European
Payments Council

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GUIDANCE ON REASON CODES FOR SCT INST R-TRANSACTIONS

1. SCT Inst R-transaction definition

The content of this document applies to the SEPA Instant Credit Transfer (SCT Inst) scheme rulebook effective on 21 November 2017.
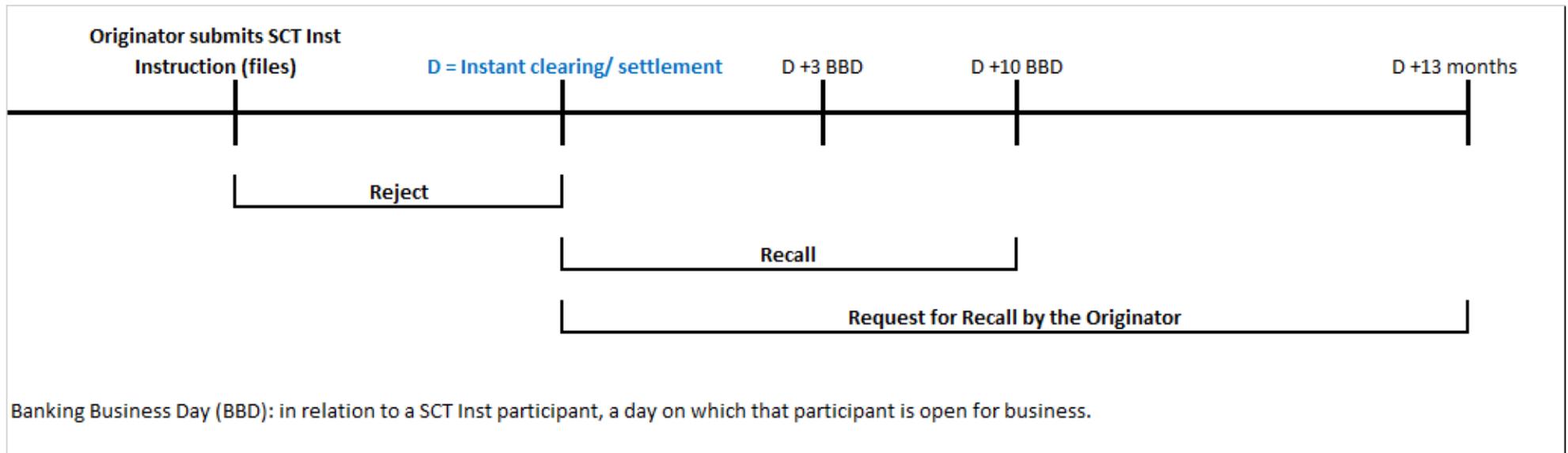
Some SCT Inst transactions require exception handling, because one of the parties involved does not or cannot process the transaction in the normal way. This exception handling involves the sending of messages called R-transactions because their names all start with an R: Rejects, Recalls and Requests for Recall by the Originator (RFRO)[1]. The definitions of the various R-transactions are outlined in the Exception Processing Flow section of the SCT Inst rulebook.

The type of R-transaction used depends on the point in time in the processing chain at which the R-transaction is initiated or sent as well as on the party initiating or sending the R-transaction. The process of exception handling starts at the point in the process where the problem is detected. It is important to note that a SCT Inst scheme participant must channel Rejects, Recalls and RFROs through the same Clearing and Settlement Mechanism (CSM[2]) used for the clearing and settlement of the initial SCT Inst transaction, unless otherwise agreed between the SCT Inst scheme participants.

The R-transactions foreseen within the SCT Inst scheme must be processed within the timeline described below:

[1] Enters into effect as of 18 November 2018

[2] For the definition of the term CSM in this guidance document, we refer to Chapter 7 of the SCT Inst rulebook

Originator submits SCT Inst Instruction (files)

D = Instant clearing/ settlement | D +3 BBD | D +10 BBD | D +13 months

Reject

Recall

Request for Recall by the Originator

Banking Business Day (BBD): in relation to a SCT Inst participant, a day on which that participant is open for business.

2. Issues reported in the use of SCT Inst R-transaction reason codes

Some SCT Inst scheme participants, when acting as a Beneficiary Bank, are not applying the correct R-transaction reason codes.

Therefore, all scheme participants are reminded to use the correct SCT Inst R-transaction reason codes described in the SCT Inst rulebook.

Section 3 of this document provides guidance to the SCT Inst scheme participants about the reason codes to be used to report specific SCT Inst transaction issues.

SCT Inst scheme participants should avoid the use of general codes when a more precise reason can be given which is not legally forbidden in the country of the Beneficiary Bank.

However, there are some restrictions in the use of R-transaction reason codes due to national legislation (e.g., data protection laws) in e.g., Austria, Belgium, Germany, Luxembourg, Netherlands, Slovakia, Slovenia and Switzerland.

3. Guidance in using SCT Inst R-transaction reason codes

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
AB05	Timeout Creditor Agent	Transaction stopped due to timeout at the Creditor Agent.	Reject.	Beneficiary Bank has not received the initial SCT Inst Transaction within the time-out deadline defined by the SCT Inst rulebook, or within a shorter timeline agreed on a bi/multilateral basis.	Connection, processing or validation issue at any step starting from the Originator Bank, across the CSM(s) up to the Beneficiary Bank.	• Originator Bank to suggest to the Originator to re-issue an SCT Inst transaction at a later stage or to use another instrument (e.g., SCT); • Originator to contact the Beneficiary for alternative solution to pay.
AB06	Timeout Instructed Agent	Transaction stopped due to timeout at the Instructed Agent.	Reject.	• Any CSM between the Originator Bank and the Beneficiary Bank has not received the initial SCT Inst Transaction within the time-out deadline defined by the SCT Inst rulebook, or within a shorter timeline agreed between SCT Inst scheme participants on a bi/multilateral basis; • The CSM of the Beneficiary Bank has not received any confirmation message at	Connection, processing or validation issue at any step starting from the Originator Bank, across the CSMs up to the Beneficiary Bank and back to the CSM of the Beneficiary Bank.	• Originator Bank to suggest to the Originator to re-issue an SCT Inst transaction at a later stage or to use another instrument (e.g., SCT); • Originator to contact the Beneficiary for alternative solution to pay.

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
				all about the SCT Inst Transaction from the Beneficiary Bank within the time-out deadline defined by the SCT Inst rulebook, or within a shorter timeline agreed between SCT Inst scheme participants on a bi/multilateral basis.		
AB07	Offline Agent	Agent of message is not online. Generic usage if it cannot be determined who exactly is not online.	Reject.	The connection infrastructure of a CSM between the Originator Bank and the Beneficiary Bank is unavailable to transmit and/or to process any type of SCT Inst scheme-related message.	The connection to and from the CSM is not available.	• Originator Bank to suggest to the Originator to re-issue an SCT Inst transaction at a later stage or to use another instrument (e.g., SCT); • Originator to contact the Beneficiary for alternative solution to pay.
AB08	Offline Creditor Agent	Creditor Agent is not online.	Reject.	The connection to and from the Beneficiary Bank is unavailable to transmit and/or to process any type of SCT Inst scheme-related message.	The connection to and from the Beneficiary Bank is not available.	• Originator Bank to suggest to the Originator to re-issue an SCT Inst transaction at a later stage or to use

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
						another instrument (e.g., SCT); • Originator to contact the Beneficiary for alternative solution to pay.
AB09	Error Creditor Agent	Transaction stopped due to error at the Creditor Agent.	Reject.	Transaction process aborted due to an error at the Beneficiary Bank.	(A part of) the SCT Inst service at the Beneficiary Bank is not available.	• Originator to contact the Beneficiary for alternative solution to pay; or • Originator Bank to suggest to the Originator to resubmit the SCT Inst transaction or to use an alternative payment instrument.
AB10	Error Instructed Agent	Transaction stopped due to error at the Instructed Agent.	Reject.	Transaction process aborted due to an error at the CSM.	(A part of) the SCT Inst service at the CSM is not available.	• Originator to contact the Beneficiary for alternative solution to pay; or • Originator Bank to suggest to the Originator to resubmit the SCT Inst transaction or to use an alternative payment instrument.

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
AC01	Incorrect Account Number	Account identifier invalid or incorrect (i.e. invalid IBAN or account number does not exist).	Reject.	Reject: • Invalid format of the IBAN; • IBAN not existing at the Beneficiary Bank.	• Beneficiary gave invalid IBAN; • Originator used wrong IBAN data from its customers' database; • Originator had technical problem during the processing of the SCT Inst instruction issuance or in the conversion of BBAN into IBAN.	• Originator to contact the Beneficiary to confirm the correctness of the Beneficiary's IBAN; • Originator to verify the database used for retrieving the IBAN or for converting the BBAN conversion into IBAN.
AC03	Wrong IBAN	Wrong unique identifier of the Beneficiary account.	RFRO.	Originator has made an SCT Inst transaction which was addressed to a wrong IBAN.	Originator itself selected or entered a wrong IBAN of the Beneficiary when issuing the SCT Inst instruction.	Originator: • adapt this internal SCT Inst instruction issuance processes to avoid the selection of a wrong IBAN; • Pay more attention in selecting/ entering the IBAN when issuing a SCT Inst transaction.
AC04	Closed Account Number	Account closed.	Reject, negative answer to a Recall.	The account of the Beneficiary is closed at the Beneficiary Bank. ==AC04 can be used for a negative answer to a **RFRO** only as of November 2019. As a workaround until==	Beneficiary changed and/or closed his account since the last time the Originator made a SCT Inst transaction to this Beneficiary.	Originator to contact the Beneficiary for the new account.

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
				<mark>November 2019, NOAS is used for this specific case of a negative answer to a RFRO.</mark> **Note: This code cannot be used in certain SEPA countries for reasons of data protection. MS03 could be used as an alternative.**		
AC06	Blocked account	Account blocked.	Reject.	Account blocked for any financial transaction.	• Beneficiary Bank has blocked the account due to a Court Order; • Beneficiary Bank has blocked the account (e.g., suspicion of misuse, request from the Beneficiary).	Originator to contact the Beneficiary for alternative account/ solution to pay.
AG01	Transaction forbidden on this type of account	Credit transfer forbidden on this account.	Reject.	A SCT Inst transaction cannot be booked on this type of account.	Beneficiary gave information of an account on which SCT Inst transactions cannot be booked.	• Originator to contact the Beneficiary to agree on another payment instrument; • Originator Bank to re-initiate the credit transfer as a **SCT** transaction if agreed earlier between the Originator and the Originator Bank.

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
AG02	Invalid Bank Operation Code	Operation code/ transaction code incorrect, invalid format.	Reject.	The identification code of the scheme (i.e. service level or local instrument) specified in the message is incorrect.	Originator: technical error or error due to the processing of the SCT Inst transaction or the file containing SCT Inst instructions.	Originator to correct the wrong information.
AG09	Payment Not Received	Original payment never received	Reject.	The Beneficiary Bank or the CSM has never received the SCT Inst transaction which the SCT Inst transaction status investigation message refers to.	a) The SCT Inst transaction status investigation message is addressed to the wrong Beneficiary Bank. The cause may be the Originator Bank itself or a CSM. b) The Beneficiary Bank is the intended Beneficiary Bank in the SCT Inst transaction. The cause may be a connection or a processing issue.	a) Originator Bank or the CSM to address the SCT Inst transaction status investigation message to the correct Beneficiary Bank. b) Originator Bank to investigate the concrete issue and inform the Originator about the failed transaction.
AG10	Agent Suspended	Agent of message is suspended from the Real Time Payment system	Reject.	Any agent in the chain following the Originator Bank up to the Beneficiary Bank is (temporarily) suspended. **This code must be used when it cannot be determined whether it is the Beneficiary Bank itself or another agent in the chain which is**	The overseer of the concerned agent has (temporarily) suspended this agent.	• Originator Bank to determine an alternative route through which its SCT Inst transaction can be sent to the Beneficiary Bank; • Originator Bank to suggest to the Originator to re-issue an SCT Inst

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
				(temporarily) suspended.		transaction at a later stage or to use another instrument (e.g., SCT).
AG11	Creditor Agent Suspended	Creditor Agent of message is suspended from the Real Time Payment system.	Reject.	The concerned <u>Beneficiary Bank</u> to which the SCT Inst transaction has been sent to, is (temporarily) suspended.	The overseer of the Beneficiary Bank or the CSM of the Beneficiary Bank has (temporarily) suspended the Beneficiary Bank.	Originator to contact the Beneficiary for details of an alternative Beneficiary Bank.
AM02	Not Allowed Amount	Amount exceeds the maximum authorized amount for SCT Inst.	Reject.	The amount of the SCT Inst instruction/ transaction exceeds the scheme default maximum amount or a bi/multilaterally agreed higher SCT Inst instruction/ transaction amount.	• The concerned Originator Bank and/or the Beneficiary Bank has no bi/multilateral agreement on a higher maximum amount with any other SCT Inst scheme participant; • The Originator submits a SCT Inst instruction for an amount higher than the bi/multilaterally amount agreed between the Originator Bank and the concerned Beneficiary Bank.	• Originator Bank to suggest to the Originator to split up the desired total amount in two or more SCT Inst instructions with amounts lower than the SCT Inst scheme default (or the bi/multilaterally agreed higher) maximum amount. • Originator Bank to suggest to the Originator to use the SCT instrument.
AM04	Insufficient Funds	Insufficient funds on the account.	Negative answer to a Recall or to a RFRO.	There are not sufficient funds on the Beneficiary's account to debit the full amount of the Recall/ RFRO.	Insufficient funds on the Beneficiary's account.	Originator (& Originator Bank if it concerns a Recall due to an error made by the Originator

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
				Note: This code cannot be used in certain SEPA countries for reasons of data protection. CUST should be used instead.		Bank itself) to contact the Beneficiary directly to obtain back the funds outside the Recall/ RFRO procedures of the SCT Inst scheme.
AM05	Duplication	Duplicate payment.	Reject.	CSM or Beneficiary Bank considers that an identical SCT Inst transaction had been sent or processed very recently.	Originator/ Originator Bank: technical or human error.	Originator/ Originator Bank to check if the transaction is really duplicated.
AM09	Wrong amount	Wrong amount.	RFRO.	Originator has made an SCT Inst instruction for an amount higher than intended.	Originator: technical or human error.	Originator to adapt this internal SCT Inst instruction issuance processes to avoid transferring wrong amounts.
AM23	Amount Exceeds Settlement Limit	Transaction amount exceeds settlement limit.	Reject.	The Originator Bank has insufficient (pre-funded) interbank SCT Inst settlement guarantees available to meet its settlement obligation for this specific SCT Inst transaction.	• Sudden peak of SCT Inst transactions for this SCT Inst scheme participant in its role of Originator Bank; • Originator Bank is unable to top up its interbank SCT Inst settlement guarantee; • The monitoring service on the remaining SCT Inst settlement guarantees of the Originator Bank fails and this failure is not noted.	• Originator Bank to replenish its interbank SCT Inst settlement guarantees as soon as possible; • Originator Bank to suggest to the Originator to re-issue an SCT Inst transaction at a later stage or to use another instrument (e.g., SCT);

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
						• Originator to contact the Beneficiary for an alternative solution to pay.
ARDT	The transaction has already been returned	Already returned/recalled transaction.	Negative answer to a Recall or to a RFRO.	The Beneficiary has already transferred back the funds to the Originator (via SCT, SCT Inst or another payment means).	Not applicable.	No action.
BE04	Missing Creditor Address	Account address invalid.	Reject.	Address of the Beneficiary is not provided in the SCT Inst transaction.	Either the Originator Bank or the Beneficiary Bank in the transaction is based in a non-EEA SEPA country.	Originator Bank to ask the Originator to provide the address of the Beneficiary.
CNOR	Creditor bank is not registered	Beneficiary bank is not registered under this BIC in the CSM.	Reject.	Beneficiary Bank is not/ no longer registered as a SCT Inst scheme participant under this BIC at the CSM.	Beneficiary Bank is not/ no longer declared as (indirect) participant to this CSM.	Originator to ask the Beneficiary how that Beneficiary can receive SCT Inst transactions via another Bank.
CUST	Customer Decision	a. By request of the Originator without any reason specified b. Beneficiary's Refusal	a. RFRO. b. Negative answer to a Recall or to a RFRO.	a. Originator wishes to recover the funds of an earlier settled SCT Inst transaction. b. Beneficiary does not want to honour the Recall/ RFRO.	a. The Originator does not give a specific reason to recover the funds. b. Beneficiary claims to be entitled to the received funds.	a. No action. b. Originator (and Originator Bank if it concerns a Recall due to an error made by the Originator Bank itself) to contact the Beneficiary directly to obtain back the funds outside the Recall/

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						RFRO procedures of the SCT Inst scheme.
DNOR	Debtor bank is not registered	Originator bank is not registered under this BIC in the CSM.	Reject.	Originator Bank is not/no longer registered as a SCT Inst scheme participant under this BIC at the CSM.	The Originator Bank sends SCT Inst transactions by mistake to its former CSM.	• Originator Bank to rout its SCT Inst transaction to its current CSM; • Contact Originator to agree on another means of payment with the Beneficiary (e.g., SCT).
DUPL	Duplicate payment	Duplicate Sending	Recall.	Originator or Originator Bank detects itself a duplicate SCT Inst transaction and tries to recover the funds of this duplication.	Originator/ Originator Bank: technical or human error.	Originator and/or Originator Bank: no action apart of setting up measures preventing the duplicate initiation and/or exchange of SCT Inst transactions.
FF01[3]	Invalid File Format	Operation/ transaction code incorrect, invalid file format	Reject	Issues with XML-file specific settings: • XML file was not duly filled out or is not correct; • There is a syntax error in the file;	• Originator; • Originator Bank; • CSM.	Repair the XML file.

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[3] **The EPC will submit a change request for the 2020 SCT Inst rulebook change management cycle to include this R-transaction reason in attribute AT-R3.**

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
				• ==Originator Bank or its CSM did not complete a XSD check before submitting the file.==		
FOCR	Following Cancellation Request	Positive answer to the Recall.	Positive answer to a Recall or to a RFRO.	Beneficiary Bank or the Beneficiary accepts the Recall request to reimburse the funds to the Originator or the Originator Bank.	Not applicable.	Not applicable.
FRAD	Fraudulent Origin	Fraudulent originated (instant) credit transfer.	Recall.	Originator or Originator Bank detects a fraudulent SCT Inst transaction and tries to recover the funds.	• Originator claims to be a victim of a fraudulently executed SCT Inst transaction; • Fraudsters manipulated the SCT Inst applications or systems of the Originator Bank to execute afterwards fraudulent transactions.	Originator and/or Originator Bank: no action apart of setting up measures preventing such fraudulent SCT Inst transactions from happening in the future.
LEGL	Legal Decision	Legal reasons.	Negative answer to a Recall.	Beneficiary Bank is not allowed to reimburse the funds following the Recall from the Originator Bank. ==Note: as of November 2019, LEGL can also be used for a negative answer to a **RFRO**.==	The funds cannot be reimbursed for legal reasons.	Originator (and Originator Bank if it concerns a Recall due to an error made by the Originator Bank itself) to contact the Beneficiary directly to obtain back the funds outside the Recall procedure of the SCT Inst scheme.

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
MD07	End customer is deceased	Beneficiary deceased.	Reject.	Beneficiary deceased **Note: This code cannot be used in certain SEPA countries for reasons of data protection. In this case MS03 can be used as alternative.**	Not applicable.	No action.
MS02	Not Specified Reason Customer Generated	By order of the Beneficiary.	Reject.	Refusal by Beneficiary at presentation of the SCT Inst transaction to the Beneficiary Bank.	The Beneficiary Bank acts on behalf of the Beneficiary following an instruction from the Beneficiary for not accepting funds from a specific account, Originator or via a specific payment scheme.	Originator to contact the Beneficiary directly how the Originator should settle any financial obligation towards the Beneficiary.
MS03	Reason has not been specified by agent	Reason not specified.	Reject.	Only to be used in case national legislation (e.g., data protection laws) does not allow the use of AC04, AM04, RR01, RR02, RR03 and RR04. **Note: limit the use of the reason code MS03 and select the appropriate reason code in the list.**		Originator to contact the Beneficiary directly how the Originator should settle any financial obligation towards the Beneficiary.
NOAS	No Answer From Customer	No response from Beneficiary.	Negative answer to a	Originator or Originator Bank tries to recover funds from a previously	• Beneficiary Bank is not able to reach the Beneficiary;	Originator (and Originator Bank if it concerns a Recall due to

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
			Recall or to a RFRO.	executed SCT Inst transaction.	• The Beneficiary does not reply to the authorization demands from the Beneficiary Bank to reimburse the funds to the Originator or the Originator Bank.	an error made by the Originator Bank itself) to contact the Beneficiary directly to obtain back the funds outside the Recall/ RFRO procedure of the SCT Inst scheme.
NOOR	No Original Transaction Received	Original SEPA Instant Credit Transfer never received.	Negative answer to a Recall.	Originator or Originator Bank tries to recover funds from a previously executed SCT Inst transaction. ==NOOR can be used for a negative answer to a **RFRO** only as of November 2019. As a workaround until November 2019, CUST is used for this specific case of a negative answer to a RFRO.==	• Recall/RFRO has been addressed to the wrong Beneficiary Bank; • Beneficiary Bank or Beneficiary denies having received the initial SCT Inst transaction	Originator Bank to address the Recall/ RFRO to the correct Beneficiary Bank.
RC01	Bank Identifier Incorrect	Bank identifier incorrect (i.e. invalid BIC).	Reject.	BIC of the scheme participant is not correct.	• Originator: the provided BIC for a non-EEA SEPA SCT Inst transaction is not complete (BIC8 instead of BIC11); • CSM or Beneficiary Bank: the provided BIC in the	• Originator to contact the Beneficiary for the correct BIC for a non-EEA SEPA SCT Inst transaction; • Originator Bank to allocate the correct

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
					interbank message does not exist in their BIC database.	and complete BIC of the Beneficiary Bank in the interbank message.
RR01	Missing Debtor Account Or Identification	Regulatory Reason.	Reject.	Missing Originator account details.	Specification of the Originator's account or unique identification needed for reasons of regulatory requirements is insufficient or missing.	Originator Bank to check the transaction and if necessary repair the transaction by completing the Originator account details.
RR02	Missing Debtor's Name Or Address	Regulatory Reason.	Reject.	• Missing Originator name (address is optional field for EEA SCT Inst transactions); • Missing address of the Originator for non-EEA SCT Inst transactions. **Note: This code cannot be used in certain SEPA countries for reasons of data protection. MS03 could be used as an alternative.**	Specification of the Originator's name and/or address needed for regulatory requirements is insufficient or missing.	Originator Bank to repair the transaction by completing the Originator's name and/or address information.
RR03	Missing Creditor's Name Or Address	Regulatory Reason.	Reject.	• Missing Beneficiary's name (address is optional field for EEA SCT Inst transactions);	Specification of the Beneficiary's name and/or address needed for regulatory requirements is insufficient or missing.	Originator Bank to repair the transaction by completing the Beneficiary's name

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
				• Missing Beneficiary's address for non-EEA SCT Inst transactions. **Note: This code cannot be used in certain SEPA countries for reasons of data protection. MS03 could be used as an alternative.**		and/or address information.
RR04	Regulatory Reason	Regulatory Reason.	Reject.	Only to be used for Regulatory Reasons other than RR01, RR02 or RR03. **Note: This code cannot be used in certain SEPA countries for reasons of data protection. MS03 could be used as an alternative.**	Potential hit due to AML, Embargo or Counter-Terrorist-Financing reasons.	Originator to contact the Originator Bank.
TECH	Technical Problem	Technical problems resulting in erroneous SCTs	Recall.	Originator or Originator Bank detects a technical problem with the result of incorrect SCT Inst transactions sent out. Originator or Originator Bank tries to recover the funds.	• Technical issue at the applications or systems of the Originator itself when creating the SCT Inst instruction(s) or files; • Technical issue at the SCT Inst applications or systems of the Originator Bank when handling the SCT Inst instruction(s)/files or in their conversion into	Originator and/or Originator Bank: no action apart of setting up measures preventing such technical problems from happening in the future.

Code	ISO definition	Reason in the Rulebook or IGs	Type of R-trans.	Exhaustive list of use-cases	Possible root cause	Suggested action
					SCT Inst transactions for further interbank processing.	
TM01	Cut Off Time	Time-out – maximum execution time has been exceeded	Reject.	The SCT Inst (positive) confirmation message from the Beneficiary Bank back to the CSM of the Beneficiary Bank did not reach that CSM within the maximum execution time defined by the SCT Inst rulebook. **This reason code can only be used between the Beneficiary Bank and its CSM.** **Reason code TM01 is not allowed in a negative confirmation message to the Originator Bank. Instead the code AB05 or AB06 can be used.**	Connection, processing or validation issue at any step between the Beneficiary Bank and its CSM.	