, today legacy solutions are used to achieve the same level of customer satisfaction
Does the change fit in the strategic objectives for SEPA?	YES It increases the harmonisation for customers with activities in multiple countries and is in compliance with respective EU directive
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES However, there will be a need for change in all participating banks
Do you consider that the change request does not impede SEPA-wide interoperability?	YES In fact, it will increase the interoperability
Do you consider that the change request is in the scope of the scheme involved?	YES

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Pascal Spittler
Organisation:	EuroCommerce
Address:	Avenue des Nerviens 85, 1040 Etterbeek, Belgium
Contact details:	Pascal Spittler (Pascal.spittler@ikea.com)
Your reference:	Refund payment service to SCT instant
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> <u>Applicable for all of the messages but with priority to SEPA SCT instant credit transfer</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	November 2018
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2018 or latest November 2019

1.2 Description of the change request:

Currently the SEPA instant payment defines a EURO “real time” payment service. A refund is available but only through a manual process or a reversed SCT Inst. (EP004-16 SEPA Instant Credit Transfer Scheme Rulebook Version 1.0 section 4.3.2.4 Beneficiary wishing to transfer back the Funds)

Customers purchasing goods or services at merchant point of sale often change their mind, return the goods or refine their requirements post event. Customers should be entitled to obtain a refund (either in full or in part) using their original payment method seamlessly whilst ensuring a consistent user experience.

EuroCommerce therefore proposes that an automated refund service based on the SCT Inst scheme be defined to enable the payee to promptly reimburse the payer, either in full or in part. It should only be initiated by the Payee and be based either on the Payment reference provided by the payee’s payment service provider or on the provision of the customers bank detail by the customer, supporting refund in case the initial bank account has been closed. It should be noted it is fairly common for the customer to not have their bank detail available at that time (IBAN account or proxy/surrogate value of the IBAN account).

The PSD2 mandates the payee’s payment service provider to provide for each payment order a reference allowing to identify the payment transaction

As the payee may not receive the information on the IBAN of the payer in the bank to customer credit transfer data set (4.5.4 DS-04 – Bank to Customer credit transfer information), the refund service should refer to the initial reference of the transaction received by the payee which would allow the payment service provider of the payee to reimburse the payer with complete SCT instant input.

Referring to the reference of the initial payment will ensure:

- a mitigation of fraud or error risk at the merchant side
- accurate information of the refund to the beneficiary’s IBAN account or their surrogate value
- Support the future use of virtual private address, surrogate value (token, ticket) of IBAN or biometric Identification. Such technologies are currently used (e.g. India UPI) or are under deployment (e.g.: P2P payments).

Retailers also believe that by creating a new reference built on the ticket/invoice information of the credit note, an SCT service provider should be able to process the SCT online (instant) and do this by identifying the payer (for reversals it is the merchant), the payee (the customer) without the need for the merchant to provide any of the initial registered data of the customer.



The credit note (or negative cash register ticket) would become the new reference for the transaction so that consumers can reconcile their bank account statement after they receive their refund. A consumer should accept the payment (reversal SCT) in the same way as they would in executing a payment to the merchant. A strong customer authentication as defined in the RTS on SCA could also be processed if required.

The ISO 20022 CT message, as describe by the EPC SCT instant Scheme, mandates that the valid IBAN of the beneficiary must be populated. In the refund service, the payee (a merchant) won't always be able to provide this information. The creditor IBAN and address may not be kept retained or made available to the merchant due to GDPR rules. A reference of the payment order (subrogate value of the customer data) should be used in place of the mandatory "SEPA Core Requirements" of the creditor and creditor agent. Several workarounds or business rules may be used to overcoming this limitation. A liaison with ISO 20022 Payment SEG group is recommended for either defining a new usage of the ISO 20022 CT or by defining a new business rule in the EPC SEPA instant CT implementation guideline (SEPA Instant Credit Transfer C2B IGs 2017 Version 1.0 Approved)

Regulatory basis

PSD2 by derogation in **Article 42 c) i)** stipulates that the payment service provider provides or makes available only a reference enabling the payment service user to identify the payment transaction, the amount of the payment transaction, any charges and/or in the case of several payment transactions of the same kind made to the same payee, information on the total amount and charges for those payment transactions;

Article 49 defines the Information for the payee after execution of the payment order as:

(a) a reference enabling the payee to identify the payment transaction and, where appropriate, the payer and any information transferred with the payment transaction;

Article 58 on Information for the payee on individual payment transactions states that "(a) a reference enabling the payee to identify the payment transaction and the payer, and any information transferred with the payment transaction;"

SEPA SCT inst transfer back of funds

This process is currently a manual process initiated by the beneficiary

4.3.2.4 Beneficiary wishing to transfer back the Funds

The Rulebook does not foresee any Exception Processing in case a Beneficiary wishes to send back the Funds of an SCT Inst Transaction. The Beneficiary has to contact the Beneficiary Bank on how the Beneficiary can transfer back the Funds (e.g., via another EPC SEPA Scheme, a new SCT Inst Transaction).

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

An additional payment service (SCT inst Refund).

2. Impact on the interbank space:



New code or service level code to be defined

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The creditor and creditor agent may not be provided as they are omitted in the original message (B2C). The refund initiation has to be based on the payment order reference or, in case the customer is able to provide bank details, on a new SCT inst qualified as a refund.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Update of their multilateral agreement to support a refund service

5. The nature of the change request:
 - a. A change (deleting or replacing an existing Rulebook element by a new one)

 - b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element) – **A variant refund service as a payment service which includes a reverse payment (either partial or total) of a previously initiated SEPA SCT instant Credit Transfer payment transaction.**



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	A refund service will facilitate the acceptance of SCT Inst real time payment by customer as they will be able to get refund by the merchant using a frictionless process
Is the change request underpinned by a cost-benefit analysis?	Faster and larger adoption of the SEPA SCT Instant as the customer is currently accustomed with such service using card payments
Does the change fit in the strategic objectives for SEPA?	Yes, it allows a basic payment service providing common payments and refund payment methods
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes
Do you consider that the change request does not impede SEPA-wide interoperability?	It is only an extension of the Payee's payment service provider service
Do you consider that the change request is in the scope of the scheme involved?	It is a real time refund payment service

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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

Name of contributor:	C. Bastian
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Your reference:	epc265-16 scheme change request dpa_sct_#1_2017.docx
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	December 20th 2017
For information:	<p>This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website:</p> <p>https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules</p>



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2019

1.2 Description of the change request:

Extending the period for Beneficiary Banks **from 10** Banking Business Days (after the receipt of the Request for Recall by the Originator) **to 15 Banking Business Days** (after the receipt of the Request for Recall by the Originator) for providing either a positive or negative answer to the Originator Bank.

Extending the period to respond increases the likelihood for Beneficiary Banks to receive, if needed, the proper authorization from the Beneficiaries for debiting their account in time.

This change will prevent (unnecessary) negative answers to Originator Banks caused by Beneficiaries who are not able to provide their proper authorization for debiting their account to the Beneficiary Bank in time. The quality of the outcome of the Request for Recall process will improve substantially.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

No

2. Impact on the interbank space:

Yes

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

None

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

None

5. The nature of the change request:

A change (deleting or replacing an existing Rulebook element by a new one)



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES
Is the change request underpinned by a cost-benefit analysis?	NO
Does the change fit in the strategic objectives for SEPA?	YES (Quality improvement)
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES
Do you consider that the change request does not impede SEPA-wide interoperability?	YES
Do you consider that the change request is in the scope of the scheme involved?	YES

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

Name of contributor:	C. Bastian
Organization:	Dutch Payments Association
Address:	P.O. Box 83073, 1080 AB Amsterdam, The Netherlands
Contact details:	c.bastian@betaalvereniging.nl, +31(0)203051957 or info@betaalvereniging.nl
Your reference:	epc265-16 scheme change request dpa_sct_#2_2017.docx
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	December 20th 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2019

1.2 Description of the change request:

Expand the possibility of appeal for the Originator if a negative answer to the Request for Recall is received from the Beneficiary Bank.

If the Beneficiary Bank is obliged to provide a negative answer, nowadays the communicated decision from the Beneficiary, regarding the concerned initial Credit Transfer, is final from the perspective of the Originator Bank as well as the Beneficiary Bank.

However, the Originator can (still) disagree with this communicated decision and might wish to contact the Beneficiary directly, to take legal action. Since the Originator has no access to the correct contact details of the Beneficiary, the Originator Bank can ask for the correct contact details (Name, Address, Place) of the Beneficiary via the Beneficiary Bank.

After this request the Beneficiary Bank can provide the Originator Bank with the requested contact details (Name, Address, Place). However, the (non-intended) Beneficiary always has the opportunity to submit a well-founded objection to this provision of the requested contact details (Name, Address, Place) to the Beneficiary Bank. The Beneficiary Bank will inform the Originator Bank as soon as possible about this objection.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

No

2. Impact on the interbank space:

Yes

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

None

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

None

5. The nature of the change request:

A change (deleting or replacing an existing Rulebook element by a new one)



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES
Is the change request underpinned by a cost-benefit analysis?	NO
Does the change fit in the strategic objectives for SEPA?	YES (Quality improvement)
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES
Do you consider that the change request does not impede SEPA-wide interoperability?	YES
Do you consider that the change request is in the scope of the scheme involved?	YES

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

Name of contributor:	SIX Interbank Clearing Ltd on behalf of the Swiss Financial Market (Payment Committee Switzerland – PaCoS)
Organisation:	SIX Interbank Clearing Ltd
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Your reference:	
Scheme and document and version number:	<u>This change request relates to all rulebooks:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1 - and all affected Implementation Guidelines
Request Date:	15 December 2017
For information:	



1 General Description of the Change Request

1.1 Suggested launch date (if any):

As soon as possible at the latest by November 2019

1.2 Description of the change request:

Background and Example:

The actual version of the Rulebooks and Implementation Guidelines request that the BIC code is mandatory if a bank is located in a non-EEA SEPA country or territory.

Example: 2017 SEPA Credit Transfer Rulebook (DS-01)
AT-23

- [23 The BIC code of the Beneficiary Bank (only mandatory when Beneficiary Bank is located in a non-EEA SEPA country or territory)

Example: 2017 SEPA INSTANT CREDIT TRANSFER SCHEME – CUSTOMER-TO-BANK IMPLEMENTATION GUIDELINES
AT-06/AT-23

#	SEPA Mult	Message Element	SEPA Core Requirements
2.41	0..1	Customer Credit Transfer Initiation V03 +Payment Information ++Debtor Agent +++Financial Institution Identification ++++BIC	<i>SEPA Rulebook</i> <i>AT-06 The BIC code of the Originator Bank. The BIC is only mandatory when Originator Bank is located in a non-EEA SEPA country or territory.</i> <i>ISO Name</i> BIC
2.94	0..1	Customer Credit Transfer Initiation V03 +Payment Information ++Credit Transfer Transaction Information +++Creditor Agent	<i>SEPA Rulebook</i> <i>AT-23 The BIC code of the Beneficiary Bank. Only mandatory when Beneficiary Bank is located in a non-EEA SEPA country or territory.</i> <i>SEPA Usage Rule(s)</i> Only BIC is allowed.

The same principle applies to SDD (both Core/B2B) and SCT Inst.

Problem:

As described above, SEPA customers are not allowed to use the <<IBAN-only procedure>> for banks located in a non-EEA country or territory. This creates unnecessary costs for banks and their customers and therefore impedes the success of SEPA.

**Change Request:**

a) To allow bank customers in SEPA countries to use <<IBAN-only>> also for banks located in non-EEA SEPA countries or territories. Therefore we request to delete the obligation that BIC is mandatory for non-EEA SEPA countries or territories in all EPC Rulebooks and Implementation Guidelines.

b) If (for any reason) it is not possible to allow bank customers in SEPA countries to use <<IBAN-only>> for all non-EEA SEPA countries or territories the change request should be interpreted to allow <<IBAN-Only>> for payments from/to Switzerland.

Reason for this request:

1. There is no business rational for the obligation that BIC are mandatory for non-EEA SEPA countries or territories. The EU directive 260/2012 requested under reason No. 8 that "technical means should be developed to enable all users to identify unambiguously a payment account by IBAN alone." Therefore solutions like SWIFTRef exist and could be used for all SEPA countries. The IBAN derivation for non-EEA SEPA members can be done similarly to IBAN derivation for EEA SEPA members. An example for a Swiss IBAN derivation is enclosed.
2. The repeal of the obligation that BIC is mandatory for non-EEA SEPA countries or territories will have a positive impact on bank customers in all SEPA countries. Bank customers will be able to treat all payments within SEPA with IBAN-only.
3. This change request contributes to the success of SEPA, e.g. by avoiding unnecessary costs, such as for separate validations in an ERP software or separate treatments in an online banking solution.
4. There are no legal requirements for this obligation.



1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:
No impact besides clarification (CLAR).
2. Impact on the interbank space:
No impact besides clarification (CLAR) as BIC is always used in the interbank space.
3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):
No impact on standards besides clarification (CLAR). The respective ISO elements remain untouched.
4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:
No impact besides clarification (CLAR).
5. The nature of the change request:
 - a. A change (deleting or replacing an existing Rulebook element by a new one)
No
 - b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

The nature of the change request is b). Nevertheless we recommend including this clarification in the next version of the rulebook.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	yes
Is the change request underpinned by a cost-benefit analysis?	no
Does the change fit in the strategic objectives for SEPA?	yes
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	yes
Do you consider that the change request does not impede SEPA-wide interoperability?	yes
Do you consider that the change request is in the scope of the scheme involved?	yes



ANNEX: EXAMPLE: SWISS IBAN DERIVATION

Bankers World Online Search IBAN tools Holidays

IBAN tools

IBAN Validation IBAN Structure IBAN Constructor

IBAN was made invisible Validate

✓ Valid

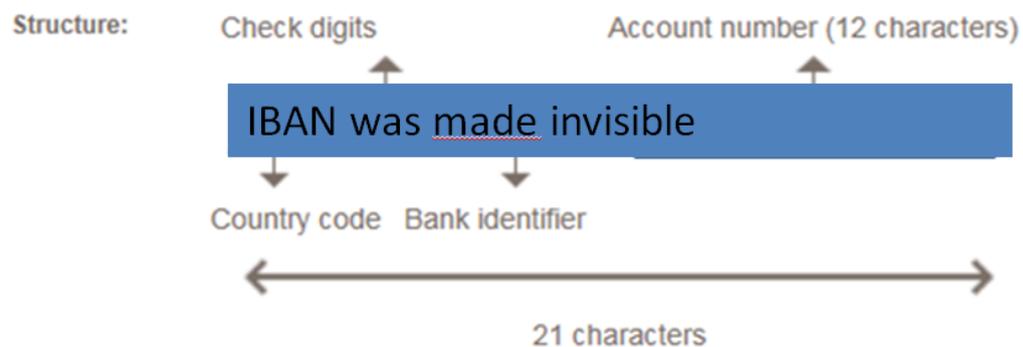
IBAN BIC:
UBSWCHZH82P

Bank Name:
UBS SWITZERLAND AG

IBAN National ID:
00217

ROUTING BIC:
UBSWCHZH80A

Country:
SWITZERLAND



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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

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Your reference:	
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	21 December 2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

To be part of the 2018 change request process, to be launched November 2019 in line with updated Rulebooks

1.2 Description of the change request:

With increased population mobility, beneficiaries of government paid pensions and benefits are less likely to remain in the territory in which the benefit is due

As a result these beneficiaries originally from non SEPA zone countries who have subsequently become SEPA zone residents have a need to receive these payments in Euro

At the current time the only way in which these payments can be received are by way of cross border wires or cheques / bank drafts which can incur significant bank fees in transit so meaning the beneficiaries receive less benefit than originally expected

The change requested is to allow payments originated outside of the SEPA zone to be allowed to be sent / processed as SEPA Credit Transfers in the SEPA zone.

This will ensure comparable treatment for SEPA zone residents irrespective of the origination of these types of credit transfer. The change will ensure that a SEPA credit transfer will be able to be originated without the need for the originator payment account to be in the SEPA zone

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Widening of the scope for SEPA Credit Transfers to enable comparable treatment of euro receipts for payment account holders of SEPA zone countries irrespective of the origination of the euro credit transfers.

This means that beneficiaries are not unfairly treated in respect of credit transfers that are made by originators outside of the SEPA zone with regard to charges

2. Impact on the interbank space:

The processing and flow of SEPA Credit Transfers between banks in the SEPA zone will remain unchanged

Improved transparency of all parties in the payment chain

Necessity to ensure that all requirements of the Funds Transfer Regulations are adhered to in respect of the credit transfer

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The content of the SEPA Credit Transfer will be unchanged



The same rules that currently apply where the originator of the SEPA credit transfer is located in a non-EEA SEPA country or territory will continue to apply

Relaxation on the format of the originator account number will be needed

For originator accounts within the SEPA zone, only an IBAN is allowed as per the current SEPA usage rule for attribute AT-01

For originator accounts outside of the SEPA zone, local account number formats will be permitted where the IBAN is not used

Analysis of this approach will need to be completed as part of the review of the change request to ensure correct account information is passed on

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

None – scheme participants will always need to be located within SEPA zone countries and beneficiary will always be in a SEPA zone country

Participants will continue to need to ensure that the Regulation on Information on the Payer accompanying Transfers of Funds and the provisions of Title III and Title IV of the Payment Services Directive affecting credit transfers enabled by the SEPA Credit Transfer Scheme are effectively represented in law or substantially equivalent binding practice

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

A variant



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	Yes
Is the change request underpinned by a cost-benefit analysis?	We estimate that there are c.20 million benefit / pension euro payments made annually from outside the SEPA zone. Typically charges of €20 are deducted by pass through banks to the beneficiary bank with an additional typical charge to beneficiaries of €7 for receipt of a wire transfer / cheque deposit. This means that there is annual benefit of €540 million to end beneficiaries of introducing this change and allowing payments to be processed as SEPA Credit transfers
Does the change fit in the strategic objectives for SEPA?	Yes – it is underpinned by a desire to improve the service to account holders in the SEPA zone so that there is comparable treatment of euro receipts irrespective of the origination of the euro payment and ensuring full transparency of information in the payment chain
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes
Do you consider that the change request does not impede SEPA-wide interoperability?	Yes
Do you consider that the change request is in the scope of the scheme involved?	Yes

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Guido Cavagnaro
Organisation:	equensWorldline
Address:	Hahnstrasse 25, D-60528 Frankfurt Germany
Contact details:	Guido.cavagnaro@equensworldline.com
Your reference:	Add reason code ED05 in SCT
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2019

1.2 Description of the change request:

Remark: This change proposal has been included as part of the suggestions as presented by Equens for introduction in the Scheme, valid from November 2017 (Item # 13). Although the item could not be elected or considered in the Rulebooks 2017 Version 1.0, it was decided to follow up on this topic. Currently, the ESTF Group is discussing this subject in further detail.

equensWorldline as the successor of Equens reaffirms its willingness to propose the change and give the SEPA community the opportunity to discuss this important topic.

Background:

As EPC Rulebooks currently do not include many technical codes, every Clearing institution defines its own Error Codes. The error codes are not included in the main Interbank formats. Therefore, technical errors often can only be mapped to reason code MS03 (= reason not specified) when forwarded to another participant. This leads to lack of clarity, misunderstandings, requests for clarification and repetition of the errors.

As a provider of back office payment processing services, equensWorldline often views problems due to unclear error codes. For this reason, equensWorldline suggests to move forward with its proposal. With regard to direct contact with smaller banks, it is particularly difficult using the current reason codes in order to understand why a payment went wrong. With "MS03" the party usually has no chance to find out the reason on its own.

Change Request:

Implement the following reason code:

ED05 (= "Settlement of the transaction has failed").

To be added to the pacs.002 from the CSM to the bank, in SCT. ED05 is more specific than MS03 (= Reason not specified), which is currently being used.

The ISO code ED05 is already being used by CSMs (eg EBA Clearing) in proprietary rejection messages.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Improvement of the scheme.

2. Impact on the interbank space:

3. Validation checks have to be adjusted.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

New Reason Code has to be added to the Implementation Guidelines.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:



No direct impact.

6. The nature of the change request:

a. A change (deleting or replacing an existing Rulebook element by a new one)

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES
Is the change request underpinned by a cost-benefit analysis?	NO
Does the change fit in the strategic objectives for SEPA?	YES
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES
Do you consider that the change request does not impede SEPA-wide interoperability?	YES
Do you consider that the change request is in the scope of the scheme involved?	YES

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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Guido Cavagnaro
Organisation:	equensWorldline
Address:	Hahnstrasse 25, D-60528 Frankfurt Germany
Contact details:	Guido.cavagnaro@equensworldline.com
Your reference:	Add reason code CNOR
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2019

1.2 Description of the change request:

Remark: This change proposal has been included as part of the suggestions as presented by Equens for introduction in the Scheme, valid from November 2017 (Item # 13). Although the item could not be elected or considered in the Rulebooks 2017 Version 1.0, it was decided to follow up on this topic. Currently, the ESTF Group is discussing this subject in further detail.

equensWorldline as the successor of Equens reaffirms its willingness to propose the change and give the SEPA community the opportunity to discuss this important topic.

Background:

As EPC Rulebooks currently do not include many technical codes, every Clearing institution defines its own Error Codes. The error codes are not included in the main Interbank formats. Therefore, technical errors often can only be mapped to reason code MS03 (= reason not specified) when forwarded to another participant. This leads to lack of clarity, misunderstandings, requests for clarification and repetition of the errors.

As a provider of back office payment processing services, equensWorldline often views problems due to unclear error codes. For this reason, equensWorldline suggests to move forward with its proposal. With regard to direct contact with smaller banks, it is particularly difficult using the current reason codes set in order to understand why a payment went wrong. With "MS03" the party usually has no chance to find out the reason on its own.

Change request:

Implement the following reason code:

CNOR (= "Creditor bank is not registered under this BIC in the CSM"). To be added to the SCT Return: pacs.004. (Currently CNOR is allowed only in the pacs.002 and pain.002.)

Use case:

CNOR is needed in the SCT Return (pacs.004) between EACHA-CSMs, in the following scenario: CSM1 sends a credit transfer to CSM2, but CSM2 has no route to the creditor bank ("no reach"). CSM2 then returns (pacs.004 with CNOR), not rejects (pacs.002), the credit transfer back to CSM1 because in the return process (pacs.004) also the money is returned to CSM1 automatically (whereas in the reject process (pacs.002) the money has to be booked back manually, which is more work than automatically).

If CSM1 forwards the pacs.004 to the debtor bank it can use CNOR also in this case.

CNOR then replaces the current code MS03 (= Reason not specified), MS03 is not specific enough.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Improvement of the scheme.



2. Impact on the interbank space:

Validation checks have to be adjusted.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

New Reason Code to be added to the Implementation Guidelines.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No direct impact.

5. The nature of the change request:

a. A change (deleting or replacing an existing Rulebook element by a new one)

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES
Is the change request underpinned by a cost-benefit analysis?	NO
Does the change fit in the strategic objectives for SEPA?	YES
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES
Do you consider that the change request does not impede SEPA-wide interoperability?	YES
Do you consider that the change request is in the scope of the scheme involved?	YES

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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Guido Cavagnaro
Organisation:	equensWorldline
Address:	Hahnstrasse 25, D-60528 Frankfurt Germany
Contact details:	Guido.cavagnaro@equensworldline.com
Your reference:	Validation responsibilities in SEPA
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1 EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.1 EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1 EPC222-07 2017 SEPA Direct Debit Business to Business Rulebook Version 1.1
Request Date:	
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/



1 General Description of the Change Request

1.1 Suggested launch date (if any):

November 2019

1.2 Description of the change request:

Remark: This change proposal was presented by Equens for introduction in the Scheme valid from November 2017 (Item # 14). Although the item could not be elected or considered in the Rulebooks 2017 Version 1.0, it was decided to follow up on this topic. Currently, the ESTF Group is discussing this subject in further detail.

equensWorldline as the successor of Equens reaffirms its willingness to propose the change and give the SEPA community the opportunity to discuss this important topic.

Background:

The EPC Rulebooks currently defines SEPA Usage Rules but not the responsibilities for execution. All too often, there is lack of clarity if a certain check/validation must occur, can occur or must not occur by a participant that is not the Creditor Agent or Debtor Agent.

Example 1:

The SEPA CORE DIRECT DEBIT SCHEME INTER-BANK IMPLEMENTATION GUIDELINES for the "Use of the FI to FI Customer Direct Debit (pacs.003.001.02)" define a Usage Rule for 2.29 Amendment Information Details:

"Mandatory if 'Amendment Indicator' is 'true'."

If a Clearing institution receives a pacs.003 with Amendment Indicator 'true' but no Amendment Details, it has two options:

- 1) To reject this payment and get a claim from the Creditor Bank why it is doing too strict validations, which are not essential or not in the scope of a clearing institution.
- 2) To forward the payment and get a claim from the receiving institution why forwarding a payment that does not meet the EPC rules.

Example 2:

According to the SEPA CREDIT TRANSFER SCHEME INTER-BANK IMPLEMENTATION GUIDELINES "Use of FI-to-FI Payment Cancellation Request V01 (camt.056.001.01)" the codes "TECH" and "FRAD" must be used in 'Proprietary' while "DUPL" must be filled into element 'Code'. If the element 'Proprietary' is filled with "DUPL" the Clearing institution again has the two options:

- 1) To reject the cancellation request and get a claim from the Debtor Bank why it is doing too strict validations not essential or not in the scope of a clearing institution.
- 2) To forward the payment and get a claim from the receiving institution why forwarding a payment that does not meet the EPC rules.

Change Request:

It must be clear to all involved parties in the processing chain who is responsible for which validation.



In depth checks and validation should be performed exclusively by the bank (of the end users) - meaning the Debtor Agent and the Creditor Agent. Others should only reject a payment if not possible to forward, e.g. format validations fail, BIC is not reachable.

EPC should define the responsibilities in general or for each SEPA Usage Rule in the Implementation Guidelines of the SEPA schemes.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Improvement of the scheme.

2. Impact on the interbank space:

Reduction of disagreements and uncertainty because of more precise responsibilities.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Responsibilities for the validation SEPA Usage Rules have to be added to the Implementation Guidelines.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No impact.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES
Is the change request underpinned by a cost-benefit analysis?	NO
Does the change fit in the strategic objectives for SEPA?	YES
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES
Do you consider that the change request does not impede SEPA-wide interoperability?	YES
Do you consider that the change request is in the scope of the scheme involved?	YES

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu

by 31 December 2017

Name of contributor:	Spanish banking community
Organisation:	AEB
Address:	Pº Castellana 259 D – Torre Espacio, Madrid 28046
Contact details:	pclaveria@aebanca.es
Your reference:	
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 8.2
Request Date:	29/12/2017
For information:	<p>This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website:</p> <p>http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules-version-40/</p>



1 General Description of the Change Request

1.1 Suggested launch date (if any):

Next SCT Rulebook version.

1.2 Description of the change request:

The current version of the SCT Rulebook states, regarding the Recall procedure, that a 'Recall' occurs when the Originator Bank needs to send a Recall about an executed credit transfer.

Currently, the Rulebook version provides that a Recall can be executed as long as the credit transfer processed has less than 10 Banking Business Days.

Our proposal consists in extending the period in which an Originator Bank could execute a Recall to retrieve a credit transfer. We propose to lengthen up to 30 days to the Originator Bank to create this kind of request instead of 10 days.

Nevertheless, the period of the answer for the Recall by the Beneficiary Bank must remain the same. The Beneficiary Bank must always handle the Recall upon receipt of such request and provide either a positive or negative answer within 10 days.

The main aim of this proposal is to avoid manual actions for Recalls that occur when the 10 Banking Business Days have concluded, and there are a number of them. At the present time, after this period, the actions of the Originator Bank to retrieve a credit transfer are requested by sending an email to the Beneficiary Bank or swift message, sometimes by fax or phone. All this involves manual work caused by the lack of an automated process.

Wherever possible, please indicate:

1. Impact on the Scheme in general:

Minimum

2. Impact on the interbank space:

Period to initiate a Recall request procedure would be modified accordingly.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

None

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

None

5. The nature of the change request: **a)**

a. A change (~~deleting or replacing an existing Rulebook element by a new one~~)



~~b. A variant (adding an alternative — optional — rule alongside an existing Rulebook element)~~



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	YES
Is the change request underpinned by a cost-benefit analysis?	YES. Extending the period will allow to treat up to 30% more Recalls, as per Spanish community experience.
Does the change fit in the strategic objectives for SEPA?	YES. It reduces the need to act manually in the payment process.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES
Do you consider that the change request does not impede SEPA-wide interoperability?	YES
Do you consider that the change request is in the scope of the scheme involved?	YES

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

Name of contributor:	Massimo Battistella
Organisation:	European Association of Corporate Treasurers (EACT)
Address:	3 rue d'Edimbourg – CS 40011 – F-75008 Paris – France
Contact details:	massimo.battistella@telecomitalia.it anni.mykkanen@eact.eu
Your reference:	EACT CR SCT 001-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

1.2 Description of the change request:

Insert an option ("Extended Remittance Information" option) in the rulebook to properly manage delivery to the beneficiary of extended structured remittance information.

When a Corporate has wide relationships with its customers, it issues several invoices and, eventually, credit notes. The customers will make payments for the net amount of the invoices and credit notes received in order to settle the credit notes and, in some cases, where bilateral commercial relationships are in place, its own invoices or debit notes.

To allow automated reconciliation of the payment by the payee, the payer must provide adequate remittance information, e.g. the creditor references or other information about the invoices and credit notes that will be settled with the payment.

The lack of space for sending the above mentioned references in the SEPA structured remittance information field obliges the payer to either send the remittance information by other means, e.g. email, or include the details of invoices and credit notes in a text form in the unstructured remittance information of the payment.

Both of these alternative methods do not allow automated Straight Through Processing (STP) reconciliation by the payee and/or may cause additional and costly manual processes and interactions between payee and payer.

Structured remittance information data set or unstructured remittance information data set may be used in the ISO 20022 Credit Transfer messages to carry the remittance information.

According to the ISO standard, remittance information is not limited by occurrence or by total length. The structured remittance information includes several optional data elements with rules regarding optional values and/or length. The unstructured remittance information has no specific rules regarding the content or the length.

By utilizing structured remittance information STP will be achievable as well as an increase in effectiveness of the end-to-end payment process, from originator to beneficiary.

The SEPA Rulebook for Credit Transfers limits the use of Remittance information as follows:

- either structured or unstructured remittance information may be included but not both;
- unstructured remittance information may not exceed 140 characters of text in length;

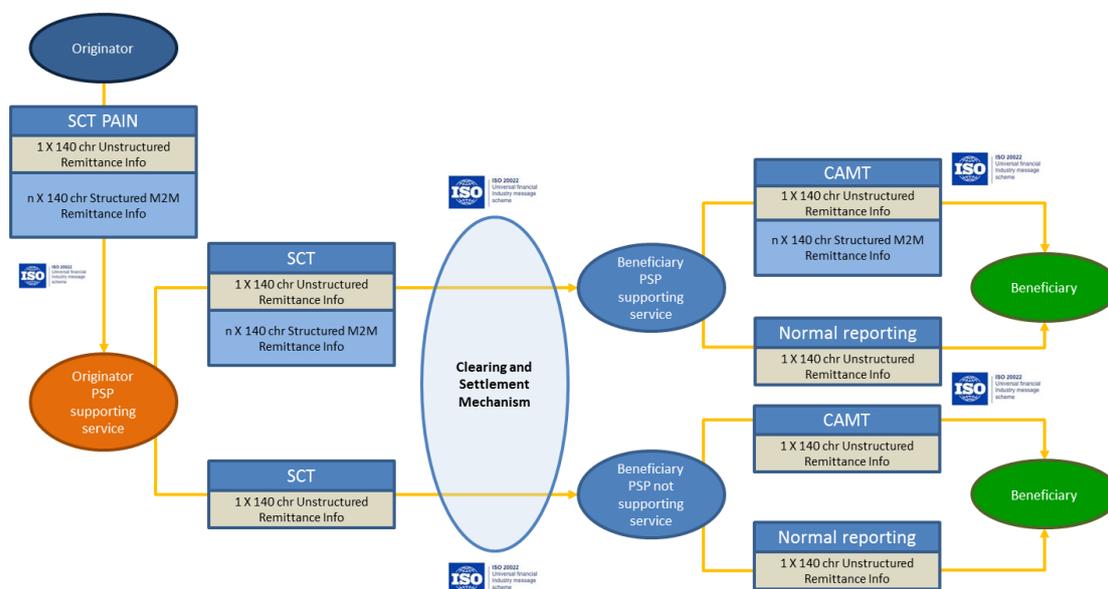


- structured remittance information may be used, provided the tags and the data within the 'Structured' element do not exceed 140 characters in length.

We suggest to insert in the SCT Scheme an option for originator and beneficiary banks to:

- allow both unstructured and structured remittance information in the payment messages, Ref EACT CR SCT 003-2017;
- increase unstructured remittance information length to 2 recurrences of 140 characters of text Ref EACT CR SCT 004-2017;
- increase structured remittance information length to min 20 - max 999 (as in Finnish SCT AOS 2) recurrences of 140 characters of text; Ref EACT CR SCT 005-2017;
- allow originator bank adhering to the option to send to the beneficiary bank adhering to the option both structured and, if present in the payment initiation message, the unstructured remittance information, Ref EACT CR SCT 006-2017;
- allow the beneficiary bank adhering to the option to deliver to beneficiary the unstructured remittance information in the usual (paper and/or electronic) statement of account and the structured remittance information only to beneficiaries that with an electronic interface which does comply with the ISO 20022 XML standard, Ref EACT CR SCT 007-2017;

Graphical representation of the SCT option



Functional to the above SCT scheme option is an amendment in the definition of the attribute AT-05 where the terms "Structured Remittance Information" should be changed in the Rulebook to "Structured Machine to Machine Remittance Information" (cfr EACT CR SCT 002-2017).



1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes, introduction of optional features.

2. Impact on the interbank space:

Yes, eventual checks operated by CSMs on length/occurrences of remittance information.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes, changes in the IG and in PSP to Customer reporting recommendations

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Yes, new obligations for the participants adhering to the SCT option

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

b – adding optional features.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Cost of manual, human managed, reconciliation of incoming payments for payees are high for beneficiaries and the request, connected with other EACT Change request no EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017, will enhance the possibility of straight-through-processing in payment reconciliation.
Does the change fit in the strategic objectives for SEPA?	Yes. Straight-through-processing of payment flows has been considered one of most important benefit of SEPA (see ECB 7 th SEPA Progress Report), but it cannot be limited to the interbank space. As evidenced by ECB in the 6 th SEPA Progress Report "The full benefits of SEPA will only be reached if SEPA responds to customer needs. End to-end straight-through-processing is a major requirement for professional users".
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible, as demonstrated by existing Finnish SEPA SCT AOS 2.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

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by 31 December 2017**

Name of contributor:	Massimo Battistella
Organisation:	European Association of Corporate Treasurers (EACT)
Address:	3 rue d'Edimbourg – CS 40011 – F-75008 Paris – France
Contact details:	massimo.battistella@telecomitalia.it anni.mykkanen@eact.eu
Your reference:	EACT CR SCT 002-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

1.2 Description of the change request:

This change request is functional and has to be valued in connection with other EACT change requests no EACT CR SCT 001-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017.

Amendment in business requirements for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer – when 'Structured' remittance information is used.

Structured remittance information, based on the ISO 11649 standard, can be inserted in the payment message to enable the matching/reconciliation of an incoming payment with the items that such a payment is intended to settle, such as commercial invoices in an accounts receivable system. Such information include creditor references or other information of the invoices and eventual credit notes that have been bundled with the payment.

Structured remittance information consists in alphanumeric codes and is therefore supposed to be used in straight-through-processing machine to machine automatic reconciliation only.

We suggest that "Structured Remittance Information should be redefined in the Rulebook as "Structured Machine to Machine Remittance Information".

We furthermore suggest that business requirements, implementation guidelines and clarification papers have a specific mention to automatic treatment of the information and an indication that such information should be transferred to beneficiary only when electronic means in the Beneficiary Bank to Customer space are used, such as in electronic statements of account or other electronic formats using Data Set DS-04 - Bank to customer credit transfer information (optional in other cases).

We further suggest to evaluate the possibility to have a specific new attribute code for the renamed "Structured Machine to Machine Remittance Information".

Considering the opportunity to use the available ISO 20022 standard for end to end straight-through-processing reconciliation, we suggest that the Beneficiary Bank may drop received "Structured Machine to Machine Remittance Information" and not make it available to a Beneficiary who is connected with an interface which does not comply with the ISO 20022 XML standard

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:



Yes, revision of AT-05 definition and rules in the PSP to Beneficiary space.

2. Impact on the interbank space:

None.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

None

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

None

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

A - Redefining a current Rulebook element definition.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Cost of manual, human managed, reconciliation of incoming payments for payees are high for beneficiaries and the request, connected with other EACT Change request no EACT CR SCT 001-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017, will enhance the possibility of straight-through-processing in payment reconciliation.
Does the change fit in the strategic objectives for SEPA?	Yes. Straight-through-processing of payment flows has been considered one of most important benefit of SEPA (see ECB 7 th SEPA Progress Report), but it cannot be limited to the interbank space. As evidenced by ECB in the 6 th SEPA Progress Report "The full benefits of SEPA will only be reached if SEPA responds to customer needs. End to-end straight-through-processing is a major requirement for professional users".
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

Name of contributor:	Massimo Battistella
Organisation:	European Association of Corporate Treasurers (EACT)
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Contact details:	massimo.battistella@telecomitalia.it anni.mykkanen@eact.eu
Your reference:	EACT CR SCT 003-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

1.2 Description of the change request:

This change request is functional to EACT change request no. EACT CR SCT 001-2017 to and has to be valued in connection with other EACT change request: EACT CR SCT 002-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017

Introduce an option to allow contemporaneous presence of unstructured and structured remittance information in payment messages from originator to beneficiary.

Currently both business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate that either 'Structured' or 'Unstructured' remittance information may be present.

We believe that originators should be allowed to insert and PSPs should be required to transfer to beneficiaries in the payment message both human readable information in the unstructured remittance information and, when required or considered useful, structured remittance information for automatic straight through processing reconciliation, in the structured remittance information field.

The unstructured remittance information field is completely under control of the initiator of the payment and may contain free text, any proprietary format or formatted remittance information according to the "EACT formatting rules of SEPA Unstructured 140 Characters Field for Remittance Information".

The structured remittance information component of SEPA Payments includes detailed information of an invoice or a credit note or any other document, including the amounts. Each occurrence of structured remittance information contains the references of a invoice or credit notes according to the ISO 11649 International Creditor's Reference is recommended by the EPC in the SCT Rulebook or to any other format agreed between the payer and the payee.

The simultaneous presence of both types of information will allow payees with different reconciliation capabilities to operate within the same payment message structure, using indifferently the information contained in the unstructured or structured field of the payment message to reconcile the received amount.

We suggest to insert an option to the SCT Scheme to allow contemporaneous presence of both 'Structured' or 'Unstructured' remittance information.



Originators should then be able to insert and PSPs adhering to the option to transfer to beneficiaries, human readable information and, when required or useful, structured remittance information using the ISO 11649 standard for automatic straight through processing ('Structured Machine to Machine Remittance Information' - reference to change request EACT CR SCT 002-2017).

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes, revision of AT-05 definition and rules.

2. Impact on the interbank space:

Yes, eventual checks operated by CSMs on length/occurrences of remittance information. Possible increase in message length.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes, changes in the IGs and in PSP to Customer reporting recommendations.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Yes, new obligations for the participants adhering to the SCT option.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)
b – adding optional features.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Cost of manual, human managed, reconciliation of incoming payments for payees are high for beneficiaries and the request, connected with other EACT Change request no EACT CR SCT 001-2017, EACT CR SCT 002-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017, will enhance the possibility of straight-through-processing in payment reconciliation. Contemporaneous occurrence of both "Unstructured" and "Structured" remittance information could increase the use of the "Structured" remittance information making obsolete the complex and often far-from-automated processes of remittance advices.
Does the change fit in the strategic objectives for SEPA?	Yes. Straight-through-processing of payment flows has been considered one of most important benefit of SEPA (see ECB 7 th SEPA Progress Report), but it cannot be limited to the interbank space. As evidenced by ECB in the 6 th SEPA Progress Report "The full benefits of SEPA will only be reached if SEPA responds to customer needs. End to-end straight-through-processing is a major requirement for professional users".
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope

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Distribution: Publicly available

TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

Name of contributor:	Massimo Battistella
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Your reference:	EACT CR SCT 004-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

1.2 Description of the change request:

This change request is functional to EACT change request no. EACT CR SCT 001-2017 to and has to be valued in connection with other EACT change request: EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017

Increase the space in the payment messages for the 'Unstructured' remittance information.

Currently both business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate a maximum of 140 characters for unstructured Remittance Information (one only recurrence of the xml ISO tag "Ustrd").

We suggest to extend space to 280 characters (two recurrences of the xml ISO tag "Ustrd").

The increased space will allow originators, especially Consumers normally not using the "Structured" remittance information, to insert more information for the beneficiary to identify the items paid and increase the possibility of reconciliation of the payment.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes, revision of AT-05 definition and rules.

2. Impact on the interbank space:

Yes, eventual checks operated by CSMs on length of "Unstructured" remittance information xml tags to be changed. Possible increase in message length.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes, changes in the IGs and in PSP to Customer reporting recommendations.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No.

5. The nature of the change request:



- a. A change (deleting or replacing an existing Rulebook element by a new one)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)
 - a – Redefining current Rulebook element definition and business rules.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Efficiency and effectiveness in the reconciliation of payments done by consumers are highly effected by the reduced space currently available for remittance information that impedes originator to transfer to the beneficiary all relevant information required to identify the items paid. Increased information transferred to the beneficiary will improve matching of open items and reduce the administrative effort, improving credit management efficiency because non-payment can be detected sooner since not mixed with unmatched items.
Does the change fit in the strategic objectives for SEPA?	Yes. Increase in the reconciliation of payments, especially cross border, has been considered as one of the benefit of SEPA.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope

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Your reference:	EACT CR SCT 005-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



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1.2 Description of the change request:

This change request is functional to EACT change request no. EACT CR SCT 001-2017 to and has to be valued in connection with other EACT change request: EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017

Insert an option to increase space in the payment messages for the 'Structured' remittance information ('Structured Machine to Machine Remittance Information' - reference to change request EACT CR SCT 002-2017).

Currently both business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate a maximum of 140 characters for structured Remittance Information (one only repetition of the xml ISO tag "Strd").

Structured remittance information, based on the ISO 11649 standard, are inserted in the ISO 20022 payment message to enable the matching and reconciliation of an incoming payment with the items that such a payment is intended to settle and are supposed to be used in straight-through-processing automatic reconciliation; such information include creditor references or other references to the invoices and eventual credit notes that have been settled with the payment.

The current space available in SEPA schemes allows the transfer of structured remittance information concerning only one single item that the payment settles. This is not enough in the business-to-business context, where the originator normally bundles in a single payment multiple invoices and/or credit notes and pays the net amount.

When a Corporate has wide relationships with its customers, it issues several invoices and, eventually, credit notes. The customers will make payments for the net amount of the invoices and credit notes received in order to settle the credit notes and, in some cases, where bilateral commercial relationships are in place, deducting also its own invoices or debit notes.

To allow automated reconciliation of the payment by the payee, the payer must provide adequate remittance information, e.g. the creditor references or other information about the invoices and credit notes that will be settled with the payment.

The lack of space for sending the above mentioned references in the SEPA structured remittance information field obliges the payer to either send the remittance information by other means, e.g. email, or include the details of invoices and credit notes in a text form in the unstructured remittance information of the payment.



Both of these alternative methods do not allow automated Straight Through Processing (STP) reconciliation by the payee and/or may cause additional and costly manual processes and interactions between payee and payer.

Reminding that the ISO standard has no limitations in the occurrences of the xml "Strd" tag, we suggest to introduce an option to extend space for "Structured" remittance information from a minimum of 2.800 characters (20 occurrences of the xml ISO tag "Strd") to a maximum of 139.860 characters (999 occurrences of the xml ISO tag "Strd") as in the Finnish SCT AOS 2.

http://www.finanssiala.fi/maksujenvalityks/dokumentit/Description_of_the_SEPA_Credit_Transfer_AOS2_for_Finland.pdf
http://www.finanssiala.fi/maksujenvalityks/dokumentit/Description_of_the_SEPA_Credit_Transfer_AOS2_for_Finland.pdf

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes, revision of AT-05 definition and rules. Introduction of optional features.

2. Impact on the interbank space:

Yes, eventual checks operated by CSMs on length of "Structured" remittance information xml tags to be changed. Possible increase in message length.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes, changes in the IGs and in PSP to Customer reporting recommendations.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

No.

5. The nature of the change request:

a. A change (deleting or replacing an existing Rulebook element by a new one)

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

b – adding optional features.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Cost of manual, human managed, reconciliation of incoming payments for payees are high for beneficiaries and the request, connected with other EACT Change request no EACT CR SCT 001-2017, EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 006-2017, EACT CR SCT 007-2017, will enhance the possibility of straight-through-processing in payment reconciliation. Increased structured information transferred to the beneficiary will improve automatic matching of open items and reduce the administrative effort, improving credit management efficiency because non-payment can be detected sooner since not mixed with unmatched items.
Does the change fit in the strategic objectives for SEPA?	Yes. Straight-through-processing of payment flows has been considered one of most important benefit of SEPA (see ECB 7 th SEPA Progress Report), but it cannot be limited to the interbank space. As evidenced by ECB in the 6 th SEPA Progress Report "The full benefits of SEPA will only be reached if SEPA responds to customer needs. End to-end straight-through-processing is a major requirement for professional users".
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible, as demonstrated by existing Finnish SEPA SCT AOS 2.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope



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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

**Responses by e-mail to: change-request.EPC-scheme@epc-cep.eu
by 31 December 2017**

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Your reference:	EACT CR SCT 006-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

1.2 Description of the change request:

This change request is functional to EACT change request no. EACT CR SCT 001-2017 to and has to be valued in connection with other EACT change request: EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 007-2017

Allow originator bank adhering to the "Extended Remittance Information" option to send to the beneficiary bank adhering to the option both structured and unstructured remittance information.

Currently both business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate that either 'Structured' or 'Unstructured' remittance information may be present in the payment message.

We suggest to allow payer's banks adhering to the "Extended remittance information option" (crf. EACT CR SCT 001-2017):

- to allow the payer to initiate a payment including one mandatory occurrence of unstructured remittance information and eventual multiple occurrences of structured remittance information;
- to check if the beneficiary bank adheres to the "Extended remittance information" option.
- to insert in the payment message to the beneficiary banks adhering to the "Extended remittance information" option both unstructured and structured remittance information.
- to insert in the payment message to the beneficiary banks not adhering to the "Extended remittance information" option the unstructured remittance information only.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes, revision of AT-05 definition and rules. Introduction of optional features.

2. Impact on the interbank space:



Yes, eventual checks operated by CSMs on length of remittance information xml tags to be changed. Possible increase in message length.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes, changes in the IGs and in PSP to Customer reporting recommendations.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Yes, new obligations for the participants adhering to the SCT option.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)
 - b – adding optional features.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Cost of manual, human managed, reconciliation of incoming payments for payees are high for beneficiaries and the request, connected with other EACT Change request no EACT CR SCT 001-2017, EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 007-2017, will enhance the possibility of straight-through-processing in payment reconciliation. Increased structured information transferred to the beneficiary will improve automatic matching of open items and reduce the administrative effort, improving credit management efficiency because non-payment can be detected sooner since not mixed with unmatched items
Does the change fit in the strategic objectives for SEPA?	Yes. Straight-through-processing of payment flows has been considered one of most important benefit of SEPA (see ECB 7 th SEPA Progress Report), but it cannot be limited to the interbank space. As evidenced by ECB in the 6 th SEPA Progress Report "The full benefits of SEPA will only be reached if SEPA responds to customer needs. End to-end straight-through-processing is a major requirement for professional users".
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope



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TEMPLATE

for proposing a change request in a SEPA Payment Scheme

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by 31 December 2017**

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Your reference:	EACT CR SCT 007-2017
Scheme and document and version number:	EPC125-05 2017 SEPA Credit Transfer Rulebook Version 1.1
Request Date:	29/12/2017
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' (SMIRs) available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/other/sepa-scheme-management-internal-rules



1 General Description of the Change Request

1.1 Suggested launch date (if any):

1.2 Description of the change request:

This change request is functional to EACT change request no. EACT CR SCT 001-2017 to and has to be valued in connection with other EACT change request: EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017

Allow beneficiary bank adhering to the "Extended Remittance Information" option to send to the beneficiary both structured and unstructured remittance information.

Currently both business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate that either 'Structured' or 'Unstructured' remittance information may be present in the payment message and are transferred to the beneficiary by the beneficiary bank.

We suggest to allow beneficiary banks adhering to the "Extended Remittance Information option" (crf. EACT CR SCT 001-2017):

- to made available in full to the beneficiary, subject to any prior agreement to the contrary, both unstructured and structured remittance information received from the originator bank to a beneficiary who uses an interface which does comply with the ISO 20022 XML standard.
- to made available in to the beneficiary, in the standard paper and/or electronic reporting to a beneficiary who uses an interface which does not comply with the ISO 20022 XML standard, the unstructured remittance information only.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes, revision of AT-05 definition and rules. Introduction of optional features.

2. Impact on the interbank space:

No.

3. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):



Yes, in bank to customer reporting recommendations.

4. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Scheme Rulebooks:

Yes, new obligations for the participants adhering to the SCT option.

5. The nature of the change request:

- a. A change (deleting or replacing an existing Rulebook element by a new one)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

b – adding optional features.



2 Elements for evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide acceptance?	No, but could allow to reap the benefits in the reconciliation processes enabled by the SEPA xml SCT scheme.
Is the change request underpinned by a cost-benefit analysis?	Yes. Cost of manual, human managed, reconciliation of incoming payments for payees are high for beneficiaries and the request, connected with other EACT Change request no EACT CR SCT 001-2017, EACT CR SCT 002-2017, EACT CR SCT 003-2017, EACT CR SCT 004-2017, EACT CR SCT 005-2017, EACT CR SCT 006-2017, will enhance the possibility of straight-through-processing in payment reconciliation. Increased structured information transferred to the beneficiary will improve automatic matching of open items and reduce the administrative effort, improving credit management efficiency because non-payment can be detected sooner since not mixed with unmatched items
Does the change fit in the strategic objectives for SEPA?	Yes. Straight-through-processing of payment flows has been considered one of most important benefit of SEPA (see ECB 7 th SEPA Progress Report), but it cannot be limited to the interbank space. As evidenced by ECB in the 6 th SEPA Progress Report "The full benefits of SEPA will only be reached if SEPA responds to customer needs. End to-end straight-through-processing is a major requirement for professional users".
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it is feasible.
Do you consider that the change request does not impede SEPA-wide interoperability?	No, interoperability will not be impeded.
Do you consider that the change request is in the scope of the scheme involved?	Yes, it is in the scope

