

SEPA DIRECT DEBIT CORE 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 SDD Core 2018 Change Request Public Consultation Document (document EPC007-18) details change requests for possible modifications to be introduced into the next version of the SDD Core rulebook. This public consultation document builds on change requests submitted by stakeholder representatives, banking communities and by EPC Working and Support Groups. The SDD Core 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 regarding 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 SDD Core 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 SDD Core rulebook by completing the response template EPC011-18 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 SDD Core 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 SDD Core 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 SDD Core scheme is available in Chapter 4 of the [Scheme Management Internal Rules \(The Internal Rules\)](#) being a binding Annex to the current applicable SDD Core rulebook.

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



Therefore, the EPC reserves the right to make necessary changes to the SDD Core rulebook at all times in order to ensure that the SDD Core 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 SDD CORE 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 SDD Core 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 SDD Core Change Request 2018 Public Consultation Document highlights change requests for major changes to the SDD Core rulebook received in this scheme change management cycle. Change requests for minor changes to the SDD Core rulebook are set out in section 4 of this Change Request Public Consultation Document. All change requests to the SDD Core 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 **eleven** change requests for major changes to be introduced into the SDD Core rulebook. The change requests submitted to the EPC are included in Annex 1 to this document.

A first change request is to clarify which SDD Core scheme participants must comply with the mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs) of the SDD Core rulebook. A second change request proposes to harmonise the sections 5.7 and 5.8 outlining the obligations of the SDD Core scheme participants in Annex VII (e-Mandate option), with the same sections in the SDD Core rulebook.

A proposal has been made to change the calculation of the compensation for the Debtor Bank in case of Refunds. Another suggestion is the inclusion of ISO 20022 account management messages in the SDD Core scheme and their mandatory use in the interbank space.

A further contribution is that an SDD Core collection from the Creditor containing an IBAN but not the related BIC, can be transmitted to the Creditor Bank even if one of the two SDD Core scheme participants covered by that SDD Core collection is based in a non-EEA SEPA country.

The proposal has been made to include clear validation responsibilities to SDD Core scheme participants and CSMs to execute the SEPA Usage Rules in the interbank IGs.

Various contributors suggest new SDD r-transaction reason codes related to clearing and settlement-specific issues and to SDD Core collection blocking options that Debtors may set up.

Another proposition is to extend the timespan for the Creditor to make SDD collection reversals. A final change request suggests the development of a SDD Inst scheme.



All change requests to the SDD Core 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;
 - 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 A scheme participant is a payment service provider which has formally adhered to an EPC SEPA scheme.

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



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 EPC011-18 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
4	Harmonization of sections 5.7 and 5.8 in Annex VII with the same sections in the rulebooks	EPC SEMWG	Should be incorporated into the scheme - option b
12	Change in the calculation of the compensation for the Debtor Bank in case of Refunds	Hawliczek	Cannot be part of the existing scheme – option e
15	Mandatory use of the acmt.022 message in the interbank space	Deutsche Bank	Cannot be part of the existing scheme – option e
16	Development of SDD Inst scheme	Deutsche Bank	Cannot be part of the existing scheme – option e
23	New r-transaction reason codes	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



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.
30	Inclusion of R-transaction reason code ED05	equensWorldline	Should be incorporated into the scheme - option b
31	Inclusion of R-transaction reason code DT01	equensWorldline	No EPC recommendation
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
36	Extension of the reversal period for the Creditor	Spanish banking community	Cannot be part of the existing scheme – option e

1.3. Overview of Changes to Align the Next Version of the SDD Core 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 SDD Core rulebook due to any EU legislation.			



2. DETAILED ANALYSIS OF MAJOR CHANGE REQUESTS TO THE SDD CORE 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. # 4: Harmonization of sections 5.7 and 5.8 in Annex VII with the same sections in the rulebook

2.2.1. Description

This change request was made by the SEMWG.

The sections 5.7 (Obligations of a Creditor Bank) and 5.8 (Obligations of a Debtor Bank) of both SDD rulebooks had been extended considerably with regulatory changes during the 2016 rulebook change management cycle.

Chapter 5 in Annex VII on e-Mandates of both SDD rulebooks slightly modifies existing and add new obligations in the sections 5.7 and 5.8 of the concerned SDD rulebook.

A comparison of sections 5.7 and 5.8 in Annex VII with the concerned section in the SDD rulebooks themselves have been done. A number of changes are proposed to ensure alignment.

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 only the rulebook.



2.3. # 12: Change in the calculation of the compensation for the Debtor Bank in case of Refunds

2.3.1. Description

This change request was made by Mr Hawliczek back in 2016 was submitted too late for the 2016 change management cycle. The contributor requested to include it in the 2018 change management cycle.

The SDD Core rulebook currently stipulates that the Debtor Bank has the right to receive compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank by crediting of the Debtor's account with the value date equal to the due date of the initial collection. The calculation is based on the EONIA rate.

The contributor points out that the EONIA rate is currently negative meaning that the Creditor Bank would receive compensation from the Debtor Bank. The 'real' costs for re-crediting the Debtor with the original value date are not covered with the current refund compensation calculation.

The contributor suggests changing the formula in process step PT-04.16 in chapter 4 to the effect that even if EONIA rate is negative, the Debtor Bank has the possibility to receive a refund for its interest expense. Possible solutions would be:

- Take the absolute amount of the EONIA rate
- Instead of the EONIA rate (or only in case the EONIA rate is negative) take the rate given by the ECB for main refinancing operations

2.3.2. SEMWG analysis and recommendation

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

It sees no need to adapt the rulebook. Reference is made to section 5.13 which foresees a cost recovery provision for SDD Core scheme participants: "For R-transactions an Interchange Fee may be charged either as part of the R-transaction or through other means."

2.3.3. Rulebook impact

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



2.4. # 15: Mandatory use of the acmt.022 message in the interbank space

2.4.1. 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 debtor agent to the creditor agent in case of SDD 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 Debtor Bank to inform the Creditor Bank in case Debtor account details have changed;
- the Creditor Bank makes this information available to the Creditor upon request of the Creditor, i.e. if the Creditor 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”.

2.4.2. 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.

2.4.3. Rulebook impact

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



2.5. # 16: Development of SDD Inst scheme

2.5.1. Description

This change request was made by Deutsche Bank.

Payees should be able to send via their PSP a SEPA Instant Direct Debit to the payer's PSP. The SDD Inst collection should be sent via the SCT Inst infrastructure from the payee's PSP to the payer's PSP.

2.5.2. SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**) for the SDD Core scheme.

Looking at the use cases proposed in the change request, an alternative for these use cases could be Request-to-Pay messages making use of the SCT and SCT Inst schemes. The topic of Request-to-Pay is handled through the Euro Retail Payments Board (ERPB).

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 and scheme participants 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.

2.5.3. Rulebook impact

If this change request is supported, this will lead to a new EPC SEPA scheme consisting of a rulebook, C2B and interbank implementation guidelines.



2.6. # 23: New r-transaction reason codes

2.6.1. Description

This change request was made by the Dutch Payments Association.

The SEPA Regulation obliges Debtor Banks to offer Debtors the option to block their account for direct debit transactions in case of four reasons:

- Whitelist in use; creditor and/or mandate not listed;
- Creditor blocked;
- Maximum number of Direct Debit transactions within a certain period is exceeded by the Creditor;
- Transaction exceeds a maximum amount.

Creditors have requested their Creditor Banks to be informed more specific about Direct Debit transactions which are returned based on these blocking options as set by the Debtor(s). This requires more specific reason codes (next to SL01; "Due to specific service offered by the Debtor Agent").

Introducing specific codes for these four (optional) settings will help all parties involved to inform each other in a more accurate way. It also helps Creditors to act/communicate in line with (one of) the four possible blocking options as used by the Debtor(s).

Code	Name	Definition
SL11	Creditor not on Whitelist of Debtor	Whitelisting service offered by the Debtor Agent; Debtor has not included the Creditor on its "Whitelist" (yet). In the Whitelist the Debtor may list all allowed Creditors to debit Debtor bank account."
SL12	Creditor on Blacklist of Debtor	Blacklisting service offered by the Debtor Agent; Debtor included the Creditor on his "Blacklist". In the Blacklist the Debtor may list all Creditors not allowed to debit Debtor bank account
SL13	Maximum number of Direct Debit Transactions exceeded	Due to Maximum allowed Direct Debit Transactions per period service offered by the Debtor Agent
SL14	Maximum Direct Debit Transaction Amount exceeded	Due to Maximum allowed Direct Debit Transaction amount service offered by the Debtor Agent

2.6.2. SEMWG analysis and recommendation

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

The Debtor can already rely on other reason codes to block a presented SDD collection (e.g., no mandate, refusal, account blocked for SDD by the Debtor). The Debtor may not be pleased that such SDD r-transaction reasons would be communicated directly to the Creditor.

2.6.3. Rulebook impact

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



2.7. # 25: SEPA transaction processing based on IBAN-Only also for non-EEA SEPA countries

2.7.1. 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.

2.7.2. SEMWG analysis and recommendation

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

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

2.7.3. Rulebook impact

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



2.8. # 30: Inclusion of R-transaction reason code ED05

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

It can be in the interest of a bank (and its customers) involved to enable the creditor agent to distinguish between a reject due to lack of funds on the debtor's account, and a reject due to settlement failure on interbank level. The code ED05 can provide a clear distinction between these scenarios, preventing any possible association between the code and the financial status of the debtor.

The contributor points out that some SEPA countries have legal provisions that for a reject due to a lack of funds on the debtor's account, the code AM04 is not allowed and MS03 must be used instead. If ED05 is not allowed in the pacs.002 message, MS03 will be used in both scenarios, inducing the risk of misinterpretation

A creditor bank may consider a different handling of ED05-rejections, e.g., resubmit the transactions to the CSM instead of forwarding the reject to its customers.

Furthermore, it is not only a CSM who might want to actively use ED05 in pacs.002 messages, but also a bank connecting other banks as indirect participants / reachable parties to a CSM. It can also find itself in the situation that it wants to reject an SDD collection in case it is not able to successfully debit its indirect participant. ED05 would be the appropriate code in this case for the same reasons as described above.

2.8.2. 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 SDD collection to the Creditor Bank.

2.8.3. Rulebook impact

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



2.9. # 31: Inclusion of R-transaction reason code DT01

2.9.1. 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 reason code DT01 (= "Invalid date e.g. wrong or missing settlement date"). This reason code should be added to the pacs.002 and pain.002, in SDD, for rejecting a wrong date such as wrong Interbank Settlement Date, Requested Collection Date, Original Interbank Settlement Date, or a date outside the allowed period for an R-transaction.

DT01 is more specific than MS03 (= Reason not specified) and FF01 (invalid file format), which are currently being used in SDD (TM01 in SCT).

2.9.2. SEMWG analysis and recommendation

The SEMWG does not give a recommendation for this change request.

This reason code is not yet foreseen in the SDD interbank IGs. More information on the use cases is needed to re-consider the possible inclusion of this reason code.

2.9.3. Rulebook impact

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



2.10.# 32: Clear validation responsibilities to participants and CSMs to execute the SEPA Usage Rules in the interbank IGs

2.10.1. 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).

2.10.2. 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.

2.10.3. Rulebook impact

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



2.11.# 36: Extension of the reversal period for the Creditor

2.11.1. Description

This change request was made by the Spanish banking community.

Both SDD rulebooks state that Reversals may only be processed from the settlement date and within the five inter-bank business days following the due date requested in the original collection.

After these five days, the Reversal need to be processed out of the automated procedure, forcing both the Debtor Bank and the Creditor Bank to act manually to get the direct debit reversals, wasting time and resources.

The contributor proposes to extend the reversal period for the Creditor from the current five days to ten inter-bank business days, as the experience in the Spanish community is that there are up to 5% of reversals requested by the Creditor after the fifth day.

2.11.2. SEMWG analysis and recommendation

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

The need to do a reversal is due to an error by the Creditor. Extending the timespan to 10 days in which a reversal can be done will cause conflicts with other r-transaction types. It is expected that the Creditor rectifies its error as soon as possible. The Creditor may agree with the Debtor to recover the funds outside of the scheme (e.g., by credit transfer).

2.11.3. Rulebook impact

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



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 SDD CORE 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 "Creditor Bank" and "Debtor Bank" into "Creditor PSP" and "Debtor 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 [16] 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



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 SDD Core rulebook.

5.2. Structure of the Change Request Public Consultation Document

Sections 2, 3 and 4 describe the changes to the SDD Core 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 3 covers change requests to align the SDD Core rulebook with the SEPA Regulation and any other EU legislation;
- Section 4 proposes changes to correct typing errors and provide additional clarification to the SDD Core rulebook. These changes consist of minor changes to the SDD Core rulebook which are uncontroversial in nature and do not affect technical operations.

Annex 1 contains all received original change requests for the 2018 SDD Core 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. eleven of these are applicable to the SDD Core 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 3 meet the criteria for acceptance into the 2018 SDD Core 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 SDD Core 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 SDD Core 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 SDD Core 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 SDD Core 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.

[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:	#04 – harmonization of sections 5.7 and 5.8 in Annex VII with the same sections in the rulebooks
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 sections 5.7 (Obligations of a Creditor Bank) and 5.8 (Obligations of a Debtor Bank) of both SDD rulebooks had been extended considerably with regulatory changes during the 2016 rulebook change management cycle.

Chapter 5 in Annex VII on e-Mandates of both SDD rulebooks slightly modifies existing and add new obligations in the sections 5.7 and 5.8 of the concerned SDD rulebook.

A comparison of sections 5.7 and 5.8 in Annex VII with the concerned section in the SDD rulebooks themselves have been done to ensure alignment. The following changes are proposed:

A. Titles of sections 5.7 and 5.8 in both SDD rulebooks:

5.7 Obligations of a Creditor Bank

~~(e-Mandates see the indicated points below)~~

5.8 Obligations of a Debtor Bank (e-Mandates)

B. Section 5.7 in Annex VII of the SDD Core rulebook:

The e-Mandate service changes the following obligations for the Creditor Bank:

1. Replacement of the 13th bullet point ~~4~~ in the Core Scheme Rulebook in section 5.7:

In respect of each of its Creditors, a Creditor Bank shall:

- ~~1~~-upon request by a Debtor Bank to whom it has sent a Collection (including any Collection which has become subject to a Reject), seek where necessary any relevant information and, if requested, a copy of the relevant Mandate data, from the Creditor and provide to the Debtor Bank without undue delay such information relating to the relevant Collection and Mandate as has been made available to it by the relevant Creditor

2. Replacement of the ninth bullet point ~~ix~~ in the Core Scheme Rulebook in section 5.7:

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:

- ~~ix~~- without delay, to provide the Creditor Bank with information relating to its Collections and Mandates, and a copy of the relevant Mandate data, when requested by the Creditor Bank



3. Addition of the following obligations for the Creditor Bank:

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:

- ~~xii.~~ not to take a claim against a Debtor Bank for any losses arising from an unauthorised transaction, where the Creditor alleges that the Debtor Bank has non-contractual obligations to conduct validation procedures beyond those set out in PT-07.04

C. Section 5.8 in Annex VII of the SDD Core rulebook:

The e-Mandate service adds the following obligations for the Debtor Bank:

In respect of each of its Debtors, a Debtor Bank shall:

- ~~i.~~ ensure that it and/or a Debtor Validation Service Provider correctly validates the authentication means and account access right of the Debtor at the issuing or last amendment of the e-Mandate in accordance with the relevant provisions of the Rulebook
- ~~m.~~ store electronic data related to the Debtor Validation Service which constitute the elements of proof of the execution of the Debtor Validation Service in accordance with the relevant provisions of the Rulebook
- ~~n.~~ upon request by a Debtor or a Creditor Bank from whom it has received a Collection (including any Collection which has become subject to a Reject), seek, if requested, a copy of the electronic data relevant for the execution and the correctness of the Debtor validation
- ~~o.~~ without delay, if requested by a Debtor in respect of whom a Collection has been received, seek all relevant information and a copy of the relevant Mandate data from the Creditor Bank and provide to the Debtor without undue delay such information relating to the relevant Mandate as has been made available to it by the relevant Creditor Bank

A Debtor Bank shall oblige each of its Debtors, in accordance with the relevant requirements set out in the Rulebook:

- ~~iv.~~ to oblige its Debtors to notify the loss, theft, counterfeit or any fraudulent use by other parties of the authentication means available to the Debtor for initiating e-Mandates.

D. Section 5.7 in Annex VII of the SDD B2B rulebook:

The e-Mandate service changes the following obligations for the Creditor Bank:

1. Replacement of the eleventh bullet point ~~4~~ in the Scheme Rulebook in section 5.7:

In respect of each of its Creditors, a Creditor Bank shall:

- ~~i.~~ upon request by a Debtor Bank to whom it has sent a Collection (including any Collection which has become subject to a Reject), seek where necessary any relevant information and, if requested, a copy of the relevant Mandate data, from the Creditor and provide to the Debtor Bank without undue delay such information relating to the relevant Collection and Mandate as has been made available to it by the relevant Creditor

2. Replacement of the ninth bullet point ~~ix~~ in the Scheme Rulebook in section 5.7:

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:



- ~~ix.~~ without delay, to provide the Creditor Bank with information relating to its Collections and Mandates, and a copy of the relevant Mandate data, when requested by the Creditor Bank

3. Addition of the following obligations for the Creditor Bank:

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:

- ~~xii.~~ not to take a claim against a Debtor Bank for any losses arising from an unauthorised transaction, where the Creditor alleges that the Debtor Bank has non-contractual obligations to conduct validation procedures beyond those set out in PT-07.04

E. Section 5.8 in Annex VII of the SDD B2B rulebook:

The e-Mandate service adds the following obligations for the Debtor Bank:

In respect of each of its Debtors, a Debtor Bank shall:

- ~~i.~~ ensure that it and/or a Debtor Validation Service Provider correctly validates the authentication means and account access right of the Debtor at the issuing or last amendment of the e-Mandate in accordance with the relevant provisions of the Rulebook
- ~~m.~~ store electronic data related to the Debtor Validation Service which constitute the elements of proof of the execution of the Debtor Validation Service in accordance with the relevant provisions of the Rulebook
- ~~n.~~ upon request by a Debtor or a Creditor Bank from whom it has received a Collection (including any Collection which has become subject to a Reject), seek, if requested, a copy of the electronic data relevant for the execution and the correctness of the Debtor validation
- ~~o.~~ without delay, if requested by a Debtor in respect of whom a Collection has been received, seek all relevant information and a copy of the relevant Mandate data from the Creditor Bank and provide to the Debtor without undue delay such information relating to the relevant Mandate as has been made available to it by the relevant Creditor Bank

A Debtor Bank shall oblige each of its Debtors, in accordance with the relevant requirements set out in the Rulebook:

- ~~iv.~~ to oblige its Debtors to notify the loss, theft, counterfeit or any fraudulent use by other parties of the authentication means available to the Debtor for initiating e-Mandates.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

No impact. These changes ensure that sections 5.7 and 5.8 in Annex VII are aligned with the same sections in the SDD rulebooks themselves.

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:

Yes. Alignment of chapter 5 in the Annex VII with the same chapter in the SDD rulebooks.

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 ensures that the obligations for SDD scheme participants in Annex VII are well aligned to those in sections 5.7 and 5.8 of the SDD rulebooks
Is the change request underpinned by a cost-benefit analysis?	NO
Does the change fit in the strategic objectives for SEPA?	YES, to ensure that the SDD scheme participants that (wish to) use the e-Mandate option know precisely what amended or extra obligations apply to them
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES, the changes are rather minor.
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

Template

for proposing a suggestion for a change in a SEPA Payment Scheme

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

by 31 December 2015

Name of contributor:	Adrian Hawliczek
Organisation:	/
Address:	/
Contact details:	adrian.hawliczek@chello.at
Your reference:	/
Scheme and document and version number:	<p><u>Highlight which EPC SEPA Scheme Rulebook(s) this suggestion relates to:</u></p> <p>EPC125-05 SEPA Credit Transfer Rulebook Version 8.1</p> <p>EPC016-06 SEPA Direct Debit Core Rulebook Version 9.1</p> <p>EPC222-07 SEPA Direct Debit Business to Business Rulebook Version 7.1</p>
Request Date:	05.04.2016
For information:	<p>This template is provided by EPC to allow any person or organisation to submit a suggestion 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 SUGGESTION

1.1 Suggested launch date (if any):

no specifically suggested launch date

1.2 Description of the suggestion:

According to the SEPA Direct Debit Core Rulebook Version 9.0 ‘the **Debtor Bank** has the right to **receive** compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank by crediting of the Debtor’s account with value date = Due Date of the initial Collection’ (see page 48, PT-04.16). The calculation is based on the EONIA rate, which results (by now) for the months September 2014 till February 2015 in a negative refund amount, meaning the **Creditor Bank** would **receive** compensation.

In addition to the fact that some banks still pay (at least little) credit interest on their current accounts, banks do not receive interest in case they borrow money on the interbank market or via the central bank. Therefore, even if the current account affected by the refund is not interest-paying, the necessary refinancing (notional lending of the debited amount for the period between Settlement Date of the original Collection and the Settlement Date of the Refund instruction) puts the Debtor Bank to expense. Hence, the ‘real’ costs for re-crediting the Debtor with original value date are not covered with the current refund compensation calculation (especially as beside of the Refund and the Refund compensation the Debtor Bank may not make any further claim against the Creditor Bank in respect of the Collection (see page 91)).

Thus, I would suggest changing the formula in PT-04.16 to the effect that even if EONIA rate is negative the Debtor Bank has the possibility to receive a refund for its interest expense. Possible solutions would be from my point of view:

- Take the absolute amount of the EONIA rate (e.g. for September 2014 instead of -0,013 the absolute amount 0,013).
- Instead of the EONIA rate (or only in case the EONIA rate is negative) take the rate given by the ECB for main refinancing operations (tenders, see [link](#)).

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Affects paragraph PT-04.16

2. Impact on the interbank space:

no effects

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

no direct effects as the field ‘Compensation Amount’ already exists

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

no effects

5. The nature of the suggestion:

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

The suggestion is a change.

- ~~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 suggestion submitted.

Is the suggestion a case for SEPA wide acceptance?	yes (PT-04.16)
Is the suggestion underpinned by a cost-benefit analysis?	no Basically, from my point of view a change of the Refund compensation calculation would be more cost-oriented as the EONIA rate is currently negative.
Does the change fit in the strategic objectives for SEPA?	See Reg. 260/2012 link reason (20) R-transaction fees should be allowed, provided that they comply with certain conditions. And according to reason (22) R-transaction fees should not vary to an extent to threaten the level playing field. As the possibility to get a refund for inflicted interest lost is currently not existing due to the negative EONIA rate this possibly leads to an increase of MIF or out-of-scheme-charging practices leading to competitive distortions. Thus, from my point of view an adaption is in line with the SEPA strategy
Do you consider that the implementation of the change resulting from the acceptance of the suggestion is feasible?	It is feasible as it just adapts the formula already implemented in paragraph PT-04.16.
Do you consider that the suggestion does not impede SEPA-wide interoperability?	This change should not impede the SEPA-wide interoperability.
Do you consider that the suggestion is in the scope of the scheme involved?	This change should be in the scope of the SDD Core scheme.

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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:	Hardy Bremer
Organisation:	Deutsche Bank AG
Address:	Taunusanlage 12, 60325
Contact details:	e-mail: hartmut.bremer@db.com phone: +49 69 910 32148
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:	Hardy Bremer
Organisation:	Deutsche Bank AG
Address:	Taunusanlage 12, 60325
Contact details:	e-mail: hartmut.bremer@db.com phone: +49 69 910 32148
Your reference:	SDDInst
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC004-16 2017 SEPA Instant Credit Transfer Rulebook Version 1.0 EPC016-06 2017 SEPA Direct Debit Core 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:

Payees should be able to send via their PSP a SEPA Instant Direct Debit to the payer's PSP. The SDDInst should be sent via the SCTInst infrastructure from the payee's PSP to the payer's PSP

A typical scenario would be the following:

- A payer is at the (cash) checkout and will be shown the amount to pay.
- If the payer decides to pay by SDDInst he will be shown the standard SEPA one off Mandate with all necessary details (creditor name, creditor ID, amount etc).
- The payer agrees to the mandate and approves it by
 - Presenting a bar code on his smartphone which could be scanned. (The code contains a representation of bank specific credentials)
 - Using his debit card and PIN
 - Signs a print out from the cash register (as is the case with German POS based Direct Debits)
- Once the mandate was approved the merchant will initiate an SDDInst to the payer bank via the Instant Payment Clearing Mechanism.
- Once accepted by the payer bank, the CSM will settle the transaction immediately and simultaneously inform the merchant bank of the successful settlement.
- The merchant bank will inform the merchant that the transaction was completed successfully
- The payer may check out

Please note:

The (settled) direct debit is irrevocable in line with PSD2 specifications (Article 62):

1. Member States shall ensure that a payer is entitled to a refund from his payment service provider of an authorised payment transaction initiated by or through a payee which has already been executed, if the following conditions are met:

- (a) the authorisation did not specify the exact amount of the payment transaction when the authorisation was made; and
- (b) the amount of the payment transaction exceeded the amount the payer could reasonably have expected taking into account his previous spending pattern, the conditions in his framework contract and relevant circumstances of the case



In this scenario, the payer DOES know what amount his account will be debited with and even confirmed this amount when approving the one off mandate. Therefore, the pre-conditions of the right for refund as laid out by the PSD2 are not met and therefore, the payer does not have a right of refund within 8 weeks from the debit date.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

- A new Rulebook will have to be created for SDDInst based on SDD CORE but taking into account the specifics necessary for the instant nature.
- This feature will offer more use cases to migrate from legacy payment methods to instant payment methods

2. Impact on the interbank space:

- An additional scheme may have to be implemented.

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

Similar to the moderate changes from SCT to SCTInst it would require merely a new local instrument code "INST" in a pacs.003 to indicate that the underlying SDD is of type SDDInst (instead of "CORE" or "B2B").

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)
- 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, but it has the potential to replace SCC and SDD CORE at point of sale, thus showing the volume potential with substantial cost reductions to merchants
Does the change fit in the strategic objectives for SEPA?	Yes it will offer additional functionality for the benefit of payer and payee as well as merchant with a further opportunity for migration to online activities
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?	If the formats and rules are the same in all SEPA Countries, then there will be no impact on interoperability. On the contrary a SEPA wide support will increase the volume across all countries as it does not matter in which country the payer and payee account are maintained.
Do you consider that the change request is in the scope of the scheme involved?	A separate Rulebook would have to be established for this new message type. However, similar to the migration from SCT to SCTInst the SDD Rulebook could become the basis for the development.

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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
Organization:	Dutch Payments Association
Address:	P.O. Box 83073, 1080 AB Amsterdam, The Netherlands
Contact details:	c.bastian@betaalvereniging.nl, +31(0)203051958 or info@betaalvereniging.nl
Your reference:	epc265-16 scheme change request dpa_sdd_#1_2017.docx
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC016-06 2017 SEPA Direct Debit Core Rulebook Version 1.1
Request Date:	20th 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):

November 2019

1.2 Description of the change request:

The SEPA Regulation obliges Debtor Banks to offer Debtors the option to block their account for direct debit transactions in case of four reasons:

- Whitelist in use; creditor and/or mandate not listed
- Creditor blocked
- Maximum number of Direct Debit transactions within a certain period is exceeded by the Creditor
- Transaction exceeds a maximum amount

Creditors have requested their Creditor Banks to be informed more specific about Direct Debit transactions which are returned based on these blocking options as set by the Debtor(s). This requires more specific reason codes (next to SL01; "Due to specific service offered by the Debtor Agent").

Introducing specific codes for these four (optional) settings will help all parties involved to inform each other in a more accurate way. It also helps Creditors to act/communicate in line with (one of) the four possible blocking options as used by the Debtor(s).

Code	Name	Definition
SL11	Creditor not on Whitelist of Debtor	Whitelisting service offered by the Debtor Agent; Debtor has not included the Creditor on its "Whitelist" (yet). In the Whitelist the Debtor may list all allowed Creditors to debit Debtor bank account."
SL12	Creditor on Blacklist of Debtor	Blacklisting service offered by the Debtor Agent; Debtor included the Creditor on his "Blacklist". In the Blacklist the Debtor may list all Creditors not allowed to debit Debtor bank account
SL13	Maximum number of Direct Debit Transactions exceeded	Due to Maximum allowed Direct Debit Transactions per period service offered by the Debtor Agent
SL14	Maximum Direct Debit Transaction Amount exceeded	Due to Maximum allowed Direct Debit Transaction amount service offered by the Debtor Agent

Note: the Dutch Payments Association took care of the application process for above mentioned reason codes at ISO.org. The codes were already approved during the ISO 20022 Payments SEG meeting of March 2016.



1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Schemes will become more customer-friendly for end-users (especially on the Creditor side)

2. Impact on the interbank space:

Number of (possible) reason codes to be used by Debtor Banks will be extended

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

Yes, the list of reason codes will be extended with four new reason codes

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

By adding new reason codes the Debtor Banks can supply Creditor Banks with more specific information in case whitelisting and/or specific debtor driven services provided by Debtor Banks (as described in the SEPA Regulation) are in use. Creditor Banks can pass this information towards their Creditors. Creditors can act/communicate in line with this knowledge towards their Debtors.



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:	SIX Interbank Clearing Ltd on behalf of the Swiss Financial Market (Payment Committee Switzerland – PaCoS)
Organisation:	SIX Interbank Clearing Ltd
Address:	Hardturmstr. 201, CH-8021 Zurich, Switzerland
Contact details:	Istvan Teglas, +41 58 399 42 38 istvan.teglas@six-group.com Bruno Kudermann, +41 58 399 4237 bruno.kudermann@six-group.com
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

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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 ED05 in SDD
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 wants to reaffirm 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 set 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").

The ISO code ED05 is already used by CSMs, e.g. EBA Clearing, in proprietary rejection messages. Usage of codes can be bilaterally agreed between CSMs. However, when the receiving CSM wants to forward a pacs.002 message to its participants, it must replace the code by one of those listed in the SDD Implementation Guidelines. When ED05 is mapped to MS03, the information is lost with regard to the reasoning behind the rejection of the transaction.



Especially in the case of ED05, it can be in the interest of a bank (and its customers) involved to enable the creditor agent to distinguish between a reject due to lack of funds on the debtor's account and a reject due to settlement failure on interbank level. The code ED05 can provide a clear distinction between these scenarios, preventing any possible association between the code and the financial status of the debtor¹. A creditor bank may consider a different handling of ED05-rejections, e.g. resubmit the transactions to the CSM instead of forwarding the reject to its customers.

Furthermore, it is not only a CSM who might want to actively use ED05 in pacs.002 messages, but also a bank connecting other banks as indirect participants / reachable parties to a CSM. It can also find itself in the situation that it wants to reject an SDD payment in case it is not able to successfully debit its indirect participant. ED05 would be the appropriate code in this case for the same reasons as described above.

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 has 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)

¹ Note that some SEPA countries have legal provisions that for a reject due to a lack of funds on the debtor's account the code AM04 is not allowed and MS03 must be used instead. As long as ED05 is not allowed in the pacs.002 message, MS03 will be used in both scenarios, inducing the risk of misinterpretation.



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

[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:	Guido Cavagnaro
Organisation:	equensWorldline
Address:	Hahnstrasse 25, D-60528 Frankfurt Germany
Contact details:	Guido.cavagnaro@equensworldline.com
Your reference:	Add reason code DT01
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:

DT01 (= "Invalid date e.g. wrong or missing settlement date"). To be added to the pacs.002 and pain.002, in SDD, for rejecting a wrong date (too late, too early, not possible, ...), such as wrong Interbank Settlement Date, Requested Collection Date, Original Interbank Settlement Date, or a date outside the allowed period for an R-transaction. DT01 is more specific than MS03 (= Reason not specified) and FF01 (invalid file format), which are currently being used in SDD (TM01 in SCT). EBA Clearing already uses DT01 in its pacs.002S2.

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 has 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:	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:	29th Dec. 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):

Next SDD Core and B2B Rulebook versions.

1.2 Description of the change request:

SDD Core and B2B Rulebooks state that Reversals may only be processed from Settlement date and within the five Inter-Bank Business Days following the Due Date requested in the original Collection.

After these five days, the reversal need to be processed out of the automated procedure, forcing both the debtor bank and the creditor bank to act manually in order to get the direct debits reversals, wasting time and resources.

We propose to extend reversal period for the creditor from the current five days to **ten** inter-bank business days, as our experience in the Spanish community is that there are up to 5% of reversals requested by the creditor after the fifth day.

1.3 Wherever possible, please indicate:

1. Impact on the Scheme in general:

Minimum

2. Impact on the interbank space:

Reversals would need to be processed from Settlement date and within the ten Inter-Bank Business Days following the Due Date requested in the original Collection.

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. Reversals are less expensive than manual intervention.
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