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## **SEPA CREDIT TRANSFER**

### **SCHEME RULEBOOK**



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## 0. DOCUMENT INFORMATION

### 0.1 References

This section lists documents referred to in the Rulebook. The convention used throughout is to provide the reference number only, in square brackets. Use of square brackets throughout is exclusively for this purpose.

|      | Document Number      | Title  | Issued by:                         |
|------|----------------------|--|------------------------------------|
| [1]  | EPC115-06            | SEPA Credit Transfer Scheme Inter-Bank Implementation Guidelines                               | EPC                                |
| [2]  | ISO 13616            | Financial services - International bank account number (IBAN) -- Part 1: Structure of the IBAN | EPC                                |
| [3]  | EPC265-03            | EPC Resolution on Receiver Capability  | EPC                                |
| [4]  | ISO 3166             | Country Codes  | ISO                                |
| [5]  | ISO 4217             | Currency Code List   | ISO                                |
| [6]  | ISO 9362             | Business Identifier Codes (BIC)  | ISO                                |
| [7]  | May 2002 White Paper | Euroland: Our Single Payment Area!   | EPC                                |
| [8]  | ISO 20022            | Financial services – Universal Financial Industry message scheme                               | ISO                                |
| [9]  | EPC012-17            | Guide to the SEPA Schemes Adherence Process  | EPC                                |
| [10] |                      | A Glossary of Terms Used in Payments and Settlement Systems                                    | Bank for International Settlements |
| [11] | EPC132-08            | SEPA Credit Transfer Scheme C2B Implementation Guidelines                                      | EPC                                |
| [12] | ISO 11649            | Structured creditor references to remittance information                                       | ISO                                |
| [13] | EPC409-09            | EPC List of SEPA Scheme Countries  | EPC                                |
| [14] |                      | EACT Unstructured Remittance Standard <sup>1</sup>   | EACT                               |

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<sup>1</sup>[https://eact.eu/Core/Documents/Wordpress\\_Old/docs/EACT\\_Standard\\_for\\_Remittance\\_Info.pdf](https://eact.eu/Core/Documents/Wordpress_Old/docs/EACT_Standard_for_Remittance_Info.pdf)



### 0.1.1 Defined Terms

This Rulebook makes reference to various defined terms which have a specific meaning in the context of this Rulebook. In this Rulebook, a defined term is indicated with a capital letter. A full list of defined terms can be found in Section 7 of this Rulebook. The Rulebook may make reference to terms that are also used in the Payment Services Directive. The terms used in this Rulebook may not in all cases correspond in meaning with the same or similar terms used in the Payment Services Directive.

## 0.2 Change History

| Issue number      | Dated      | Reason for revision   |
|-------------------|------------|---|
| V 1.0             | 01/09/2005 | First reading at September Plenary, and national consultation thereafter  |
| V 2.0<br>Approved | 09/03/2006 | Approved by EPC Plenary 8 March 2006.   |
| V 2.1<br>Approved | 28/09/2006 | Approved by EPC Plenary 27 September 2006<br>Changes: <ul style="list-style-type: none"><li>• Attribute AT41 is now mandatory (default "Not provided") in DS02</li><li>• Attribute AT43 is now mandatory in DS02</li></ul>  |
| V 2.2<br>Approved | 13/12/2006 | Approved by EPC Plenary 13 December 2006  |
| V 2.3<br>Approved | 19/06/2007 | Approved by EPC Plenary 19 June 2007<br>Changes: <ul style="list-style-type: none"><li>• Scheme Management provisions, affecting Chapters 0, 5, and 6, to bring Rulebook in line with the Internal Rules</li><li>• Section 2.3 on Additional Optional Services amended to make disclosure of community AOS mandatory</li><li>• Modification in Section 5.3 to make both receiving and originating SCT payments an obligation of Participants</li><li>• Removal of term "Interbank business day" from Chapter 7 and replacement in section 4.3 by "Banking Business Day"</li><li>• Addition of Annex 2, the Internal Rules</li></ul> The Version 2.3 of the Rulebook is the baseline for implementation at the launch date of 28 January 2008. |
| V 3.2<br>Approved | 24/06/2008 | Approved by the 24 June 2008 Plenary<br>Changes: <ul style="list-style-type: none"><li>• Following PSD implementation 2009</li><li>• Enabling Swiss financial institutions to participate</li><li>• Innovative changes to technical operations in sections 3 &amp; 4 of the Rulebook</li><li>• Typographic changes and clarifications</li></ul>   |



| Issue number      | Dated      | Reason for revision   |
|-------------------|------------|---|
| V 3.3<br>Approved | 30/10/2009 | <p>Changes:</p> <ul style="list-style-type: none"> <li>relating to SEPA expansion</li> <li>relating to adherence by payment institutions</li> <li>relating to adherence by public sector bodies</li> <li>relating to limitation of liability for breach of the Rulebook</li> <li>for clarification of the application of the Payment Services Directive</li> <li>to simplify the adherence agreement</li> <li>to the Rulebook for clarification, updating and correction of errors</li> </ul> |
| V4.0<br>Approved  | 30/10/2009 | <p>Major changes:</p> <ul style="list-style-type: none"> <li>Update for ISO 11649 Structured Creditor Reference</li> <li>Update for Recall of SCT transaction</li> </ul>  |
| V4.1<br>Approved  | 01/11/2010 | SEPA Scheme Management Internal Rules v2.0 replaced by v2.1 in annex II   |
| V5.0<br>Approved  | 30/10/2010 | <p>Major Changes:</p> <ul style="list-style-type: none"> <li>Reference to the EACT Unstructured Remittance Standard</li> <li>New value for initiator of Recall request</li> </ul>   |
| V5.1<br>Approved  | 17/11/2011 | SEPA Scheme Management Internal Rules v2.1 replaced by v3.0 in annex II   |
| V6.0<br>Approved  | 17/11/2011 | <p>Version 6.0 approved by Plenary on 27 September 2011</p> <p>Major Changes:</p> <ul style="list-style-type: none"> <li>Addition of new data attribute for allowing additional information on the Recall reason code for fraud cases</li> </ul>  |
| V6.1<br>Approved  | 06/11/2012 | Inclusion of version 4.0 of the SEPA Scheme Management Internal Rules in Annex II. No other changes.  |
| V7.0<br>Approved  | 12/09/2012 | <p>Version 7.0 approved by Plenary on 26 September 2012</p> <p>Major Changes:</p> <ul style="list-style-type: none"> <li>Adaptation to the SEPA Regulation</li> <li>Inclusion of new reject codes</li> </ul> <p>All changes compared to version 6.1 are listed in Annex III.</p>  |
| V7.1<br>Approved  | 12/12/2013 | <p>Version 7.1 approved by Plenary on 12 December 2013</p> <p>Changes made:</p> <ul style="list-style-type: none"> <li>Removal of the references to PE-ACH and PE-ACH/CSM Framework. These changes have no operational impact.</li> <li>No other content changes have been done</li> </ul>  |



| Issue number     | Dated      | Reason for revision  |
|------------------|------------|--|
| V8.0<br>Approved | 08/10/2014 | Version 8.0 approved by Plenary on 08 October 2014<br>Major Changes: <ul style="list-style-type: none"> <li>Update in the category descriptions of Scheme applicants that are deemed automatically to be eligible under Rulebook section 5.4 on eligibility for participation.</li> </ul>  |
| V8.1             | 04/03/2015 | Approval by the EPC Board on 4 March 2015 of the new Scheme Management Internal Rules (SMIRs) (EPC207-14 v1.0) replacing the previous SMIRs (EPC207-07 v4.0) following a 90 day public consultation on the drafted new SMIRs that ended on 31 January 2015.<br>References to various EPC bodies have been adapted according to the new SMIRs.  |
| V8.2             | 02/03/2016 | Approval by the EPC Board on 02 March 2016 of the new Scheme Management Internal Rules (SMIRs) (EPC207-14 v2.0) replacing the previous SMIRs (EPC207-14 v1.0) following a 90 day public consultation on the drafted new SMIRs that ended on 31 December 2015.<br>The aim of new SMIRs is to increase the transparency of the evolution of the EPC SEPA scheme rulebooks and to enhance the involvement from end-users and technical players in the change management process. A substantial number of major amendments have been made in Chapter 4 and Chapter 5 of the SMIRs. |
| V8.3             | 24/11/2016 | Approval by the Scheme Management Board on 3 November 2016 of the new Scheme Management Internal Rules (SMIRs) (EPC207-14 v3.0) replacing the previous SMIRs (EPC207-14 v2.0) following a 90 day public consultation on 2016 change requests that ended on 4 July 2016.<br>One approved change request covered additional wording in section 2.1 of the SMIRs. A second approved change request contained wording additions in section 3.2.3.5 in the SMIRs and in the Rulebook section 5.6.<br>These changes have no impact on the business and operational rules.            |
| 2017 v1.0        | 24/11/2016 | Changes following a 90 day public consultation on 2016 change requests that ended on 4 July 2016. Inclusion of regulatory changes linked to PSD 2 and the Eurosystem oversight assessment.   |
| 2017 v1.1        | 18/10/2017 | Inclusion of regulatory changes in the sections 5.7 and 5.8 linked to the Eurosystem oversight assessment as approved by the September 2017 SMB meeting. These changes have no impact on the business and operational rules.<br>Delay of the effectiveness date of the SCT inquiry process from 18 November 2018 to 17 November 2019 following the decision taken at the September 2017 SMB meeting.   |
| 2017 v1.2        | 28/06/2018 | Inclusion of Annex IV Risk Management at the end of the rulebook. Inclusion of references to the Annex IV in the sections 5.4, 5.7 and 5.8. A number of editorial corrections.   |



|           |            |   |
|-----------|------------|---|
| 2017 v1.3 | 22/11/2018 | <p>Approval by the October 2018 Scheme Management Board meeting of</p> <ul style="list-style-type: none"> <li>• The new Scheme Management Internal Rules (SMIRs) (EPC207-14 v4.2) replacing the previous SMIRs (EPC207-14 v4.1).</li> <li>• The updated definition of the term 'Major Incidents' in the Rulebook. This update results from the Major incident reporting framework for payment schemes and retail payment systems of the ECB/ Eurosystem. This framework was finalised in September 2018 and enters into force on 01 January 2019.</li> </ul> <p>The two sets of changes have no impact on the business and operational rules.</p> |
| 2019 v1.0 | 22/11/2018 | <p>Inclusion of regulatory changes as approved by the October 2018 SMB meeting.</p> <p>Changes following a 90-day public consultation on 2018 change requests that ended on 10 June 2018.</p>   |

### 0.3 Purpose of Document

A SEPA Scheme is a set of rules, practices and standards to achieve interoperability for the provision and operation of a SEPA payment instrument agreed at interbank level.

The objectives of the Rulebook are:

- To be the primary source for the definition of the rules and obligations of the Scheme
- To provide authoritative information to Participants and other relevant parties as to how the Scheme functions
- To provide involved parties such as Participants, Clearing and Settlement Mechanisms ("CSMs"), and technology suppliers with relevant information to support development and operational activities

### 0.4 About the EPC

The EPC is the decision-making and coordination body of the European banking industry in relation to payments, whose declared purpose is to support and promote the creation of SEPA.

The vision for SEPA<sup>2</sup> was formulated in 2002 at the time of the launch of EPC, when some 42 banks, the three European Credit Sector Associations ("ECSAs") and the Euro Banking Association (the "EBA") came together. and, after an intensive workshop, released in May 2002 the White Paper (reference [7]) in which the following declaration was made and subsequently incorporated into the EPC Charter (the "EPC Charter"):

*"We, the European banks and European Credit Sector Associations:*

- *share the common vision that Euroland payments are domestic payments,*
- *join forces to implement this vision for the benefit of European customers, industry and banks and accordingly,*

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<sup>2</sup> See reference [13]



*launch our Single Payments Area."*

## 0.5 Other Related Documents

The Rulebook is primarily focused on stating the business requirements and interbank rules for the operation of the Scheme. In addition to the Rulebook there are a number of key documents which support the Scheme operationally:

### 0.5.1 SEPA Credit Transfer Scheme Implementation Guidelines

The complete data requirements for the operation of the Scheme are classifiable according to the following data model layers:

- The business process layer in which the business rules and requirements are defined and the related data elements specified
- The logical data layer which specifies the detailed datasets and attributes and their inter-relationships
- The physical data layer which specifies the representation of data in electronic document formats and messages

This Rulebook focuses on the business process layer and appropriate elements of the logical layer.

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

- the 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 [11]) which set out the rules for implementing the credit transfer ISO 20022 XML standards, constitute **binding** supplements to the Rulebook.

Important specification to reference [11]: 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 [11] at the request of the Originator.

The features covered in references [1] and [11] with respect to the Extended Remittance Information (ERI) option, are only binding for the ERI option Participants.



### **0.5.2 SEPA Credit Transfer Adherence Agreement**

The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is available in ANNEX I. The Rulebook and the Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the EPC. The rules and procedures for applying to join the Scheme are set out in Scheme Management Internal Rules (the "**Internal Rules**"). In addition, a guidance document ([9]) is available.

### **0.5.3 Rules specific to Extended Remittance Information (ERI) Option**

The rules specific to the Extended Remittance Information (ERI) Option are described in ANNEX V. Sections of the main body of the Rulebook impacted by the ERI option are identified with the indication: '= > ERI' next to the title of the concerned section.



## **1. VISION & OBJECTIVES**

This chapter provides an introduction to the Scheme, setting out the background to the Scheme as well as its aims and objectives.

### **1.1 Vision**

The Scheme provides a set of interbank rules, practices and standards to be complied with by Participants who adhere to the Scheme. It allows payment services providers in SEPA to offer a SEPA-wide core and basic euro credit transfer product to Customers.

The Scheme also provides a common basis on which Participants are able to offer new and innovative services.

The Scheme moves Participants and their Customers towards open standards, which are expected to improve financial integration and act as a catalyst for a richer set of products and services.

### **1.2 Objectives**

- To remove disparities between national and cross border payments in euro within SEPA by elimination of the effects of borders, such that it is as easy and secure to make a payment within SEPA as it is within one national environment and in accordance with the 'SEPA Regulation';
- All core and basic credit transfers in euro within SEPA will be processed in accordance with the conditions of this Scheme;
- SEPA Credit Transfers will be automated, based on the use of open standards and the best practices of straight through processing ("STP") without manual intervention;
- To provide a framework for the removal of inhibitors and the harmonisation of standards and practices;
- To support the achievement of high standards of security, low risk and improved cost efficiency for all actors in the payments process;
- To allow the further development of a healthy and competitive market for payment services and to create conditions for the improvement of services provided to Customers.

### 1.3 Commercial Context for Users and Providers of Payment Services

This section provides the general context and background in which the interbank Scheme exists and has been written from an end-to-end point of view. An overview of the SEPA Credit Transfer process is shown in the following diagram:

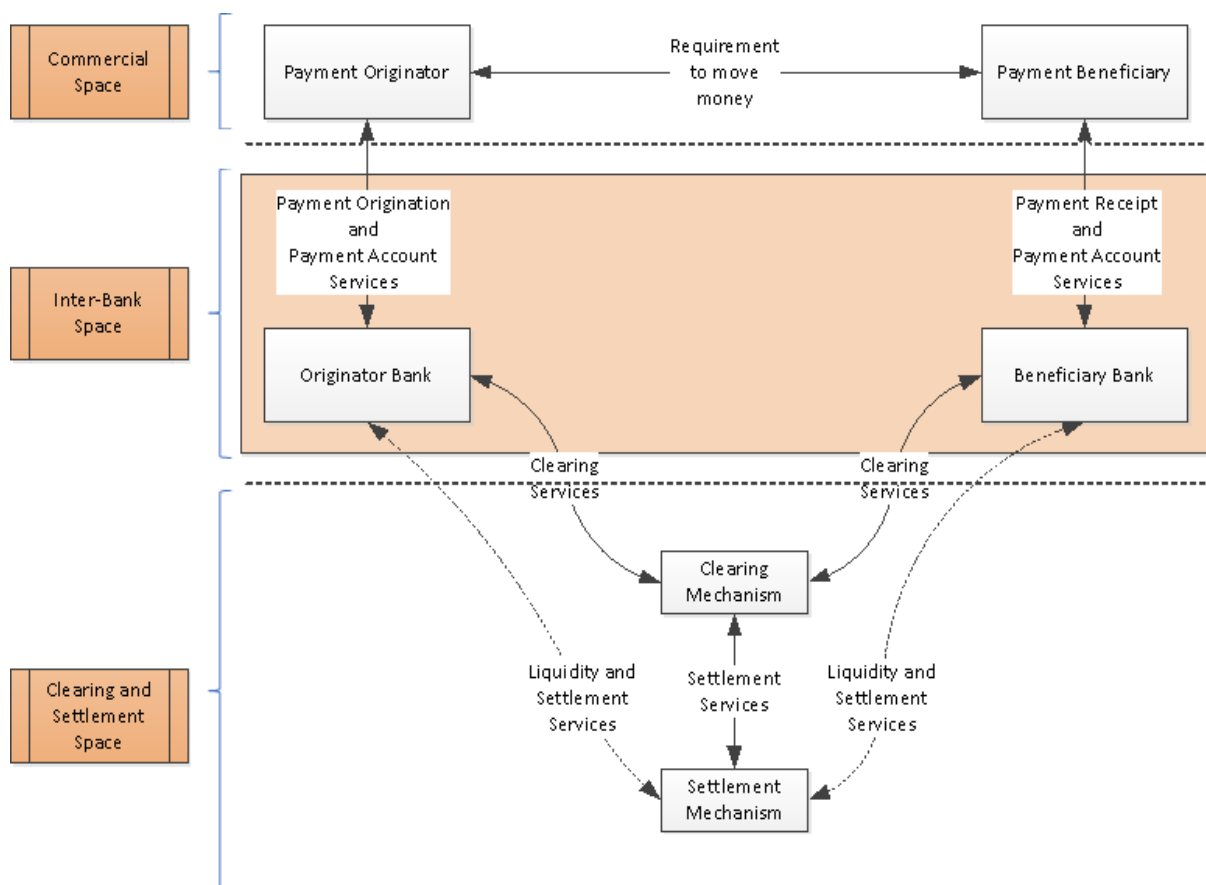


Figure 1: Credit Transfer Overview

- The demand for payment services using a credit transfer arises from an Originator, who wishes to transfer<sup>3</sup> Funds for whatever reason to a Beneficiary. Whilst the payment service is provided by a bank, the underlying demand and its nature are outside the control and responsibility of the banking industry or any individual bank;
- For this requirement to transfer Funds to be satisfied, the bank holding the account of the Originator must have the means necessary to remit the Funds to the bank holding the account of the Beneficiary and in the process be provided with the necessary information to accomplish the transfer;

<sup>3</sup> The credit transfer can be initiated directly (by the Originator) or indirectly (by a 'payment initiation service provider' at the request of the Originator) in compliance with the Payment Services Directive.



- Provided that the Originator has sufficient Funds or sufficient credit with which to execute the SEPA Credit Transfer, provided that the Originator is acting within its authority and provided that the SEPA Credit Transfer does not break any applicable legal, regulatory, or other requirements, including requirements established by the Originator Bank, then the Originator Bank will make the payment and advise the Originator accordingly;
- The means for making the transfer will exist if the bank holding the account of the Beneficiary, the Beneficiary Bank, has agreed both the method and the rules for receiving the payment information as well as the method and the rules for receiving the payment value;
- Based on these means of transfer the Beneficiary Bank will use the information received to credit the account of the Beneficiary, make the Funds available for its use once value has been received and inform the Beneficiary about what has been applied to its account;
- As is illustrated in the foregoing diagram, the purpose of interbank Clearing and Settlement is to correctly exchange information and to safely exchange value. The demand for Clearing and Settlement services stems from the need to transfer money between banks.

#### 1.4 Binding Nature of the Rulebook

Becoming a Participant in the Scheme involves signing the Adherence Agreement. By signing the Adherence Agreement, Participants agree to respect the rules described in the Rulebook. The Rulebook describes the liabilities and responsibilities of each Participant in the Scheme.

Participants are free to choose between operating processes themselves, or using intermediaries or outsourcing (partially or completely) to third parties. However, outsourcing or the use of intermediaries does not relieve Participants of the responsibilities defined in the Rulebook.

The Rulebook covers in depth the main aspects of the inter-bank relationships linked to the Scheme. For the relationships between a Participant and its Customer, the Rulebook specifies the minimum requirements imposed by the Scheme. For the relationships between an **Originator** and a **Beneficiary**, the Rulebook also specifies the minimum requirements of the Scheme.

#### 1.5 Separation of the Scheme from Infrastructure

It is a key feature of the Scheme that it provides a single set of rules, practices and standards which are then operated by individual Participants and potentially multiple infrastructure providers. Infrastructure providers include CSMs of various types and the technology platforms and networks that support them. Infrastructure is an area where market forces operate based on the decisions of Participants.

The result is that the SEPA Credit Transfer instrument based on a single set of rules, practices and standards is operated on a fully consistent basis by CSMs chosen by individual Participants as the most appropriate for their needs.



## 1.6 Other Features of the Scheme

- Participants which have adhered to the Scheme may participate only through an EEA-licensed branch unless they participate through their SEPA head office (which may be located in a SEPA country or territory outside the EEA);
- The rights and obligations of Participants, and as appropriate their Customers, are clear and unambiguous;
- Payment messages use open, industry recognised standards;
- Compliance with the Scheme ensures interoperability between Participants;
- The rules ensure that responsibility for risk management is allocated to where the risk lies and that liability falls where the fault lies;
- Individual Participants are free to innovate and satisfy Customers' needs in a competitive market place, as long as these innovations do not conflict with the Rulebook.

## 1.7 The Business Benefits of the Scheme

The Scheme provides many Customer benefits in terms of functionality, cost efficiency, ease of use and STP. It also allows Participants to meet their own mutually beneficial needs in terms of service and innovation for Customers.

The key expected benefits are summarised as follows:

### **For Originators and Beneficiaries as users:**

- Payments are made for the full Original Amount;
- The Originator and Beneficiary are responsible for their own charges;
- Full Reachability of all Beneficiary accounts within SEPA;
- Products based on the Scheme provide the opportunity to make and receive payments throughout SEPA;
- Maximum execution time with the benefit of predictability for all parties;
- The use of accepted standards and data elements facilitates payment initiation and reconciliation on an STP basis;
- Rejects and Returns are handled in a predictable way and may be automated;
- The Scheme delivers the end-to-end carrying of Customer remittance data on either a structured or an unstructured basis;
- The Scheme provides transparency and clarity of charging to all parties;
- Single payments and Bulk Payments (i.e. one debit to the Originator's account and multiple credits to the accounts of Beneficiaries) are supported.

### **For Participants:**

- Efficient and effective end-to-end processing of SEPA Credit Transfers on an STP basis using open and common standards;
- Reachability across SEPA;
- Enabling a single process across SEPA including Rejects and Returns;
- Participants can choose the most efficient and cost-effective routing of transactions;
- Establishment of agreed processing cycles;
- Sound Scheme governance and legal structure;
- Ability to offer Additional Optional Services ("AOS") on top of the core Scheme elements;



- Contributes to a more standardised cost-effective processing environment;
- Satisfies the expectations of stakeholders.

**For providers of CSMs:**

The separation of scheme from infrastructure permits the operation of the Scheme by multiple Clearing and Settlement providers and CSMs.

The service providers may add features and services to the benefit of choice and competition, provided that the rules, practices and standards of the Scheme are fully met.

## **1.8 Common Legal Framework**

It is a prerequisite for the use of the Scheme that the Payment Services Directive (or provisions or binding practice substantially equivalent to those set out in Titles III and IV of the Payment Services Directive) is implemented or otherwise in force in the national law of SEPA countries.

This Scheme is a 'payment scheme' within the meaning of the SEPA Regulation; it is equally relevant for Participants from countries or territories which are also listed in reference [13].

The further details as to the requirements for a common legal framework for this Scheme are spelled out in Chapter 5 of this Rulebook.





## 2. SCOPE OF THE SCHEME

### 2.1 Application to SEPA

The Scheme is applicable in the countries listed in the EPC List of SEPA Scheme Countries<sup>4</sup>.

### 2.2 Description of Scope of the Scheme

A SEPA Credit Transfer is a payment instrument for the execution of credit transfers in euro between Customer payments accounts located in SEPA. The SEPA Credit Transfer is executed on behalf of an Originator holding a Payment Account with an Originator Bank in favour of a Beneficiary holding a Payment Account at a Beneficiary Bank.

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

- A set of interbank rules, practices and standards for the execution of credit transfer payments in euro within SEPA by Participants in the Scheme;
- Adherents to the Scheme are Participants who have agreed to subscribe to the Scheme and its rules;
- The Scheme provides **the basis for credit transfer products** provided by Participants to all users of mass-market, non-urgent payment services (individuals, small and medium sized enterprises, corporates and government entities). Such products provide a straightforward payment instrument, with the necessary reliability and reach to support a competitive marketplace. Participants remain responsible for the products and services provided to their Customers;
- Electronic processing of transactions including the payment itself and exception handling such as Returns. At the discretion of individual Participants, instructions and advices may be exchanged with Customers on a non-electronic basis. However, the interbank elements of the Scheme are always fully automated and electronic;
- The Scheme specifies a minimum set of data elements to be provided by the Originator.

### 2.3 Additional Optional Services

The Scheme recognises that individual Participants and communities of Participants can provide complementary services based on the Scheme so as to meet further specific Customer expectations. These are described as Additional Optional Services ("AOS").

The following two types of AOS are identified:

1. Additional Optional Services provided by banks to their Customers as value-added services which are nevertheless based on the core payment schemes. These AOS are purely a matter for banks and their Customers in the competitive space;

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<sup>4</sup> Please refer to reference [13]



2. Additional Optional Services provided by local, national and pan-European communities of banks, such as the use of additional data elements in the ISO 20022 XML standards. Any community usage rules for the use of the SEPA core mandatory subset of the ISO 20022 XML standards should also be mentioned in this context, although they are not *per se* AOS. Other AOS may be defined, for example relating to community provided delivery channels for Customers.

Participants may only offer AOS in accordance with the following principles:

1. All AOS must not compromise interoperability of the Scheme nor create barriers to competition. The Compliance and Adherence Committee ("CAC") should deal with any complaints or issues concerning these requirements brought to its attention in relation to compliance with the Rulebook as part of its normal procedures, as set out in the Internal Rules;
2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the EPC may incorporate commonly used AOS features into the Scheme through the change management processes set out in the Internal Rules;
3. There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 XML payment standards (including any community usage rules for the SEPA core mandatory subset) should be disclosed on a publicly available website (in both local language(s) and English).

These AOS are not further described in the Rulebook as they are to be generally considered as competitive offerings provided by both individual Participants and communities of Participants and are therefore out of scope.

## 2.4 Currency

All transactions are in euro in all process stages, including all exception handling, i.e. Rejects, Returns and Recalls.

The Payment Accounts of the Originator and of the Beneficiary may be in euro or any other currency. Any currency conversion is executed in the Originator Bank or Beneficiary Bank and is not governed by this Scheme.

## 2.5 Value Limits

Settlement and value limits may exist between Participants and between communities of Participants, for example through the CSMs employed by them with reference to factors such as risk management.

Value limits may therefore be applied by the Originator Bank to its products and services offered to its Customers that are founded on the Scheme according to its own risk appetite and risk management controls.

## 2.6 Reachability

Participants commit to making and receiving payments under the Scheme and to processing them according to the rules of the Scheme.

Reachability is a major assumption on which the Scheme is based and is therefore a key success factor for the Scheme.



## 2.7 Remittance Data '=> ERI'

The SEPA Credit Transfer dataset provides for a remittance data field, which may be used as follows:

- to carry structured remittance data of up to a max of 140 characters;

OR

- to carry unstructured remittance data of up to 140 characters.

This remittance field therefore enables automated reconciliation between receivables and payments by the Beneficiary. It is recommended that Beneficiaries adopt the ISO Standard (reference [12]) for a 'structured creditor reference to the remittance information' (identified in the Rulebook as 'structured creditor reference') as the preferred remittance data convention for identifying payment referring to a single invoice.

The remittance data supplied by the Originator in the Credit Transfer Instruction must be forwarded in full and without alteration by the Originator Bank and any intermediary institution and CSM to the Beneficiary Bank. When the Originator provides a Structured Creditor Reference with a Credit Transfer Instruction, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.

The Beneficiary Bank must also deliver received remittance data in full and without alteration to the Beneficiary.

Communities of banks serving Customers within SEPA are able to implant data conventions for structured remittance data and /or longer remittance data references.

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

### 3. ROLES OF THE SCHEME ACTORS

This chapter describes the roles of the actors in the Scheme.

#### 3.1 Actors

The execution of a SEPA Credit Transfer payment involves four main actors:

- **The Originator:** is the Customer who initiates directly or indirectly<sup>5</sup> the SEPA Credit Transfer by providing the Originator Bank with an instruction. The Funds for such a credit transfer are made available by means of a debit from a specified Payment Account of which the Originator is account holder;
- **The Originator Bank:** is the Participant that receives the Credit Transfer Instruction from the Originator and acts on the payment instruction by making the payment to the Beneficiary Bank in favour of the Beneficiary's account according to the information provided in the instruction and in accordance with the provisions of the Scheme;
- **The Beneficiary Bank:** is the Participant that receives the Credit Transfer Instruction from the Originator Bank and credits the account of the Beneficiary, according to the information provided in the instruction and in accordance with the provisions of the Scheme;
- The Originator Bank and Beneficiary Bank may be one and the same Participant;
- **The Beneficiary:** is the Customer identified in the Credit Transfer Instruction whom the Funds are sent to.

Originator Banks and Beneficiary Banks are responsible for meeting their obligations under the Rulebook. This responsibility is irrespective of either the means or the parties by which Originator Banks or Beneficiary Banks choose to discharge those obligations and for which they remain responsible under the Scheme.

The operation of the Scheme also involves other parties indirectly:

- **CSMs:** Such mechanisms could include the services of a Clearing and Settlement provider such as an automated clearing house or other mechanisms such as intra-bank and intra-group arrangements and bilateral or multilateral agreements between Participants. The term CSM does not necessarily connote one entity, for example, it is possible that the Clearing function and the Settlement functions are conducted by separate actors;
- **Intermediary Banks:** Banks offering intermediary services to Originator and/or Beneficiary Banks, for example in cases where they are not themselves direct participants in a CSM;
- **Payment initiation service providers (PISP):** Originators may make use of a PISP to initiate a SEPA Credit Transfer.

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<sup>5</sup> In compliance with the Payment Services Directive

### 3.2 The Four Corner Model

The following diagram gives an overview of the contractual relationships and interaction between the main actors.

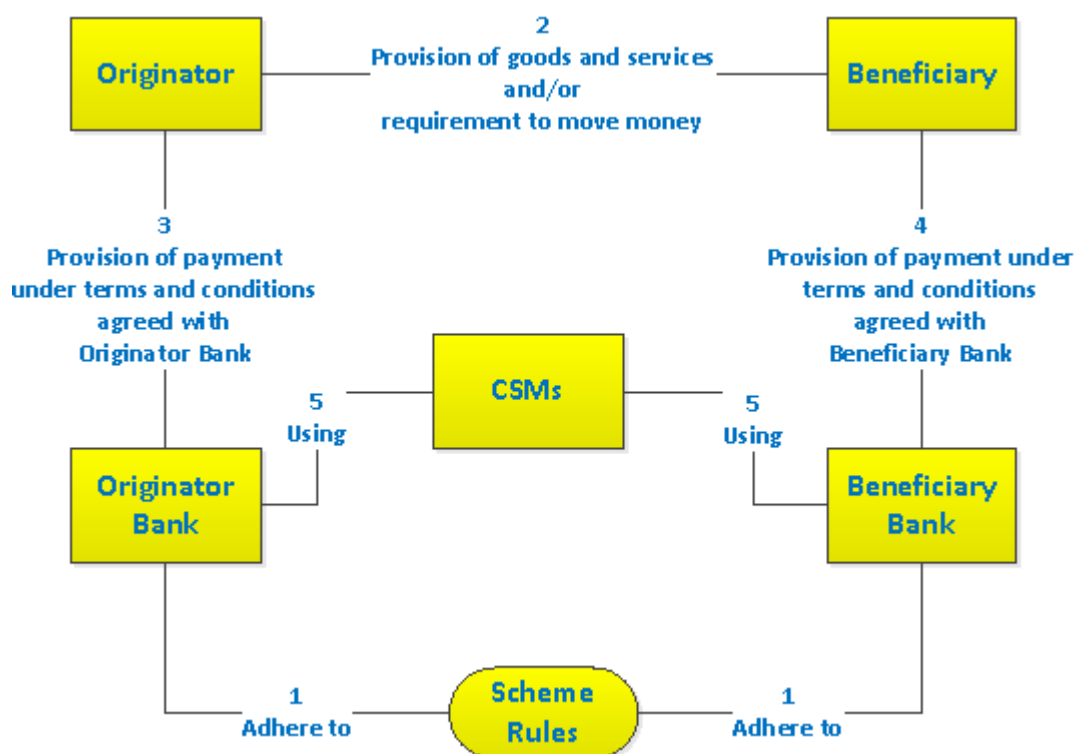


Figure 2: 4-Corner Model - Illustrative

The actors are bound together by a number of relationships, identified on the diagram by numbers:

1. The contractual relationships underlying the Scheme to which all Participants are bound;
2. Between the Originator and the Beneficiary regarding the provision of goods and services and/or the requirement to make a payment. This may or may not be reflected in a formal legal contract. This relationship does not form part of the operation of the Scheme;
3. Between the Originator and the Originator Bank concerning the payment and cash management products and services to be provided and their related terms and conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the initiation and execution of a SEPA Credit Transfer as required by the Scheme;
4. Between the Beneficiary and the Beneficiary Bank concerning the products and services to be provided and the related terms and conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the receipt of a SEPA Credit Transfer as required by the Scheme;
5. As applicable, between the Originator Bank and the Beneficiary Bank and the selected CSM concerning the terms and conditions of the services delivered. Provisions for these relationships are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Credit Transfer;



6. As applicable, between the Originator Bank and/ or the Beneficiary Bank and any other bank acting in an intermediary capacity. Provisions for these relationships and their functioning are not governed by the Scheme. This relationship is not illustrated above.

### **3.3 Clearing and Settlement Mechanisms**

CSMs are responsible to the Originator Banks and Beneficiary Banks that use their services. As a matter of normal practice, these mechanisms:

- Receive transactions for Clearing from the Originator Bank who participates in the relevant CSM;
- Clear and forward them to the Beneficiary Bank who participates in the relevant CSM, ensuring that all data intended by the Originator and the Originator Bank to reach the Beneficiary Bank and the Beneficiary is forwarded in full and without alteration;
- Handle exceptions such as Returns, Rejects and Recalls;
- Make arrangements such that Settlement can be achieved between the Originator Bank and Beneficiary Bank;
- Provide any required risk management procedures and other related services.

### **3.4 Intermediary Banks**

If any actor uses the services of an Intermediary Bank to perform any function in relation to a SEPA Credit Transfer, this should:

- Be transparent to the Scheme and in no way affect or modify the obligations of the Participants;
- Be the subject of a separate bilateral agreement between the intermediary and its Customer (i.e. the Originator Banks or Beneficiary Banks).

### **3.5 Governing laws**

The governing laws of the agreements in the four-corner model are as follows:

- The Rulebook is governed by Belgian law;
- The Adherence Agreement is governed by Belgian law.

### **3.6 Relationship with Customers**

In accordance with Chapter 5 Participants must ensure that the Terms and Conditions are effective so as to enable Participants to comply with their obligations under the Scheme.



## 4. BUSINESS AND OPERATIONAL RULES

This chapter describes the business and operational rules of the Scheme which must be observed by Participants and by other actors as necessary such that the Scheme can function properly. It also describes the datasets used in the Scheme, and the specific data attributes within these datasets.

Datasets and attributes will be represented and transmitted using generally accepted, open, interoperable standards wherever accepted by the EPC (see Section 0.5).

### 4.1 Naming Conventions

This section describes the naming conventions used in this chapter.

The descriptions are based on the concepts of Process, Process-step, Attribute and Dataset.

For facilitating the reading and the use of this Rulebook, structured identification-numbers are used as follows:

|                       |  |
|-----------------------|--|
| <b>Process-steps:</b> | CT-xx-yy, where xx-yy is the unique sequence number in this Rulebook   |
| <b>Datasets:</b>      | DS-xx, where xx represents the unique sequence number in this Rulebook |
| <b>Attributes:</b>    | AT-xx, where xx represents the unique sequence number in this Rulebook |

### 4.2 Overview of the SEPA Credit Transfer Process & Time Cycle

This section describes the terms used to define the execution time cycle.

Section 4.3 below provides a more detailed explanation of the process.

#### 4.2.1 Commencement of the Execution Time Cycle (Day "D")

The execution time for a SEPA Credit Transfer shall commence at the point in time of receipt of the Credit Transfer Instruction, as defined in the Payment Services Directive.

The "Requested Execution Date" corresponds with a date requested by an Originator for commencing the execution of the Credit Transfer Instruction. The Originator may choose to request a Requested Execution Date in the future and submit the Credit Transfer Instruction to the Originator Bank in accordance with its Terms and Conditions with the Originator Bank. In such cases, the agreed date will be deemed to be the relevant date for commencing the execution of the Credit Transfer Instruction. This provision is to be construed in accordance with Article 78 (2) of the Payment Services Directive.

The execution time cycle may be interrupted, stopped or otherwise affected by the application of laws.

#### 4.2.2 Cut-off Times

Cut-off Times must be advised by an Originator Bank to the Originator. They are also agreed between an Originator Bank and a CSM. Such Cut-off times are out of scope of the Rulebook.





#### **4.2.3 Maximum Execution Time<sup>6</sup>**

Originator Banks are obliged to ensure that the amount of the SEPA Credit Transfer is credited to the account of the Beneficiary Bank within one Banking Business Day following the point in time of receipt of the Credit Transfer Instruction in accordance with the provisions of the Payment Services Directive.

A Beneficiary Bank is obliged to credit the account of the Beneficiary with the amount of the SEPA Credit Transfer in accordance with the provisions of the Payment Services Directive.

It is open to communities of Participants to agree a shorter execution time for SEPA Credit Transfers.

The Scheme recognises that Participants may not be open for business on certain days of the year for the purpose of executing SEPA Credit Transfers.

Accordingly, the execution time cycle of a SEPA Credit Transfer defines the execution time cycle by reference to Banking Business Days, rather than to Calendar Days. This means that a Participant will only be required to execute its obligations under the Rulebook on days on which it is open for business, as required for the execution of a SEPA Credit Transfer. Therefore, where an obligation falls to be executed by a Participant on a day which is not a Banking Business Day, the Participant must execute this obligation on the next Banking Business Day, and the maximum time permitted for the execution of a SEPA Credit Transfer may be construed accordingly.

The definition of Banking Business Day is therefore to be construed in accordance with this provision.

#### **4.2.4 Charging Principles**

Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are entirely a matter for individual Participants and their Customers.

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<sup>6</sup> The Payment Services Directive allows an extra day for the execution of paper-initiated credit transfers. The Rulebook currently describes interbank electronic payments only and does not take into account additional time permitted for processing paper-initiated transactions. This is considered to be a matter for each Participant to regulate with its Customer in accordance with applicable laws.



## 4.3 SEPA Credit Transfer Processing Flow

### 4.3.1 SEPA Credit Transfer Processing Flow

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

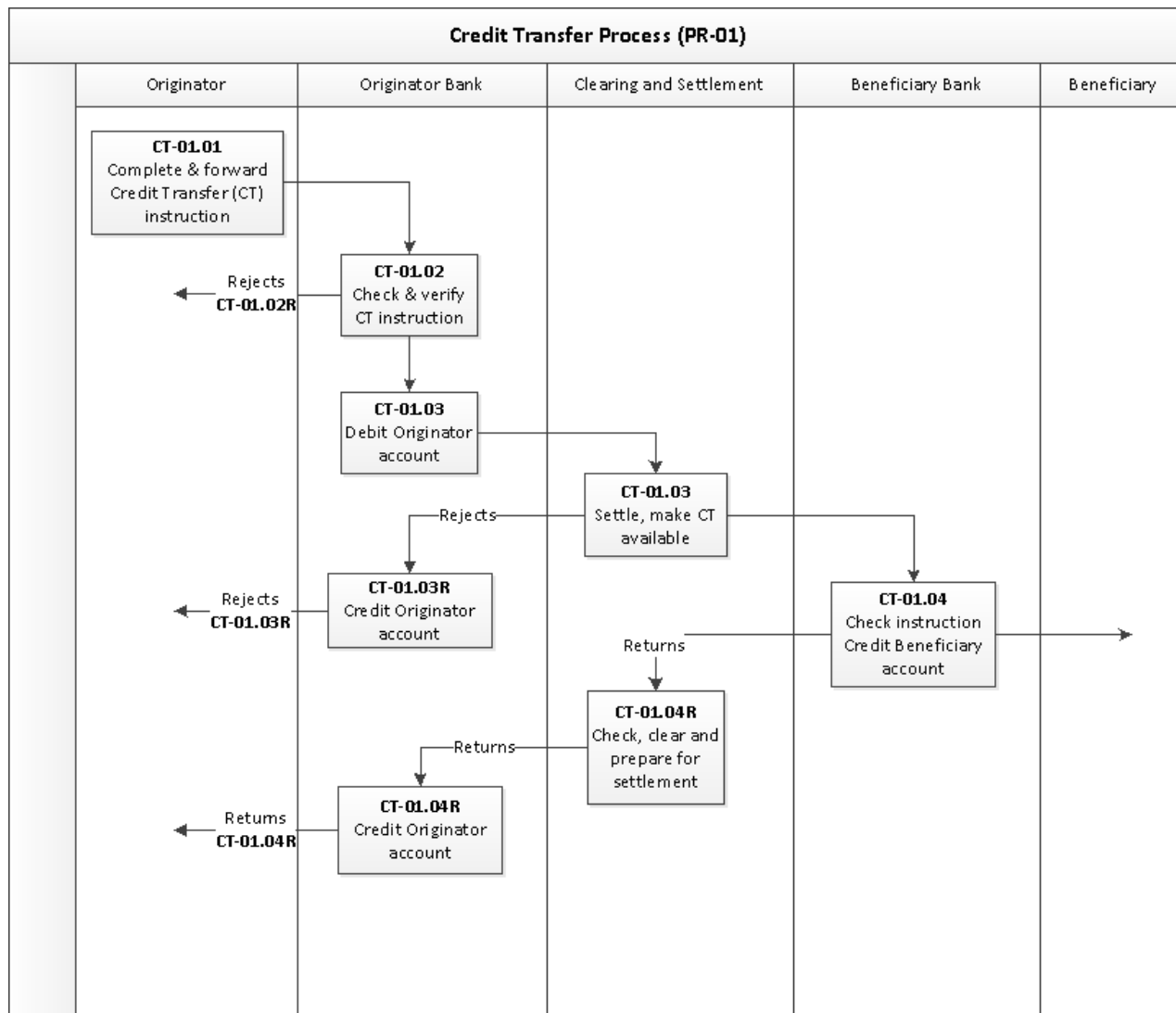


Figure 3: SEPA Credit Transfer Process (PR-01)

**CT-01.01** The Originator completes and forwards the Credit Transfer Instruction. The instruction will be submitted by any means agreed between the Originator and the Originator Bank. The data elements to be provided are defined in dataset DS-01 below.

**CT-01.02** The Originator Bank receives and checks if it has sufficient information to execute a payment instruction and that the instruction fulfils the conditions required by its procedures as to execution of the instruction including the authenticity of the instruction, and the checking of the format and plausibility of the IBAN and if requested, of the BIC.

Rejected instructions are covered by procedures described below.



**CT-01.03** On or following D, the Originator Bank will debit the account of the Originator. This will be followed by the sending of the Credit Transfer Instruction to ensure receipt by the Beneficiary Bank via the selected CSM in accordance with the rules of the Scheme. The data elements to be provided are defined in dataset DS-02 below.

**CT-01.04** The Beneficiary Bank should credit the account of the Beneficiary in accordance with the provisions of the Payment Services Directive. The Beneficiary Bank will make the information of DS-04 available to the Beneficiary on the basis agreed between the Beneficiary and his Beneficiary Bank.

### 4.3.2 Exception Processing Flow

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

#### 4.3.2.1 *Reject processing*

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

If it occurs in the interbank space the Reject must be sent as specified in DS-03 below.

The main characteristics of a reject (DS-03) are:

- the transferred amount will be the Original Amount of the Credit Transfer Instruction;
- the 'Reject' message is routed through the same path taken by the original SEPA Credit Transfer with no alteration of the data contained in the original SEPA Credit Transfer;
- a record of the relevant data relating to the initial SEPA Credit Transfer, sufficient to provide an audit trail, is included;
- the initial SEPA Credit Transfer is identified by the original reference of the Originator Bank;
- 'Reject' messages contain a reason code (attribute AT-R3, see section 4.6.1).

'Reject' messages should be transmitted on a same day basis and must at the latest be transmitted on the next Banking Business Day.



#### 4.3.2.2 Return processing

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

The main characteristics of a Return (DS-03) are:

- the transferred amount will be the Original Amount of the Credit Transfer Instruction;
- the Return message is routed through the same path taken by the original SEPA Credit Transfer (unless otherwise agreed between the Beneficiary Bank and the Originator Bank), with no alteration of the data contained in the original credit transfer. In the case of a 'Return' message to be sent to the Originator by the Originator Bank, the parties may agree a specific mechanism which may differ from the original path;
- a record of the relevant data relating to the initial SEPA Credit Transfer, sufficient to provide an audit trail, is included;
- the initial SEPA Credit Transfer is identified by the original reference of the Originator Bank;
- 'Return' messages contain a reason code (attribute AT-R3, see below).

'Return' messages initiated by the Beneficiary Bank must be transmitted to the Originator Bank within three Banking Business Days after Settlement Date.

The step by step process flow for Rejects and Returns are as follows:

**CT-01.02R** The Originator Bank must inform the Originator according to the timing agreed with the Originator.

**CT-01.03R** The CSM must send the 'Reject' message to the Originator Bank at the latest on the next Banking Business Day following rejection.

Unless the Originator Bank is able and is willing to repair and resend the payment instruction within the Execution Time, the Originator Bank must inform the Originator that the instruction has been rejected and credit the Originator's account according to the timing agreed with the Originator. Any instruction that is repaired and re-sent by the Originator Bank shall be deemed to be a new Credit Transfer Instruction under this Rulebook, and the point in time of receipt of this instruction shall be interpreted accordingly.

**CT-01.04R** The Beneficiary Bank must send the 'Return' message to the Originator Bank through the selected CSM at the latest three Banking Business Days after Settlement Date and at the same time return the Funds.

The Originator Bank must credit the Originator's account according to the timing agreed with the Originator, and make the appropriate details available to the Originator.

#### 4.3.2.3 Recall processing

A **Recall** occurs when the Originator Bank requests to cancel a SEPA Credit Transfer Transaction. The Recall procedure can be initiated only by the Originator Bank, which may do it on behalf of the Originator.

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

- Duplicate sending;
- Technical problems resulting in an erroneous SEPA Credit Transfer Transaction;
- Fraudulent originated SEPA Credit Transfer Instruction.

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

- The Originator Bank must send out the Recall within the period of 10 Banking Business Days following the execution date of the initial SEPA Credit Transfer Transaction subject to the Recall;
- The amount transferred back can differ from the Original Amount of the SEPA Credit Transfer Transaction. The Beneficiary Bank may decide to charge a fee to the Originator Bank;
- The Recall message is routed through the same path taken by the initial SEPA Credit Transfer Transaction, with no alteration of the data contained in the initial SEPA Credit Transfer Transaction;
- A record of the relevant data relating to the initial SEPA Credit Transfer Transaction, sufficient to provide an audit trail, is included;
- Recall messages contain a reason code (attribute AT-48, see below); If initiated before settlement, the Recall will lead to a cancellation, according to the CSM's own procedures agreed with its participants. If initiated after settlement, the Recall will be forwarded by the CSM;
- The Beneficiary Bank must provide the Originator Bank with an answer to a Recall within 15 Banking Business Days following the receipt of the Recall from the Originator Bank.

The Beneficiary Bank is in breach with the Rulebook if it has not responded to the Recall by the Originator Bank within this period of 15 Banking Business Days. If the Beneficiary Bank has received no response from the Beneficiary to this Recall within these 15 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason "No response from the Beneficiary" to the Originator Bank;

- In case the Beneficiary Bank can report a positive answer to a Recall, the Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the amount through a separate SEPA Credit Transfer Transaction message.

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

The following diagram shows the step by step process for a Recall.

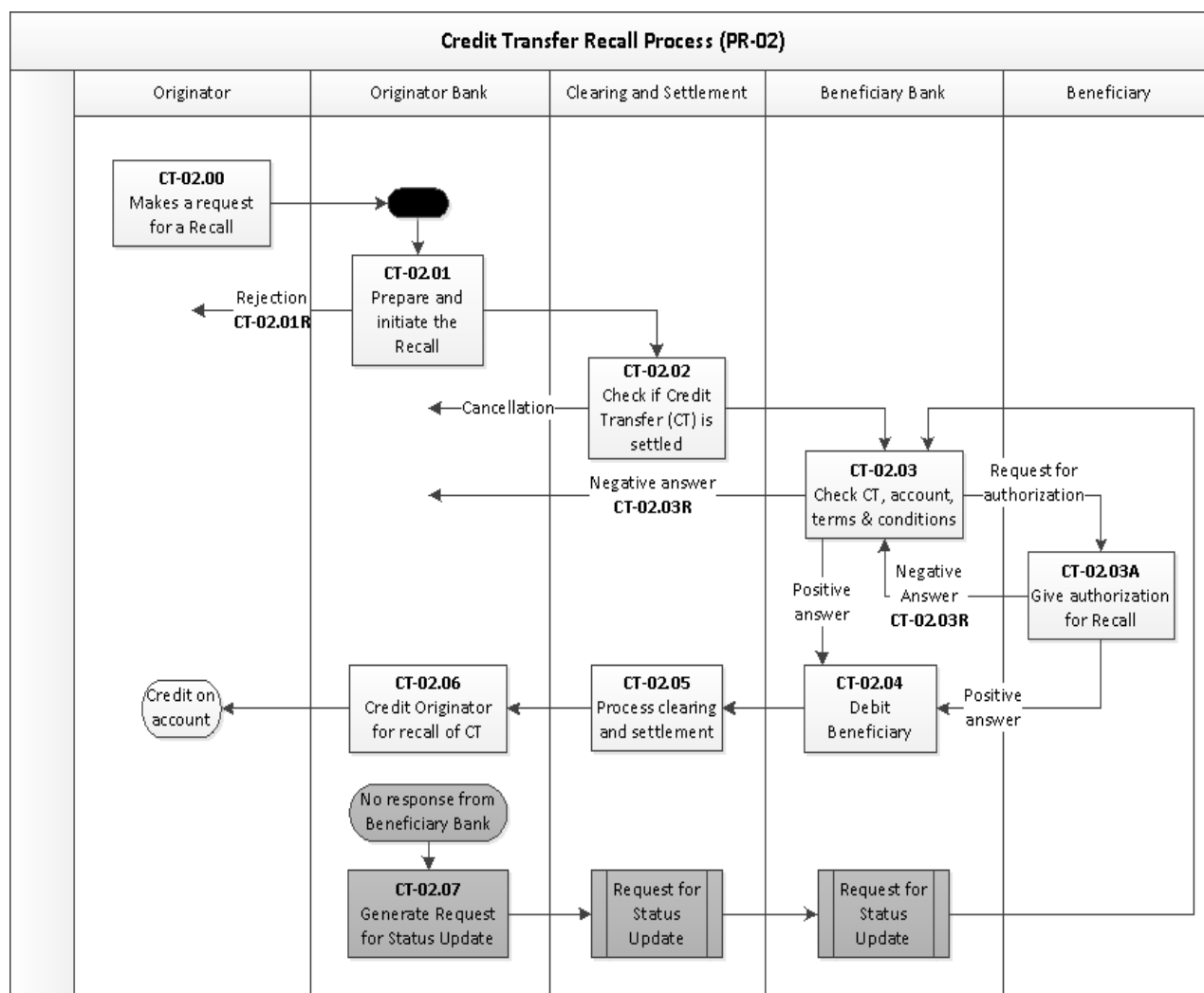


Figure 4: SEPA Credit Transfer Recall Process (PR-02)



**CT-02.00 & CT-02.01** The Originator Bank realizes the need to recall a SEPA Credit Transfer Transaction.

It may also receive a request from the Originator (see CT-02.00). Before initiating the Recall procedure, the Originator Bank must check if the initial SEPA Credit Transfer Transaction:

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

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

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

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

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

**CT-02.03** The Beneficiary Bank must always handle the Recall and must provide a positive or negative answer within 15 Banking Business Days following the receipt of the Recall from the Originator Bank.

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

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

**CT-02.03A** If needed: the Beneficiary is asked for his/her authorization to let the Beneficiary Bank debit its Payment Account for a Recall.



- CT-02.03R** The Beneficiary Bank will generate a negative answer to the Originator Bank and give reason for it if:
- There are insufficient funds on the account;
  - The account is closed;
  - There is a legal reason: to be explained in a clear text;
  - Beneficiary's refusal;
  - No response from the Beneficiary within the 15 Banking Business Days following the receipt of the Recall from the Originator Bank;
  - Initial SEPA Credit Transfer Transaction never received;
  - The Funds of the initial Credit Transfer Transaction already transferred back.
- CT-02.04** The Beneficiary Bank generates a positive answer to the Recall. The Beneficiary Bank debits the account of the Beneficiary (if needed, the Beneficiary Bank waits until it has received the authorisation from the Beneficiary for debiting his account).
- CT-02.05** The CSM receives the positive answer to the Recall from the Beneficiary Bank and settles this with the Originator Bank.
- CT-02.06** The Originator Bank credits the account of the Originator with the amount of the positive answer to the Recall.
- CT-02.07** In the exceptional case of no response from the Beneficiary Bank within the deadline of 15 Banking Business Days following the receipt of the Recall from the Originator Bank, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

#### 4.3.2.4 Request for Recall by the Originator processing

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

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

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

- The message for a Request for Recall by the Originator is routed through the same path which was used for the initial SEPA Credit Transfer Transaction;
- A record of the relevant data relating to the initial SEPA Credit Transfer Transaction message, sufficient to provide an audit trail, is included with no alteration of the data contained in the initial SEPA Credit Transfer Transaction;
- The message contains a reason code (attribute AT-50 see section 4.6) highlighting the reason for the Request for Recall by the Originator;





- The Beneficiary Bank must send its answer to a Request for Recall by the Originator within 15 Banking Business Days following the receipt of the Request for Recall by the Originator from the Originator Bank.

### **Process steps for a Request for Recall by the Originator**

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

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

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

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

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

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

**Step 3** The Beneficiary Bank will present the Request for Recall by the Originator with the reason to the Beneficiary for its consideration.

The Beneficiary Bank is in breach with the Rulebook if it has not responded to the Request for Recall by the Originator within the period of 15 Banking Business Days.

If the Beneficiary Bank has received no response from the Beneficiary to this Request for Recall by the Originator within these 15 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason "No response from the Beneficiary" to the Originator Bank.

**Step 4A** Upon receipt of a positive response from the Beneficiary (DS-08 in section 4.5): the Beneficiary Bank debits the account of the Beneficiary and transfers the funds back via the CSM to the Originator Bank. If needed, the Beneficiary Bank waits until it has received the authorisation from the Beneficiary for debiting his account.

The Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the Funds through a separate SEPA Credit Transfer Transaction message.

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





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

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

**Step 4C** In an exceptional case of no response from the Beneficiary Bank after 15 Banking Business Days after the receipt of the Request for Recall by the Originator, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

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

## 4.4 Inquiry process

### 4.4.1 SCT inquiry

An **SCT inquiry** occurs when a Participant requests information or clarification about the status of a SEPA Credit Transfer.

The Rulebook foresees the following reasons for a SCT inquiry:

- i. **Claim of Non-Receipt:** the Beneficiary claims not to have received the initial SEPA Credit Transfer. The Originator Bank is asked to investigate if and when the initial SEPA Credit Transfer had been executed. The cause for this claim can be at the Originator Bank, the Beneficiary Bank and/or in the clearing and settlement layer.

The assumption is that the Beneficiary will contact first the Originator, and that the Originator will launch a claim for non-receipt to the Originator Bank. The situation where the Beneficiary directly addresses a claim for non-receipt to the Beneficiary Bank is not described in the Scheme.

- ii. **Claim for Value Date Correction:** the Beneficiary claims that the initial SEPA Credit Transfer has been credited with a value date later than the date the amount would have been value dated had the transaction been correctly executed.

The Originator Bank is asked to investigate at what precise date the initial SEPA Credit Transfer had been executed. The cause for this claim can be at the Originator Bank, the Beneficiary Bank and/or in the clearing and settlement layer.

The assumption is that the Beneficiary will contact first the Originator, and that the Originator will launch a claim for late execution to the Originator Bank. The situation where the Beneficiary directly addresses a claim of late execution to the Beneficiary Bank is not described in the Scheme.

In case the cause does not fall within the responsibility of the Beneficiary Bank, then the Beneficiary Bank has the right to receive interest compensation from the Originator Bank.



This compensation is a variable amount, being the interest calculated for the number of calendar days between the original value date and the corrected value date of the original SEPA Credit Transfer. The rate to be applied for each day in a month is the EONIA rate applicable on the first banking business day of that month based on a 360 days year. The EONIA rate is a daily rate published by the ECB every day.

The Beneficiary Bank, if it decides so, may recover this compensation from the Originator Bank by specifying the compensation amount in AT-85 in the DS-10.

- iii. **Request for Status Update:** the Originator Bank can remind the Beneficiary Bank about the SCT inquiry reasons 'Claim of Non-Receipt' and 'Claim of Value Date Correction' that has been addressed earlier to the Beneficiary Bank and which the Beneficiary Bank has not yet replied to.

An SCT inquiry can only be made for a SEPA Credit Transfer when the (claimed) debit date of the concerned SEPA Credit Transfer falls within the period of 13 months preceding the date at which the Originator submits an inquiry for the reasons **i** and **ii** to the Originator Bank.

The main characteristics of a SCT inquiry (DS-09) are:

- The SCT inquiry message is routed through the same path which was used for the initial SEPA Credit Transfer / initial SCT inquiry message;
- A record of the relevant data relating to the initial SEPA Credit Transfer/ initial SCT inquiry message, sufficient to provide an audit trail, is included with no alteration of the data contained in the initial SEPA Credit Transfer/ initial SCT inquiry message;
- The inquiry message concerns a single initial SEPA Credit Transfer or a reminder to a single earlier issued SCT inquiry. If several initial SEPA Credit Transfers or reminders to earlier issued SCT inquiries are concerned, then several SCT inquiry messages must be sent.

#### 4.4.2 Response-to-SCT-inquiry

The **Response-to-SCT-inquiry** message is made by the Beneficiary Bank.

The concerned Beneficiary Bank addresses its response to the Originator Bank that initiated the SCT inquiry, informing the latter about

- The final investigation outcome (whether positive or negative) for a SCT inquiry; and
- Optionally providing details about the corrective action undertaken.

The non-response to an SCT inquiry will be considered as a breach against the Rulebook.

The main characteristics of a Response-to-SCT-Inquiry (DS-10) are:

- The response-to-SCT-inquiry message is routed through the same path which was used for the initial SCT inquiry message;
- A record of the relevant data relating to the initial SCT inquiry message, sufficient to provide an audit trail, is included with no alteration of the data contained in the initial SCT inquiry message;
- The response-to-SCT-inquiry message concerns a single SCT inquiry/ a reminder to a single earlier issued SCT inquiry at a time;



- The Beneficiary Bank has to provide a response-to-SCT-inquiry message about the concerned SCT inquiry within 10 Banking Business Days after it has received the SCT inquiry message.

It is the decision of the Beneficiary Bank if it wants to charge a fee to the Originator Bank for handling the SCT inquiry.

#### 4.5 Business Requirements for Datasets

The datasets are the following:

|              |  |
|--------------|--|
| <b>DS-01</b> | Customer-to-Bank SEPA Credit Transfer Information            |
| <b>DS-02</b> | Interbank Payment Dataset                                    |
| <b>DS-03</b> | Reject or Return SEPA Credit Transfer Dataset                |
| <b>DS-04</b> | Bank-to-Customer SEPA Credit Transfer Information            |
| <b>DS-05</b> | Recall of SEPA Credit Transfer Dataset                       |
| <b>DS-06</b> | Answer to Recall of SEPA Credit Transfer Dataset             |
| <b>DS-07</b> | Request for Recall by the Originator Dataset                 |
| <b>DS-08</b> | Response to the Request for Recall by the Originator Dataset |
| <b>DS-09</b> | SCT Inquiry Dataset  |
| <b>DS-10</b> | Response-to-SCT-Inquiry Dataset                              |



#### 4.5.1 DS-01 Customer-to-Bank SEPA Credit Transfer Information

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



|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>DS-01</b>  |
| <b>Name:</b>           | <b>Customer-to-Bank SEPA Credit Transfer Information</b>  |
| <b>Rules applied:</b>  | <p>Only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank SEPA Credit Transfer Instructions, the Originator Bank is obliged to accept at least but not exclusively Customer-to-Bank Credit Transfer Instruction messages which follow the specifications defined in the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines covered in section 0.5 at the request of the Originator.</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> |
| <b>Remarks</b>         | <p>These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme C2B Implementation Guidelines as defined in section 0.5.</p> <p>For this dataset, the attribute 23 'The BIC code of the Beneficiary Bank' only has to be provided when the Originator Bank is technically not able to derive the BIC from the IBAN of the account of the Beneficiary when held at a Beneficiary Bank in a non-EEA SEPA country or territory. This attribute remains mandatory in DS-02 (Interbank Payment).</p> <p>When the Beneficiary wishes to transfer back funds to the Originator related to an earlier executed SEPA Credit Transfer Transaction but the Beneficiary does not have the IBAN of the account of the Originator (AT-01), the Beneficiary can provide in the SEPA Credit Transfer Transaction an alternative identifier to this attribute to the Beneficiary Bank. Specific usage rules are provided in [11]. The Beneficiary can only provide such identifier to the Beneficiary Bank when the Beneficiary and the Beneficiary Bank have a bilateral agreement for such service.</p>                                   |



#### 4.5.2 DS-02 Interbank Payment Dataset

|                                  |  |
|----------------------------------|--|
| <b>Identification:</b>           | <b>DS-02</b>   |
| <b>Name:</b>                     | <b>The Interbank Payment Dataset</b>   |
| <b>Description:</b>              | This dataset describes the content of the Interbank Payment message (mandatory unless otherwise indicated).  |
| <b>Attributes contained</b>      | <ul style="list-style-type: none"><li>• 01 The IBAN of the account of the Originator</li><li>• 02 The name of the Originator</li><li>• 03 The address of the Originator (only mandatory when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country or territory)</li><li>• 04 The amount of the SEPA Credit Transfer in euro</li><li>• 05 The Remittance Information (Optional)</li><li>• 06 The BIC code of the Originator Bank</li><li>• 08 The name of the Originator Reference Party (Optional)</li><li>• 09 The identification code of the Originator Reference Party (Optional)</li><li>• 10 The Originator identification code (Optional)</li><li>• 20 The IBAN of the account of the Beneficiary</li><li>• 21 The name of the Beneficiary</li><li>• 22 The address of the Beneficiary (Optional)</li><li>• 23 The BIC code of the Beneficiary Bank</li><li>• 24 The Beneficiary identification code (Optional)</li><li>• 28 The name of the Beneficiary Reference Party (Optional)</li><li>• 29 The identification code of the Beneficiary Reference Party (Optional)</li><li>• 40 The identification code of the SEPA electronic credit transfer Scheme</li><li>• 41 The Originator's reference of the Credit Transfer Transaction</li><li>• 42 The Settlement Date of the SEPA Credit Transfer</li><li>• 43 The Originator Bank's reference number of the SEPA Credit Transfer message</li><li>• 44 The purpose of the SEPA Credit Transfer (Optional)</li><li>• 45 The category purpose of the SEPA Credit Transfer (Optional)</li></ul> |
| <b>Technical characteristics</b> | From a business perspective, interbank SEPA Credit Transfers are always considered to be single payments, each containing one Originator account and one Beneficiary account. The use of term "bulk payments" in the interbank space refers to the physical layer of the SEPA Credit Transfer Scheme Interbank Implementation Guidelines.  |
| <b>Rules applied:</b>            | <p>Where an Originator has provided information in a specific payment instruction relating to an optional DS-02 field (with the exception of AT-45), this field will be populated in the Interbank Payment message, subject to any overriding legal/regulatory requirements.</p> <p>Regarding AT-45, when the agreement between Originator and Originator Bank only involves a specific processing at Originator Bank level, said Originator Bank is not obliged to send AT-45 to the Beneficiary Bank as part of DS-02.</p>   |
| <b>Remarks</b>                   | These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in section 0.5.   |



#### 4.5.3 DS-03 Reject or Return SEPA Credit Transfer Dataset

|                             |  |
|-----------------------------|--|
| <b>Identification:</b>      | <b>DS-03</b>   |
| <b>Name:</b>                | <b>The Reject or Return SEPA Credit Transfer Dataset</b>   |
| <b>Description:</b>         | This dataset describes the content of a Rejected or Returned SEPA Credit Transfer (mandatory unless otherwise indicated)   |
| <b>Attributes contained</b> | <ul style="list-style-type: none"><li>• R1 The type of "R" message</li><li>• R2 The Identification of the type of party initiating the "R" message</li><li>• R3 The reason code for non-acceptance of the SEPA Credit Transfer</li><li>• R4 The Settlement Date for the Return</li><li>• R5 The specific reference of the Bank initiating the Reject/Return</li><li>• An exact copy of all the attributes of the received DS-02 which is being returned/rejected</li></ul> |

#### 4.5.4 DS-04 – Bank-to-Customer SEPA Credit Transfer Information

|                              |  |
|------------------------------|--|
| <b>Identification:</b>       | <b>DS-04</b>   |
| <b>Name:</b>                 | <b>The Bank-to-Customer SEPA Credit Transfer Information</b>   |
| <b>Description:</b>          | Description of the minimum information that a Beneficiary Bank needs to make available to the Beneficiary.   |
| <b>Attributes contained:</b> | <ul style="list-style-type: none"><li>• 02 The name of the Originator</li><li>• 04 The amount of the SEPA Credit Transfer in euro</li><li>• 05 The Remittance Information</li><li>• 08 The name of the Originator Reference Party (optional)</li><li>• 09 The identification code of the Originator Reference Party (optional)</li><li>• 10 The Originator identification code</li><li>• 20 The IBAN of the account of the Beneficiary</li><li>• 21 The name of the Beneficiary</li><li>• 24 The Beneficiary identification code</li><li>• 28 The name of the Beneficiary Reference Party (optional)</li><li>• 29 The identification code of the Beneficiary Reference Party (optional)</li><li>• 41 The Originator's reference of the Credit Transfer Transaction</li><li>• 42 The Settlement Date of the SEPA Credit Transfer (optional)</li><li>• 44 The purpose of the SEPA Credit Transfer (optional)</li></ul> |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>DS-04</b>   |
| <b>Name:</b>           | <b>The Bank-to-Customer SEPA Credit Transfer Information</b>   |
| <b>Rules applied:</b>  | <p>Where any of the above attributes, optional or not, are present in an Interbank Payment message (DS-02) the contents must be made available in full by the Beneficiary Bank to the Beneficiary, subject to any prior agreement to the contrary.</p> <p>Where the Beneficiary and Beneficiary Bank have an explicit agreement regarding the deduction of charges then the amount of the charges will be made clear to the Beneficiary.</p> <p>A Beneficiary Bank may drop received extended Reference Party information (attributes 08, 09, 28, 29 and 44) and not make it available to a Beneficiary who uses an interface which does not comply with the ISO 20022 XML standard.</p> |
| <b>Remarks:</b>        | These attributes reflect business requirements   |

#### 4.5.5 DS-05 Recall of SEPA Credit Transfer Dataset

|                              |  |
|------------------------------|--|
| <b>Identification:</b>       | <b>DS-05</b>   |
| <b>Name:</b>                 | <b>The Recall of a SEPA Credit Transfer Dataset</b>  |
| <b>Description:</b>          | This dataset contains the messages for description of the minimum information that an Originator Bank needs to make available to the Beneficiary Bank  |
| <b>Attributes contained:</b> | <p><u>Recall of SEPA Credit Transfer:</u></p> <ul style="list-style-type: none"><li>• An exact copy of the original Interbank Payment dataset (DS-02) which is being recalled.</li><li>• 04 The amount of the SEPA Credit Transfer in euro</li><li>• 48 The Recall reason code</li><li>• R2 Identification of the type of party initiating the "R" message</li><li>• R7 The specific reference of the Bank initiating the Recall</li><li>• 49 Additional Information to AT-48 The Recall reason code</li></ul> |
| <b>Remarks:</b>              | <p>Except for AT-49, these attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in section 0.5.</p> <p>In case the Request for Status Update is used, a clear reference to the original Recall of the SEPA Credit Transfer needs to be provided beside the copy of DS-02.</p>  |





#### 4.5.6 DS-06 Answer to a Recall of SEPA Credit Transfer Dataset

|                              |   |
|------------------------------|---|
| <b>Identification:</b>       | <b>DS-06</b>  |
| <b>Name:</b>                 | <b>Answer to a Recall of SEPA Credit Transfer Dataset</b>   |
| <b>Description:</b>          | This dataset contains the messages for the description for sending the answer to a Recall of Credit Transfer Dataset.   |
| <b>Attributes contained:</b> | <p><u>Positive response for a Recall of a SEPA Credit Transfer</u></p> <ul style="list-style-type: none"><li>• An exact copy of the original Interbank Payment dataset (DS-02) which is being recalled.</li><li>• 47 The fee for the positive answer to a Recall in euro (optional)</li><li>• 46 The returned amount of the positive answer to the Recall in euro</li><li>• R1 The type of "R" message</li><li>• R2 The Identification of the type of party initiating the "R" message</li><li>• R7 The specific reference of the Bank initiating the Recall</li><li>• R8 The Settlement Date for the positive answer to the Recall</li></ul> <p><u>Negative response for a Recall of a SEPA Credit Transfer</u></p> <ul style="list-style-type: none"><li>• An exact copy of the original Interbank Payment dataset (DS-02) which is being recalled.</li><li>• R6 Reason code for non-acceptance of the Recall</li></ul> |
| <b>Remarks:</b>              | These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in section 0.5.  |

#### 4.5.7 DS-07 Request for Recall by the Originator Dataset

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



#### 4.5.8 DS-08 Response to the Request for Recall by the Originator Dataset

|                              |   |
|------------------------------|---|
| <b>Identification:</b>       | <b>DS-08</b>  |
| <b>Name:</b>                 | <b>Dataset for the Response to the Request for Recall by the Originator</b>   |
| <b>Description:</b>          | This dataset contains the attributes for describing the response from the Beneficiary Bank to a Request for Recall by the Originator  |
| <b>Attributes contained:</b> | <p><u>Positive response</u></p> <ul style="list-style-type: none"><li>• An exact copy of the original Interbank Payment dataset (DS-02) which the Request for Recall by the Originator relates to</li><li>• 51 The specific reference of the Originator Bank for the Request for Recall by the Originator</li><li>• 53 The returned amount of the positive answer to the Request for Recall by the Originator in euro</li><li>• 54 The settlement date for the positive answer to the Request for Recall by the Originator</li><li>• 56 Fee for the positive response to a Request for Recall by the Originator in euro</li></ul> <p><u>Negative response</u></p> <ul style="list-style-type: none"><li>• An exact copy of the original Interbank Payment dataset (DS-02) which the Request for Recall by the Originator relates to</li><li>• 51 The specific reference of the Originator Bank for the Request for Recall by the Originator</li><li>• 55 Reason code for non-acceptance of the Request for Recall by the Originator</li><li>• 57 Provision of all information available to file a legal claim to recover the funds in case of reason code 'wrong unique identifier of the Beneficiary account' (optional)</li></ul> |
| <b>Remarks:</b>              | These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in Chapter 0.5.  |

#### 4.5.9 DS-09 SCT Inquiry Dataset

|                              |  |
|------------------------------|--|
| <b>Identification:</b>       | <b>DS-09</b>   |
| <b>Name:</b>                 | <b>SCT Inquiry Dataset</b>   |
| <b>Description:</b>          | This dataset contains the attributes describing the minimum information that a Participant needs to make available in a SCT inquiry  |
| <b>Attributes contained:</b> | <ul style="list-style-type: none"><li>• 80 SCT inquiry reason code</li><li>• 81 The specific SCT inquiry reference of the Participant initiating the SCT inquiry</li><li>• 82 Additional Information to AT-80 SCT inquiry reason code</li><li>• An exact copy of the original Interbank Payment dataset (DS-02) which the SCT inquiry relates to</li></ul> |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>DS-09</b>   |
| <b>Name:</b>           | <b>SCT Inquiry Dataset</b>   |
| <b>Remarks:</b>        | <p>These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in Chapter 0.5.</p> <p>In case the SCT Inquiry reason code 'Request for Status Update' is used, an exact copy of the original SCT inquiry needs to be provided instead of the copy of DS-02.</p> |

#### 4.5.10 DS-10 Response-to-SCT-Inquiry Dataset

|                              |   |
|------------------------------|---|
| <b>Identification:</b>       | <b>DS-10</b>  |
| <b>Name:</b>                 | <b>Response-to-SCT-Inquiry Dataset</b>  |
| <b>Description:</b>          | This dataset contains the attributes for describing the response to an SCT inquiry from the Participant whom the SCT inquiry has been addressed to  |
| <b>Attributes contained:</b> | <p><u>Response to Claim of Non-Receipt</u></p> <ul style="list-style-type: none"><li>• 81 The specific SCT inquiry reference of the Participant initiating the SCT inquiry</li><li>• An exact copy of the original Interbank Payment dataset (DS-02) which the SCT inquiry relates to</li><li>• 42 The Settlement Date of the SEPA Credit Transfer</li><li>• 83 Non-receipt of the SEPA Credit Transfer/ non-execution due to regulatory reason</li><li>• 86 Fee for handling the SCT inquiry (optional)</li></ul> <p><u>Response to Claim of Value Date Correction</u></p> <ul style="list-style-type: none"><li>• 81 The specific SCT inquiry reference of the Participant initiating the SCT inquiry</li><li>• An exact copy of the original Interbank Payment dataset (DS-02) which the SCT inquiry relates to</li><li>• 84 New value date of the SEPA Credit Transfer based on the new settlement date</li><li>• 85 The interest compensation recovered by the Beneficiary Bank from the Originator Bank (optional)</li><li>• 86 Fee for handling the SCT inquiry (optional)</li></ul> |
| <b>Remarks:</b>              | These attributes reflect business requirements and do not prescribe fields in the SEPA Credit Transfer Scheme Interbank Implementation Guidelines as defined in Chapter 0.5   |



## 4.6 Business Requirements for Attributes

This section defines the business requirements for the attributes used by the Scheme. The attributes used in the SEPA Credit Transfer datasets are described below. Attribute numbering is as follows:

- 01 – 19 for attributes pertaining to the Originator;
- 20 – 39 for attributes pertaining to the Beneficiary;
- 40 – 79 for other attributes of a compliant SEPA Credit Transfer;
- 80 onwards for attributes related to SCT inquiries and related responses;
- R01 onwards for attributes of Rejects/Returns/Recalls.

This numbering is only for cross referencing purposes within the Rulebook.

|       |   |
|-------|---|
| AT-01 | The IBAN of the account of the Originator   |
| AT-02 | The name of the Originator  |
| AT-03 | The address of the Originator   |
| AT-04 | The amount of the SEPA Credit Transfer in euro  |
| AT-05 | The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction |
| AT-06 | The BIC code of the Originator Bank   |
| AT-07 | The Requested Execution Date of the Credit Transfer Instruction   |
| AT-08 | The name of the Originator Reference Party  |
| AT-09 | The identification code of the Originator Reference Party   |
| AT-10 | The Originator identification code  |
| AT-20 | The IBAN of the account of the Beneficiary  |
| AT-21 | The name of the Beneficiary   |
| AT-22 | The address of the Beneficiary  |
| AT-23 | The BIC code of the Beneficiary Bank  |
| AT-24 | The Beneficiary identification code   |
| AT-28 | The name of the Beneficiary Reference Party   |
| AT-29 | The identification code of the Beneficiary Reference Party  |
| AT-40 | The identification code of the Scheme   |
| AT-41 | The Originator's reference of the Credit Transfer Transaction   |
| AT-42 | The Settlement Date of the SEPA Credit Transfer   |
| AT-43 | The Originator Bank's reference of the SEPA Credit Transfer Transaction                                 |
| AT-44 | The purpose of the SEPA Credit Transfer   |
| AT-45 | The category purpose of the SEPA Credit Transfer  |
| AT-46 | The returned amount of the positive answer to the Recall in euro  |
| AT-47 | The fee for the positive answer to the Recall in euro   |
| AT-48 | The Recall reason code  |



|       |   |
|-------|---|
| AT-49 | Additional Information to AT-48 The Recall reason code  |
| AT-50 | Reason code for the Request for Recall by the Originator  |
| AT-51 | The specific reference of the Originator Bank for the Request for Recall by the Originator  |
| AT-52 | Additional Information to AT-50 Reason code for the Request for Recall by the Originator  |
| AT-53 | The returned amount of the positive answer to the Request for Recall by the Originator in euro  |
| AT-54 | The settlement date for the positive answer to the Request for Recall by the Originator   |
| AT-55 | Reason code for non-acceptance of the Request for Recall by the Originator  |
| AT-56 | Fee for the positive response to a Request for Recall by the Originator in euro   |
| AT-57 | Provision of all information available to file a legal claim to recover the funds in case of reason code 'wrong unique identifier of the Beneficiary account' |
| AT-80 | The SCT inquiry reason code   |
| AT-81 | The specific SCT inquiry reference of the Participant initiating the SCT inquiry  |
| AT-82 | Additional Information to AT-80 SCT inquiry reason code   |
| AT-83 | Non-receipt of the SEPA Credit Transfer/ non-execution due to regulatory reason   |
| AT-84 | New value date of the SEPA Credit Transfer based on the new settlement date   |
| AT-85 | The interest compensation recovered by the Beneficiary Bank from the Originator Bank  |
| AT-86 | Fee for handling the SCT inquiry  |
| AT-R1 | The type of "R" message   |
| AT-R2 | The identification of the type of party initiating the "R" message  |
| AT-R3 | The reason code for non-acceptance of the SEPA Credit Transfer  |
| AT-R4 | The Settlement Date for the Return  |
| AT-R5 | The specific reference of the Bank initiating the Reject/Return   |
| AT-R6 | The Reason code for non-acceptance of the Recall  |
| AT-R7 | The specific reference of the Bank initiating the Recall  |
| AT-R8 | The Settlement Date for the positive Answer to the Recall   |



#### 4.6.1 Attribute Details

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-01</b>   |
| <b>Name:</b>           | <b>The IBAN of the account of the Originator</b>   |
| <b>Description:</b>    | The account number (only the IBAN) of the Originator to be debited for the Credit Transfer Instruction |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-02</b>  |
| <b>Name:</b>           | <b>The name of the Originator</b>   |
| <b>Description:</b>    | The information should reflect the name of the account holder being debited |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-03</b>  |
| <b>Name:</b>           | <b>The address of the Originator</b>  |
| <b>Description:</b>    | <p>The information should reflect the address of the account holder being debited.</p> <p>Applies for DS-02: This attribute is only mandatory when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country or territory.</p> |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-04</b>  |
| <b>Name:</b>           | <b>The amount of the SEPA Credit Transfer in euro</b>   |
| <b>Description:</b>    | <p>The amount contains two parts, the first is expressed in euro, and the second is expressed in euro cents.</p> <p>The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents.</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed.</p> |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-05</b>   |
| <b>Name:</b>           | <b>The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction</b>   |
| <b>Description:</b>    | <p>A maximum of 140 characters for unstructured Remittance Information</p> <p>The European Association of Corporate Treasurers (EACT) has developed a standard for formatting the contents of the unstructured remittance information.</p> <p>The standard specifies the elements enabling the automated payments processing between business partners.</p> <p>Further information on this standard can be found on the following EACT website (reference [14]).</p> <p>The 140 characters unstructured Remittance Information should be used for storing the data elements described in the standard.</p> <p>OR</p> <p>structured Remittance Information of a maximum of 140 characters according to detailed rules to be defined.</p> <p>EPC recommends beneficiaries to adopt the ISO standard (reference [12]) for a 'Structured creditor reference to the remittance information' identified in the rulebook as 'structured creditor reference' as the preferred remittance data convention for identifying payment referring to a single invoice, to be part of the structured remittance information.</p> <p>When the Originator provides a Structured Creditor Reference with a Credit Transfer Instruction, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-06</b>                               |
| <b>Name:</b>           | <b>The BIC code of the Originator Bank</b> |
| <b>Description:</b>    | See Chapter 7                              |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-07</b>  |
| <b>Name:</b>           | <b>The Requested Execution Date of the SEPA Credit Transfer Instruction</b>   |
| <b>Description:</b>    | This date corresponds with a date requested by an Originator for commencing the execution of the Credit Transfer Instruction as described in section 4.2.1. |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-08</b>   |
| <b>Name:</b>           | <b>The name of the Originator Reference Party</b>  |
| <b>Description:</b>    | <p>The name of a person in relation to whom an Originator makes a payment</p> <p>The Originator Reference Party is a person on behalf of or in connection with whom the Originator purports to make a payment</p> <p>Reference in any payment instruction to an Originator Reference Party does not imply that such party is an Originator or otherwise a payer, or is contractually obliged or entitled in connection with any payment obligation</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-09</b>   |
| <b>Name:</b>           | <b>The identification code of the Originator Reference Party</b>                   |
| <b>Description:</b>    | A code supplied by the Originator and to be delivered unaltered to the Beneficiary |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-10</b>   |
| <b>Name:</b>           | <b>The Originator identification code</b>  |
| <b>Description:</b>    | A code supplied by the Originator and to be delivered unaltered to the Beneficiary |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-20</b>  |
| <b>Name:</b>           | <b>The IBAN of the account of the Beneficiary</b>   |
| <b>Description:</b>    | <p>The International Bank Account Number used to uniquely identify the account of a Customer at a financial institution</p> <p>The ISO standard 13616 applies</p> |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-21</b>  |
| <b>Name:</b>           | <b>The name of the Beneficiary</b>                        |
| <b>Description:</b>    | The name of the Beneficiary as supplied by the Originator |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-22</b>   |
| <b>Name:</b>           | <b>The address of the Beneficiary</b>                        |
| <b>Description:</b>    | The address of the Beneficiary as supplied by the Originator |





|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-23</b>   |
| <b>Name:</b>           | <b>The BIC code of the Beneficiary Bank</b>  |
| <b>Description:</b>    | <p>For the dataset DS-01, the BIC code of the Beneficiary Bank has to be provided only when the Originator Bank explicitly requests the BIC of the Beneficiary Bank whereby at least one of the two Banks is located in a non-EEA SEPA country or territory.</p> <p>See Chapter 7.</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-24</b>                               |
| <b>Name:</b>           | <b>The Beneficiary identification code</b> |
| <b>Description:</b>    | A code supplied by the Originator          |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-28</b>   |
| <b>Name:</b>           | <b>The name of the Beneficiary Reference Party</b>   |
| <b>Description:</b>    | <p>The name of a person in relation to whom a Beneficiary receives a payment</p> <p>The Beneficiary Reference Party is a person on behalf of or in connection with whom the Beneficiary receives a payment.</p> <p>Reference in any payment instruction to a Beneficiary Reference Party does not imply that such party is a Beneficiary or otherwise a payee, or is contractually obliged or entitled in connection with any payment obligation</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-29</b>   |
| <b>Name:</b>           | <b>The identification code of the Beneficiary Reference Party</b>                  |
| <b>Description:</b>    | A code supplied by the Originator and to be delivered unaltered to the Beneficiary |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-40</b>  |
| <b>Name:</b>           | <b>The identification code of the Scheme</b>  |
| <b>Description:</b>    | To differentiate Credit Transfer Instructions from those of any other scheme sharing common logical and physical models |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-41</b>   |
| <b>Name:</b>           | <b>The Originator's reference of the SEPA Credit Transfer Transaction</b>  |
| <b>Description:</b>    | This reference identifies for a given Originator each Credit Transfer Transaction presented to the Originator Bank, in a unique way. This number will be transmitted in the entire process of the handling of the Credit Transfer Transactions from acceptance until the finality of the transaction. It must be returned in any exception handling process-step by any party involved. The Originator cannot request for any other referencing information to be returned to him, in order to identify a SEPA Credit Transfer. The Originator must define the internal structure of this reference; it can only be expected to be meaningful to the Originator. |
| <b>Value range:</b>    | If no reference is provided by the Originator, this attribute has default value "Not provided"   |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-42</b>   |
| <b>Name:</b>           | <b>The Settlement Date of the SEPA Credit Transfer</b>   |
| <b>Description:</b>    | The date on which obligations with respect to Funds transfer between Originator Bank and Beneficiary Bank are discharged. In the message from Originator Bank, it contains the requested Settlement Date, whereas in the message delivered to the Beneficiary Bank, it contains the Settlement Date applied. |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-43</b>  |
| <b>Name:</b>           | <b>The Originator Bank's reference of the SEPA Credit Transfer Transaction</b>  |
| <b>Description:</b>    | The reference of the Credit Transfer Transaction given by the Originator Bank, which is to be delivered unaltered to the Beneficiary Bank |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-44</b>  |
| <b>Name:</b>           | <b>The purpose of the SEPA Credit Transfer</b>  |
| <b>Description:</b>    | The purpose of the SEPA Credit Transfer is the underlying reason for the Credit Transfer Transaction, i.e. information on the nature of such transaction. |
| <b>Value range:</b>    | All codes part of the ISO standard are accepted   |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-45</b>  |
| <b>Name:</b>           | <b>The category purpose of the SEPA Credit Transfer</b> |



|                     |   |
|---------------------|---|
| <b>Description:</b> | The category purpose of the SEPA Credit Transfer is information on the high-level nature of the Credit Transfer Transaction. It can have different goals: allow the Originator Bank to offer a specific processing agreed with the Originator, or allow the Beneficiary Bank to apply a specific processing |
| <b>Value range:</b> | All codes part of the ISO standard are accepted   |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-46</b>  |
| <b>Name:</b>           | <b>The returned amount of the positive answer to the Recall in euro</b>   |
| <b>Description:</b>    | <p>This amount may be the same as AT-04 if there is no AT-47. If a fee for the positive answer to the Recall is present in AT-47, this amount will be equal to the difference between AT-04 and AT-47.</p> <p>The amount contains two parts; the first is expressed in euro, and the second is expressed in euro cents.</p> <p>The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cents, and smaller than or equal to 99 euro cents.</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed.</p> |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-47</b>  |
| <b>Name:</b>           | <b>The fee for the positive answer to the Recall in euro</b>  |
| <b>Description:</b>    | <p>The amount contains two parts, the first is expressed in euro, and the second is expressed in euro cents.</p> <p>The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents.</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed.</p> |

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



|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-49</b>  |
| <b>Name:</b>           | <b>Additional Information to AT-48 The Recall reason code</b>   |
| <b>Description:</b>    | When the reason for a Recall is “fraudulent originated SEPA Credit Transfer”, the Originator Bank may use this attribute for including additional information on AT-48. The text shall be in a comprehensible language to the Beneficiary Bank.<br>Beneficiary Banks are not obliged to act upon this information received. |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-50</b>  |
| <b>Name:</b>           | <b>Reason code for the Request for Recall by the Originator</b>   |
| <b>Description:</b>    | This code explains the reason for making a Request for Recall by the Originator. It is defined by the Originator Bank who initiates the Request for Recall by the Originator and is based on the input received from the Originator                     |
| <b>Value range:</b>    | Codes are: <ul style="list-style-type: none"><li>• Wrong unique identifier of the Beneficiary account</li><li>• Wrong amount</li><li>• By request of the Originator without any reason specified</li><li>• Request for status update (Tracer)</li></ul> |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-51</b>  |
| <b>Name:</b>           | <b>The specific reference of the Originator Bank for the Request for Recall by the Originator</b>   |
| <b>Description:</b>    | This reference is determined by the Originator Bank that initiates the Request for Recall by the Originator on the initial Credit Transfer Transaction. It must be forwarded to the Beneficiary Bank. |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-52</b>  |
| <b>Name:</b>           | <b>Additional Information to AT-50 Reason code for the Request for Recall by the Originator</b>   |
| <b>Description:</b>    | The Originator Bank may use this attribute for including additional information on AT-50. The text shall be in a comprehensible language to the Beneficiary Bank receiving the Request for Recall by the Originator who is obliged to act upon this information received. |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-53</b>   |
| <b>Name:</b>           | <b>The returned amount of the positive answer to the Request for Recall by the Originator in euro</b>  |
| <b>Description:</b>    | <p>The amount contains two parts; the first is expressed in euro, and the second is expressed in euro cents.</p> <p>The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cents, and smaller than or equal to 99 euro cents.</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed.</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-54</b>   |
| <b>Name:</b>           | <b>The settlement date for the positive answer to the Request for Recall by the Originator</b> |
| <b>Description:</b>    | The date on which the returned amount is settled by the CSM                                    |

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



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-56</b>   |
| <b>Name:</b>           | <b>Fee for the positive response to a Request for Recall by the Originator in euro</b>   |
| <b>Description:</b>    | <p>The amount contains two parts, the first is expressed in euro, and the second is expressed in euro cents</p> <p>The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed</p> |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-57</b>  |
| <b>Name:</b>           | <b>Provision of all information available to file a legal claim to recover the funds in case of reason code 'wrong unique identifier of the Beneficiary account'</b>  |
| <b>Description:</b>    | <p>Subject to the data protection laws which apply to the Beneficiary Bank, the Beneficiary Bank provides all information available of the Beneficiary. This gives the Originator all information to file a legal claim. This is an optional attribute.</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-80</b>   |
| <b>Name:</b>           | <b>The SCT inquiry reason code</b>   |
| <b>Description:</b>    | <p>This code explains the reason for making a SCT inquiry. It is defined by the Participant who initiates the SCT inquiry.</p>   |
| <b>Value range:</b>    | <p>Codes are:</p> <ul style="list-style-type: none"><li>• Claim of Non-Receipt</li><li>• Claim of Value Date Correction</li><li>• Request for Status Update (Tracer)</li></ul> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-81</b>   |
| <b>Name:</b>           | <b>The specific SCT inquiry reference of the Participant initiating the SCT inquiry</b>  |
| <b>Description:</b>    | <p>This reference is determined by the Participant that initiates the SCT inquiry on the initial Credit Transfer Transaction/ initial SCT inquiry. It must be forwarded to the Participant whom the SCT inquiry is addressed to.</p> |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-82</b>   |
| <b>Name:</b>           | <b>Additional Information to AT-80 SCT inquiry reason code</b>   |
| <b>Description:</b>    | <p>The Participant may use this attribute for including additional information on AT-80. The text shall be in a comprehensible language to the Participant receiving the SCT inquiry who is obliged to act upon this information received.</p> <p>In case the SCT inquiry concerns a “Claim of Value Date Correction”, the Originator Bank should use this attribute to report the date and time at which the Originator Bank received the Credit Transfer Instruction from the Originator and to report the initially expected settlement date.</p> |

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

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-84</b>  |
| <b>Name:</b>           | <b>New value date of the SEPA Credit Transfer based on the new settlement date</b>  |
| <b>Description:</b>    | <p>In response to the “Claim of Value Date Correction” SCT inquiry from the Originator Bank, the Beneficiary Bank reports the new value date granted to the Beneficiary for the original SEPA Credit Transfer under DS-02</p> |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-85</b>   |
| <b>Name:</b>           | <b>The interest compensation recovered by the Beneficiary Bank from the Originator Bank</b>  |
| <b>Description:</b>    | <p>It is an <b>optional</b> attribute restricted to a “Claim of Value Date Correction” SCT inquiry only.</p> <p>The interest compensation is calculated by the Beneficiary Bank and is sent to the Originator Bank through the CSM provided that the Originator Bank has acknowledged its responsibility in the late execution of the SEPA Credit Transfer.</p> <p>This compensation is a variable amount, being the interest calculated for the number of calendar days between the original value date and the corrected value date for the original SEPA Credit Transfer under DS-02.</p> |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-86</b>   |
| <b>Name:</b>           | <b>Fee for handling the SCT inquiry</b>  |
| <b>Description:</b>    | It is an <b>optional</b> attribute for the Beneficiary Bank when responding to a 'Claim of Non-Receipt' or a 'Claim of Value Date Correction' inquiry. |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-R1</b>   |
| <b>Name:</b>           | <b>The type of "R" message</b>   |
| <b>Description:</b>    | This code allows to identify the type of "R" message in the handling of the Credit Transfer Transaction. |
| <b>Value range:</b>    | <ul style="list-style-type: none"><li>• Reject</li><li>• Return</li><li>• Recall</li></ul>               |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-R2</b>   |
| <b>Name:</b>           | <b>The Identification of the type of party initiating the "R" message</b>  |
| <b>Description:</b>    | This attribute contains a code identifying the type of party initiating the Reject/Return message or the Recall message.   |
| <b>Value range:</b>    | <ul style="list-style-type: none"><li>• <b>Values applying for Reject/Return messages:</b><ul style="list-style-type: none"><li>○ Originator Bank</li><li>○ CSM</li><li>○ Beneficiary Bank</li></ul></li><li>• <b>Values applying for Recall messages:</b><ul style="list-style-type: none"><li>○ Originator</li><li>○ Originator Bank</li></ul></li></ul> |





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

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-R4</b>  |
| <b>Name:</b>           | <b>The Settlement Date for the Return</b>                         |
| <b>Description:</b>    | The date on which the amount of the return is settled by the CSM. |



|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-R5</b>  |
| <b>Name:</b>           | <b>The specific reference of the Bank initiating the Reject/Return</b>  |
| <b>Description:</b>    | This reference, determined by the Bank that initiates the Reject or Return of the Credit Transfer Transaction, must be forwarded in the handling of the Reject/Return message to the Originator Bank and optionally to the Originator. It must be specified in any request by the Originator or the Originator Bank to the initiating party to obtain more information about the reasons for the Reject/Return. |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-R6</b>  |
| <b>Name:</b>           | <b>The Reason code for non-acceptance of the Recall</b>   |
| <b>Description:</b>    | The codes defines the reason for non-acceptance of the Recall   |
| <b>Value range</b>     | <p>Codes are:</p> <ul style="list-style-type: none"><li>• Beneficiary's Refusal</li><li>• Legal reasons</li><li>• Account closed</li><li>• Insufficient funds on the account</li><li>• No response from Beneficiary</li><li>• Original SEPA Credit Transfer never received</li><li>• Already returned transaction</li></ul> |

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-R7</b>  |
| <b>Name:</b>           | <b>The specific reference of the Bank initiating the Recall</b>   |
| <b>Description:</b>    | This reference is determined by the Bank that initiates the Recall of the Credit Transfer Transaction, must be forwarded in the handling of the Recall message to the Beneficiary Bank and optionally to the Beneficiary. It must be specified in any request by the Beneficiary or the Beneficiary Bank to the initiating party to obtain more information about the reasons for the Recall. |

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-R8</b>   |
| <b>Name:</b>           | <b>The Settlement Date for the positive answer to the Recall</b> |
| <b>Description:</b>    | The date on which the returned amount is settled by the CSM.     |

## **5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS**

### **5.1 The Scheme**

Participation in the SEPA Credit Transfer Scheme is on the basis of compliance with the following guiding principles:

- Participants from all countries in SEPA participate on the basis that the level playing field principle is respected;
- All adhering Participants shall comply with the SEPA Credit Transfer Scheme Rulebook on the same basis as all other Participants;
- Participants need to ensure that the Regulation on Information on the Payer accompanying Transfers of Funds and the provisions of Title III and Title IV of the Payment Services Directive affecting credit transfers enabled by the SEPA Credit Transfer Scheme are effectively represented in law or substantially equivalent binding practice. For the avoidance of doubt, it is recognised that the compliance obligations for a Participant that is not subject to the Payment Services Directive under its national law and is operating outside the EEA shall not include the obligations resulting from Article 66 and related Articles of the Payment Services Directive as these Articles should only apply in combination with the authorisation framework within the EEA in accordance with Titles I and II of the Payment Services Directive.

### **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;
- The Internal Rules, as set out in ANNEX II to this Rulebook;
- Any validly made order or notice issued as part of the SEPA Scheme Management processes under the Rulebook and the Internal Rules.

The features covered in references [1] and [11] and in ANNEX V with respect to the ERI Option, are only binding for the ERI Option Participants.

The parties to the Rulebook are the EPC and each Participant.

The Rulebook is a multilateral agreement comprising contracts between:

- The EPC and each Participant; and
- Each Participant and every other Participant.

A person who is not a party to the Rulebook shall have no rights or obligations under the Rulebook.

A Participant shall procure that its employees, its agents and the employees of its agents comply with all applicable obligations under the Rulebook.



### 5.3 Reachability

Each Participant shall offer services relating to the Scheme in the capacity of both Originator Bank and Beneficiary Bank.

Each Participant needs to determine how to achieve full reachability for the SEPA Credit Transfer Scheme. There are several ways for Participants to send and receive euro payment transactions to and from other Participants across SEPA.

A Participant can use the services of a CSM to assist in the provision of its services to Beneficiaries and Originators.

A Participant can use the services of an Intermediary Bank to perform any functions in relation to an obligation arising under the Rulebook. The Participant shall ensure that its arrangements with such Intermediary Bank are consistent with, and do not detract from, the requirements of the Rulebook and the other documents listed at section 5.2.

Participants can choose any solution or a combination of solutions, as long as reachability and compliance with the Scheme is effectively ensured. A Participant uses the services of a CSM or Intermediary Bank at its own risk.

### 5.4 Eligibility for participation

In order to be eligible as a Participant, a Participant must at all times:

- 1) Be active in the business of providing banking and/or payment services to Customers;
- 2) Be active in the business of providing accounts used for the execution of payments, holding the Funds needed for the execution of payments or making the Funds received following the execution of payments available to Customers;
- 3) Be either incorporated and licensed in a SEPA country or territory, or licensed by an appropriate EEA regulatory body;
- 4) Be able to pay its debts as they fall due, and not be insolvent as defined in accordance with any insolvency law applicable to the Participant;
- 5) Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;
- 6) Be able to meet rating or other criteria set under the terms of the Scheme from time to time for the purpose of establishing the Participant's ability to meet its financial obligations;
- 7) Comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing;
- 8) Participate, or be eligible to participate, directly or indirectly in one or more CSMs for the purpose of providing access to the Scheme throughout SEPA;
- 9) Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant, such as the risk management provisions set out in the Rulebook and in ANNEX IV to the Rulebook.

Applicants which fall within one of the following categories shall be deemed automatically to be eligible under this section:

- 1) A credit institution which is authorised in accordance with Article 8 (1) of Directive 2013/36/EU by a state which is a member of the European Economic Area;



- 2) The institutions referred to in points (2) to (23) of Article 2 (5) of Directive (EU) 2013/36/EU;
- 3) A bank which is authorised in accordance with Article 3 of the Federal Law on Banks and Savings Banks of 8 November 1934 by the Swiss Financial Market Supervisory Authority (FINMA);
- 4) A bank which is authorised by the Central Bank of San Marino in accordance with Article 7, Part I, Title II, of the Sammarinese Law No. 165 (approved on November 17th 2005) and with Regulation No. 07 of 2007;
- 5) An undertaking incorporated in Jersey and registered with the Jersey Financial Services Commission to conduct deposit-taking business under the Banking Business (Jersey) Law 1991;
- 6) An undertaking incorporated in Guernsey and registered with the Guernsey Financial Services Commission to conduct deposit-taking business under the Banking Supervision (Bailiwick of Guernsey) Law 1994; or
- 7) An undertaking incorporated in the Isle of Man and licensed by the Isle of Man Financial Services Authority to conduct deposit-taking business under the Isle of Man Financial Services Act 2008.

An applicant which has been authorised as a payment institution under Article 11 of the Payment Services Directive, or any other payment service provider listed in Article 1.1 of the Payment Services Directive, shall be deemed automatically to have met the following eligibility criteria:

- 1) Be active in the business of providing banking and/or payment services to Customers;
- 2) Be either incorporated and licensed in a SEPA country or territory or licensed by an appropriate EEA regulatory body;
- 3) Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;
- 4) Comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing;
- 5) Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

Furthermore, an applicant which is the treasury of a sovereign state shall not be required to establish:

- 1) That it is able to pay its debts as they fall due or that it is not insolvent; or
- 2) That it meets rating or other criteria set under the terms of the Scheme for the purpose of establishing its ability to meet its financial obligations;
- 3) unless there are exceptional circumstances or the applicant is not the treasury of an EEA member state or Switzerland.

However, the CAC may request such an applicant to demonstrate (in its legal opinion or otherwise) that it is the treasury of the state itself, and not the treasury of an organ or entity under the control of the state

A Participant shall notify the Secretariat immediately of any matter that is material to the Participant's eligibility as a Participant under this section 5.4. The Secretariat shall take reasonable steps to bring such notifications to the attention of all other Participants and the Scheme Management Board ("SMB").



Any references in the Rulebook to a "bank" or "banks" shall be construed as including any undertaking or institution which is eligible under any of the categories listed above in this section.

## **5.5 Becoming a Participant**

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

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

To apply to become a Participant, an undertaking shall submit to the EPC and executed and original Adherence Agreement and submit Supporting Documentation to the EPC. A Participant may appoint an agent to complete an Adherence Agreement on its behalf. If the latter procedure is adopted the Participant undertakes all rights and obligations under the Rulebook and the documents specified in section 5.2 above as if it had completed the Adherence Agreement itself.

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

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

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

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

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

## **5.6 SEPA Credit Transfer Scheme List of Participants**

The SEPA Credit Transfer Scheme List of Participants shall be maintained in good and up-to-date order and arrangements will be made for such list to be made available to Participants when issued or updated.

Such list shall contain:

- Current contact details for each Participant for the purpose of enabling notices to be served on Participants in accordance with the Rulebook;
- The date on which each Participant attained Participant status;
- Details of undertakings which have been removed from the list, including the date of their removal; and
- Such other information as is considered appropriate in the interests of the effective management of the Scheme.

Any changes to operational, contacting or invoicing details will be provided by Participants in accordance with the Scheme management process as stipulated in the Scheme Management Internal Rules.



By submitting an application to become a Participant, an undertaking consents to publication of the details referred to in this section 5.6.

## 5.7 Obligations of an Originator Bank

In respect of each of its Originators, an Originator Bank shall:

- 1) Ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
- 2) Ensure that such Terms and Conditions are consistent with the Rulebook;
- 3) Ensure that such Terms and Conditions make adequate provision for the Originator Bank's succession (e.g. through merger or acquisition), in accordance with the Rulebook;
- 4) Not restrict its Originators from obtaining similar services relating to the Scheme from any other Originator Bank;
- 5) Provide to the Beneficiary Bank the required payment information (as described in DS-02, in Chapter 4) and the payment value in sufficient time and manner to allow the Beneficiary Bank to comply with its obligations under the Rulebook;
- 6) Identify the payment to the Beneficiary Bank as a payment made under the terms of the Scheme;
- 7) Treat any Credit Transfer Instruction not fulfilling the requirements of the Rulebook outside the Scheme or decline to process such instruction;
- 8) Provide to Originators the means of initiating Credit Transfer Instructions and accepting the applicable data and format requirements;
- 9) Provide to Originators information on the Cut-off Time for the submission and execution of Credit Transfer Instructions through each available channel;
- 10) Ensure the authenticity and validity of the Originator's instructions;
- 11) Validate each Credit Transfer Instruction, accept (subject to account status and the terms of its agreement with the Originator) each valid Credit Transfer Instruction, and reject each invalid Credit Transfer Instruction. For these purposes, validation includes checking the plausibility of the IBAN of the Beneficiary and when requested by the Originator Bank, the validity of the Beneficiary Bank's BIC;
- 12) Accept Credit Transfer Instruction messages at the request of the Originator that comply with the standards set out in the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines;
- 13) Provide an explanation to the Originator of the reason for rejecting any payment instruction in a manner and within a timeframe as may be agreed with the Originator;
- 14) Following acceptance of a Credit Transfer Instruction, debit the specified account of the Originator, route the SEPA Credit Transfer to the specified Beneficiary Bank for credit of the account of the Beneficiary identified in the Credit Transfer Instruction;
- 15) Provide an explanation to the Originator and/or the Beneficiary Bank as to how a Credit Transfer Instruction has been processed and provide to the Originator all reasonably requested information in the event of a dispute;
- 16) Ensure that all Credit Transfer Instructions comply with the standards set out in the Credit Transfer Scheme Inter-Bank Implementation Guidelines;
- 17) Effect exception processing in accordance with the Rulebook;





- 18) Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and ANNEX IV;
- 19) Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;
- 20) Enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of Know Your Customer;
- 21) Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;
- 22) Enter into legally binding agreements with their SEPA Credit Transfer service providers covering all functions performed by those providers in direct connection with the scheme, ensure that such agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;
- 23) Require the CSM(s) to which it is connected to act in compliance with the scheme rules;
- 24) Provide Originators with adequate information on their risks as well as the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank, where relevant, including those specified in the applicable legislation, in relation to the SEPA Credit Transfer as well as to the Scheme in question, and information about the service level offered and any charges that apply to the service being performed;
- 25) Immediately (without any further delay) report to the EPC about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;
- 26) Without delay report to the EPC about issues or complaints related to SEPA Credit Transfer transactions that were raised by Originators or Beneficiaries and about internal or external audit findings, where such issues, complaints or findings are of scheme-wide importance.

It is a precondition to the Originator Bank's obligations in respect of a Credit Transfer Instruction, that the Beneficiary has provided to the Originator the IBAN of the Beneficiary's account to be credited (and the BIC of the Beneficiary Bank if the Originator Bank explicitly requests the BIC of the Beneficiary Bank whereby at least one of the two Banks is located in a non-EEA SEPA country or territory). Furthermore, the Originator Bank has no obligations to transmit data relating to the remittance unless this has been provided by the Originator.

An Originator Bank shall oblige each of its Originators, in relation to any Credit Transfer Instruction which the Originator Bank accepts, in accordance with the relevant requirements set out in the Rulebook, to:

- 27) Provide the Originator Bank with sufficient information for the Originator Bank to make the SEPA Credit Transfer in compliance with the Rulebook;
- 28) Supply the required payment data accurately, consistently, and completely.

## **5.8 Obligations of a Beneficiary Bank**

In respect of each of its Beneficiaries, a Beneficiary Bank shall:

- 1) Ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
- 2) Ensure that such Terms and Conditions are consistent with the Rulebook;





- 3) Ensure that such Terms and Conditions make adequate provision for the Beneficiary Bank's succession, in accordance with the Rulebook;
- 4) Provide Beneficiaries with adequate information on the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank in relation to the Scheme, and information about the service level offered and any charges that apply to the service being performed;
- 5) Apply the standards set out in the Credit Transfer Scheme Inter-Bank Implementation Guidelines to the processing of its received payment instructions and to the provision of information to its Customers.
- 6) Effect exception processing in accordance with the Rulebook;
- 7) Receive the SEPA Credit Transfer from the Originator Bank and credit the account of the Beneficiary identified by the IBAN in the SEPA Credit Transfer Instruction as the unique identifier, provided that applicable regulations in relation to money laundering and terrorist financing have been complied with;
- 8) Validate the syntax of the Credit Transfer Instruction, accept it if it is in accordance with the requirements of the Rulebook, and carry out exception processing in accordance with the Rulebook if it is invalid together with a reason code;
- 9) Credit the account of the Beneficiary with the full amount of the payment in accordance with the time cycle defined in Chapter 4, or for a lesser amount subject to any agreement with the Beneficiary under which the Beneficiary Bank may deduct its own fees from the amount transferred before crediting the Beneficiary's account;
- 10) In the event of a dispute, provide to the Originator Bank an explanation as to how a Credit Transfer Instruction has been processed and any further information reasonably requested;
- 11) Provide to the Beneficiary the IBAN and BIC relating to his account;
- 12) Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and ANNEX IV;
- 13) Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;
- 14) Enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of Know Your Customer;
- 15) Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;
- 16) Enter into legally binding agreements with their SEPA Credit Transfer service providers covering all functions performed by those providers in direct connection with the scheme, ensure that such agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;
- 17) Require the CSM(s) to which it is connected to act in compliance with the scheme rules;
- 18) Provide Beneficiaries with adequate information on their risks as well as the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank, where relevant, including those specified in the applicable legislation, in relation to the SEPA Credit Transfer as well as the Scheme in question, and information about the service level offered and any charges that apply to the service being performed;



- 19) Immediately (without any further delay) report to the EPC about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;
- 20) Without delay report to the EPC about issues or complaints related to SCT Transactions that were raised by Originators or Beneficiaries and about internal or external audit findings, where such issues, complaints or findings are of scheme-wide importance.

## **5.9 Limitation of Liability**

### **5.9.1 Compensation for Breach of the Rulebook**

A Participant who is party to a SEPA Credit Transfer shall be liable to the other Participant who is also party to that SEPA Credit Transfer for all foreseeable losses, costs, damages and expenses (including reasonable legal fees), taxes and liabilities for any claims, demands or actions (each referred to as a "Loss"), where the Loss arises out of or in connection with:

- 1) Any breach of the Rulebook relating to the SEPA Credit Transfer by the relevant Participant, its employees or agents;
- 2) Any negligent act or omission of the relevant Participant, its employees or agents relating to the SEPA Credit Transfer insofar as relevant to the operation of the Scheme;
- 3) Any operational failure of the relevant Participant, its employees or agents relating to the SEPA Credit Transfer insofar as relevant to the operation of the Scheme.

### **5.9.2 Limits on Liability**

A Participant's liability under the Rulebook is limited as follows:

- 1) The maximum amount which may be claimed in respect of a Loss is the amount of the SEPA Credit Transfer;
- 2) The cap on liability applies even if there has been gross negligence by the liable Participant, its employees or agents;
- 3) The cap on liability does not apply in the event of wilful intent by the liable Participant, or by the Participant's employees or agents;
- 4) The maximum amount which may be claimed in respect of a Loss is subject to proportionate reduction in the case of contributory negligence of the Participant making the claim, its employees or its agents;
- 5) A Loss which results from action taken to limit or manage risk shall not be claimed;
- 6) A Loss can be regarded as foreseeable only if it is regularly experienced by Participants active in making cross border payments to SEPA countries.

### **5.9.3 Force majeure**

Further, a Participant shall not be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the Rulebook if such failure, hindrance or delay arises out of circumstances beyond its control. Such circumstances may include, but are not limited to, acts of God, criminal action, fire, flood and unavailability of energy supplies.



### **5.10 Liability of the EPC**

The EPC, its agents, employees or the employees of its agents shall not be liable for anything done or omitted in the exercise of any discretion under the Rulebook unless it is shown that the act or omission was effected in bad faith.

The EPC, its agents, its employees and the employees of its agents shall not be liable for any losses which are not foreseeable.

### **5.11 Termination**

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

Notwithstanding the previous paragraph, upon receipt of the participant's notice of termination by the CAC, the Participant and the CAC may mutually agree for the termination to take effect on any day prior to the relevant designated day.

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

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

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

This section, sections 5.9, 5.10, 5.12 and ANNEX II of the Rulebook shall continue to be enforceable against a Participant, notwithstanding termination of such Participant's status as a Participant.

### **5.12 Intellectual Property**

The Participants acknowledge that any copyright in the Rulebook belongs to the EPC. The Participants shall not assert contrary claims, or deal with the Rulebook in a manner that infringes or is likely to infringe the copyright held by the EPC in the Rulebook.

### **5.13 Contractual provisions**

The Rulebook contains legal obligations which are binding on the Participants and which are enforceable against a Participant by the EPC or another Participant. The whole Rulebook is intended to have legal effect. In the event of any inconsistency between the provisions of the Rulebook, the provisions of this Chapter 5 shall prevail. Subject to the prevalence of provisions in this Chapter 5, the provisions of Chapter 4 shall prevail over any other provision in the Rulebook.

In the event of an inconsistency between the provisions of the Rulebook and any other agreement or convention between the Participants and the EPC in relation to the subject matter of this Rulebook, the provisions of this Rulebook shall prevail.

The terms of each agreement governing the provision and use of services relating to the Scheme between respectively the Originator and Originator Bank and the Beneficiary and Beneficiary Bank shall continue for the benefit of the successors and permitted assignees of any relevant party.

Any reference in the Rulebook to statutes or statutory instruments shall be to such statutes or statutory instruments as amended or replaced from time to time.

Every document that is required to be provided under the Rulebook shall be provided in the English language.

Any reference in the Rulebook to a person or an undertaking (howsoever described) shall include its successors.

Headings in the Rulebook are used for ease of reference only.

The Rulebook is governed by, and shall be construed in accordance with, Belgian law.

The Rulebook is drawn up in the English language. If the Rulebook is translated into any other language, the English language text prevails.

### **5.14 Application of the EU legislation between Participants**

Each Participant that is not subject to the Payment Services Directive under its national law shall vis-à-vis other Participants and vis-à-vis its Customers and to the extent permitted by the national law applicable to such Participant, comply with and perform obligations that are substantially equivalent to those provisions in Title III and IV of the Payment Services Directive which are relevant for SEPA Credit Transfers.

Further, each Participant (whether or not subject to the Payment Services Directive) shall refrain, to the extent reasonably possible, from exercising any rights accorded to it under its national law vis-à-vis other Participants and vis-à-vis its Customers that either conflict or that could potentially conflict with the provisions in Title III and IV of the Payment Services Directive.



The obligations of each Participant (whether or not subject to the Payment Services Directive) under the Rulebook shall apply notwithstanding that the Payment Services Directive is limited in its geographical scope (art.2 Payment Service Directive). For the avoidance of doubt and notwithstanding the above paragraphs of this section, it is recognised that the compliance obligations for a Participant that is not subject to the Payment Services Directive under its national law and is operating outside the EEA shall not include the obligations resulting from Article 66 and related Articles of the Payment Services Directive as these Articles should only apply in combination with the authorisation framework within the EEA in accordance with Titles I and II of the Payment Services Directive.

The above principles apply mutatis mutandis to each Participant with respect to the provisions of Article 5 and the Annex of the SEPA Regulation.

## 6. SEPA SCHEME MANAGEMENT

The Scheme Management Entity is EPC AISBL acting in accordance with the EPC Charter.

SEPA Scheme Management comprises two functions. The first function involves managing the development and evolution of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules. The detailed rules that describe the operation of these functions are set out in the Internal Rules of SEPA Scheme Management at ANNEX II of the Rulebook.

### 6.1 Development and Evolution

The development and evolution function of SEPA Scheme Management establishes formal change management procedures for the Scheme. The change management procedures aim to ensure that the Scheme is kept relevant for its users and up-to-date, with structured processes for initiating and implementing changes to the Scheme, the Rulebook and related documentation. An important component of change management is the innovation of ideas for enhancing the quality of the existing Scheme as well for developing new schemes, based always on sound business cases.

The development of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Participants, SEPA service suppliers, end-users as well as other concerned groups.

The development and evolution function shall be performed by the SMB, supported by the Scheme Evolution and Maintenance Working Group ("**SEM WG**") or by such other working and support group as the SMB may designate. The SMB and the SEM WG shall perform the development and evolution function in accordance with the procedures set out in the Internal Rules.

### 6.2 Administration and Compliance

The administration and compliance function of SEPA Scheme Management establishes rules and procedures for administering the adherence process for the Scheme, for addressing cases of claimed non-compliance by Participants with the rules of the Scheme and for addressing situations where Participants are unable to resolve their grievances through local, national dispute resolution methods.

In addition, the Internal Rules provide for an appeals process on decisions taken by the CAC on adherence and complaints matters. The appeals function is delegated by the EPC Charter and the Internal Rules to the Appeals Committee.

The administration and compliance function aims to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebook and general principles of applicable law.

The administration and compliance function shall be performed by the SMB and the CAC as set out in detail in the Internal Rules.

The roles, rights and powers of the SMB, the CAC and the Appeals Committee are set out in detail in the Internal Rules and in the EPC Charter.

The SMB, the CAC and the Appeals Committee are supported by a common EPC Secretariat in the exercise of their SEPA Scheme Management functions.



The parties to this Rulebook are the EPC and each Participant. The SMB, the CAC and the Appeals Committee are established by the EPC in accordance with the EPC Charter and the Internal Rules as organs of the EPC. In this Rulebook, references to the rights, obligations and entitlements of the SMB, the CAC and the Appeals Committee may be read as references to the rights, obligations and entitlements of the EPC.

The Internal Rules form part of this Rulebook and may only be amended in accordance with the procedures set out in section 3 of the Internal Rules.

The Internal Rules shall be binding on Participants in accordance with section 1.4 and 5.2 of the Rulebook.

## 7. DEFINED TERMS IN THE RULEBOOK

| Term  | Definition  |
|---|---|
| <b>Acceptance Date</b>                              | As defined in section 4.2.1 of the Rulebook.  |
| <b>Additional Optional Services</b>                 | Complementary features and services based on the Scheme, as described in Chapter 2.3 of the Rulebook.   |
| <b>Adherence Agreement</b>                          | The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found as ANNEX I of the Rulebook.   |
| <b>AOS</b>  | <i>See Additional Optional Services</i>   |
| <b>Appeals Committee</b>                            | EPC committee that performs the appeals function of SEPA Scheme Management as defined in the Internal Rules.  |
| <b>Banking Business Day</b>                         | Banking Business Day means, in relation to a Participant, a day on which that Participant is open for business, as required for the execution of a SEPA Credit Transfer.  |
| <b>Beneficiary</b>                                  | See section 3.1   |
| <b>Beneficiary Bank</b>                             | See section 3.1   |
| <b>Beneficiary Reference Party</b>                  | See section 4.6.1 AT-28   |
| <b>BIC</b>  | <i>See Business Identifier Code</i>   |
| <b>Bulk Payment</b>                                 | See section 4.5.1   |
| <b>Business Identifier Code (BIC)</b>               | An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions.   |
| <b>Calendar Day</b>                                 | A Calendar Day means any day of the year  |
| <b>Category purpose of the SEPA Credit Transfer</b> | See section 4.6.1   |
| <b>Clearing</b>                                     | The process of transmitting, reconciling and, in some cases, confirming payment orders prior to Settlement, possibly including the netting of instructions and the establishment of final positions for Settlement. |
| <b>Compliance and Adherence Committee or "CAC"</b>  | EPC committee that performs the compliance functions of SEPA Scheme Management.   |





| Term  | Definition   |
|---|--|
| <b>CSM</b>  | A Clearing and Settlement Mechanism. For more info see section 3.1.  |
| <b>SEPA Credit Transfer Instruction</b>                 | An instruction given by an Originator to an Originator Bank requesting the execution of a Credit Transfer Transaction, comprising such information as is necessary for the execution the SEPA Credit Transfer and is directly or indirectly initiated in accordance with the provisions of the Payment Services Directive. |
| <b>SEPA Credit Transfer Service Provider</b>            | SEPA Credit Transfer service providers include payment service providers, technical service providers offering technical services for purposes directly linked to the Scheme, the clearing provider and the settlement provider.   |
| <b>SEPA Credit Transfer Transaction</b>                 | An instruction executed by an Originator Bank by forwarding the Transaction to a CSM for forwarding the Transaction to the Beneficiary Bank  |
| <b>SEPA Credit Transfer Scheme List of Participants</b> | The list of Participants published by the EPC under Chapter 5 and the Internal Rules.  |
| <b>Customer</b>   | Non-bank Originator or Beneficiary   |
| <b>Customer Account</b>                                 | The account held by a Customer in the books of a Participant   |
| <b>Cut-off Time</b>                                     | The Rulebook defines time cycles expressed in the time-unit "day". More detailed time limits expressed in "hours-minutes" must be specified by all Participants and CSMs, for operating the Scheme.  |
| <b>D</b>  | See section 4.2.1  |
| <b>EBA</b>  | Euro Banking Association   |
| <b>ECSA</b>   | A European Credit Sector Association   |
| <b>EPC</b>  | The European Payments Council  |
| <b>EPC Charter</b>                                      | The Charter of the European Payments Council dated 18 June 2004, as amended from time to time.   |
| <b>ERI Option</b>                                       | Extended Remittance Information Option   |
| <b>ERI Option Participant</b>                           | Participant which has formally declared its participation to this option to the EPC  |
| <b>EU</b>   | The European Union   |



| Term  | Definition  |
|---|---|
| <b>File</b>   | An electronic envelope containing a number of transactions that allows the receiver of the File to control its integrity. A File may contain a single transaction, or several single transactions, or groups of transactions.   |
| <b>Funds</b>  | In relation to a payment transaction shall mean cash, scriptural money and electronic money as defined in Directive 2000/46/EC  |
| <b>IBAN</b>   | International Bank Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616).  |
| <b>Intermediary Bank</b>                              | As described in clause 3.4, a bank which is neither that of the Originator nor that of the Beneficiary and which participates in the execution of a SEPA Credit Transfer.   |
| <b>Internal Rules</b>                                 | The Scheme Management Internal Rules, as set out in ANNEX II of the Rulebook, and as amended from time to time.   |
| <b>Issues or Complaints of scheme-wide Importance</b> | An issue or complaint of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme.  |
| <b>Loss</b>   | Shall have the meaning given in section 5.9 of the Rulebook.  |
| <b>Major Incidents</b>                                | <p>According to the ECB / Eurosystem's "major incident reporting framework for payment schemes and retail payment systems" (also referred to herein as 'the Framework') an incident should be understood as "operational or security incident" in the case of "a singular event or a series of linked events unplanned by ... the scheme's governance authority<sup>7</sup> which has or will probably have an adverse impact on the integrity, availability, confidentiality, authenticity and/or continuity of payment-related services".</p> <p>Incidents that fulfil either one or more criteria at the 'higher impact level' or three or more criteria at the 'lower impact level' should be classified as 'major' according to the Framework.</p> |

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<sup>7</sup> As defined in the ECB's "Harmonised oversight approach and oversight standards for payment instruments"



| <b>Term</b>  | <b>Definition</b>   |
|--|---|
|  | The assessment of materiality of an operational or security incident shall be carried out by the Participant based on the detailed criteria which are made available to Participants and kept updated by the EPC in document EPC190-18.   |
| <b>Original Amount</b>   | Original ordered amount for a SEPA Credit Transfer as specified by the ordering Customer to the ordering bank.  |
| <b>Originator</b>  | See section 3.1   |
| <b>Originator Bank</b>   | See section 3.1   |
| <b>Originator Reference Party</b>                                | See section 4.6.1 AT-08   |
| <b>Participant</b>   | An entity accepted to be a part of the Scheme in accordance with section 5.4 of the Rulebook.   |
| <b>Payment Account</b>   | An account held in the name of one or more payment service users which is used for the execution of payment transactions and having an IBAN as Payment Account identifier.  |
| <b>Payment Services Directive</b>                                | Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD 2). |
| <b>Purpose of the SEPA Credit Transfer</b>                       | See section 4.6.1   |
| <b>Reachability</b>  | Reachability is the concept that all Payment Accounts in SEPA are accessible for the receiving of payments in the Scheme  |
| <b>Recalls</b>   | See section 4.3.2.3   |
| <b>Regulation on Information accompanying Transfers of Funds</b> | Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006   |
| <b>Rejects</b>   | See section 4.3.2.1   |



| Term   | Definition  |
|--|---|
| <b>Remittance Information</b>                                    | Information supplied by the Originator in the SEPA Credit Transfer transaction and transmitted to the Beneficiary in order to facilitate the payment reconciliation.  |
| <b>Requested Execution Date</b>                                  | This date corresponds to a date requested by an Originator for commencing the execution of the Credit Transfer Instruction in accordance with section 4.2.1 of the Rulebook.  |
| <b>Returns</b>   | See section 4.3.2.2   |
| <b>Risk of scheme-wide Importance</b>                            | Risks of scheme-wide Importance shall be understood to be those risks for the Scheme that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme.  |
| <b>Rulebook</b>  | The SEPA Credit Transfer Rulebook, as amended from time to time.  |
| <b>Scheme</b>  | The SEPA Credit Transfer Scheme, as described in the Rulebook.  |
| <b>Scheme Management Board, or "SMB"</b>                         | The EPC body that is responsible for performing the SEPA Scheme Management Functions as defined in the Internal Rules.  |
| <b>SEPA</b>  | SEPA is the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within all the EU Member States, whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location. For the geographical scope, see [13]. |
| <b>SEPA Credit Transfer</b>                                      | The SEPA Credit Transfer is the payment instrument governed by the rules of the SEPA Credit Transfer Scheme for making credit transfer payments in euro throughout the SEPA from bank accounts to other bank accounts.  |
| <b>SEPA Credit Transfer Scheme C2B Implementation Guidelines</b> | The SEPA Credit Transfer Scheme C2B Implementation Guidelines set out the rules for implementing the credit transfer ISO 20022 XML standards in the Customer to Bank space, constitute a binding supplement to the Rulebook, described with reference [11] in the Rulebook.   |



| Term  | Definition   |
|---|--|
| <b>SEPA Credit Transfer Scheme Inter-Bank Implementation Guidelines</b> | The SEPA Credit Transfer Scheme Inter-Bank Implementation Guidelines set out the rules for implementing the credit transfer ISO 20022 XML standards in the interbank space, constitute a binding supplement to the Rulebook, described with reference [1] in the Rulebook. |
| <b>SEPA Core Direct Debit Scheme</b>                                    | The SEPA Core Direct Debit Scheme is the payments scheme for making direct debits across SEPA, as set out in the SEPA Core Direct Debit Scheme Rulebook.   |
| <b>SEPA Core Direct Debit Scheme Rulebook</b>                           | The Rulebook setting out rules and business standards for the SEPA Core Direct Debit Scheme.   |
| <b>SEPA Regulation</b>  | Regulation (EU) 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (the 'SEPA Regulation')  |
| <b>SEPA Scheme</b>  | A SEPA payment scheme is a common set of business rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at interbank level in a competitive environment.  |
| <b>SEPA Scheme Management</b>   | SEPA Scheme Management denotes the administration, compliance and development functions in relation to a SEPA Scheme.  |
| <b>Settlement</b>   | An act that discharges obligations with respect to the transfer of Funds between Originator Bank and Beneficiary Bank.   |
| <b>Settlement Date</b>  | The date on which obligations with respect to funds transfer between Originator Bank and Beneficiary Bank are discharged.  |
| <b>Share or SHA</b>   | The share principle means that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are entirely a matter for individual Participants.             |
| <b>STP</b>  | Straight-through Processing which is a prerequisite for cost efficient handling of SEPA Credit Transfers.  |
| <b>Supporting Documentation</b>   | A legal opinion in the form set out on the website of the EPC, duly executed by the undertaking's internal or external counsel in accordance with the Internal Rules.  |



| Term                        | Definition  |
|-----------------------------|---|
| <b>Terms and Conditions</b> | The general Terms and Conditions that a bank has with its Customers (and which may contain dispositions about their rights and obligations related to SEPA Credit Transfers. These dispositions may also be included in a specific agreement, at the Participant's choice). |
| <b>Time Cycle</b>           | This describes the time constraints of a process in terms of days per key process step.   |
| <b>Unresolved Issue</b>     | Any dispute in relation to the Rulebook.  |



## **ANNEX I    SEPA CREDIT TRANSFER ADHERENCE AGREEMENT**



## SEPA Credit Transfer Adherence Agreement

To: The European Payments Council (the "**EPC**")

From: Name of Applicant[s]\*:

[As set out in the list annexed to this Adherence Agreement]\*

-----  
----

([each]\* an "**Applicant**")

\*Please include the text in square brackets if this Adherence Agreement covers more than one entity.

### PREAMBLE

- (A) The SEPA Credit Transfer Scheme (the "**Scheme**") is a pan-European Credit Transfer Scheme that operates in all SEPA countries as listed in the SEPA Country List.
- (B) The EPC oversees the operation of the Scheme in accordance with the terms and conditions set out in the SEPA Credit Transfer Scheme Rulebook (the "**Rulebook**").
- (C) The Rulebook sets out the rights and obligations of all institutions bound by its terms (the "**Participants**"), and the EPC binds each Participant to comply with their obligations to the EPC and to all other Participants pursuant to the rules set out therein.
- (D) The EPC, acting on its behalf and on behalf of all Participants, will notify the Applicant of the date following the Readiness Date on which this Adherence Agreement becomes effective (the "**Effective Date**") as between the Applicant, the EPC and other Participants.
- (E) As of the Effective Date the Applicant shall become a Participant and be bound to all the obligations, and entitled to all the benefits, set out in the Rulebook.

### IT IS HEREBY AGREED AS FOLLOWS:-

1. The Applicant hereby undertakes to all Participants and to the EPC to perform the obligations imposed by and to comply with the provisions of the Rulebook, as modified from time to time, with effect from the Effective Date.
2. The Applicant makes the following representations and warranties:





- 2.1 The Applicant has the power and authority to enter into and has taken all corporate action to authorise its entry into the Scheme and to perform the obligations and comply with the provisions of the Rulebook.
- 2.2 The signatories of the Applicant [and the agent signing on behalf of the Applicant] have all necessary corporate authorisations and the power and authority to bind the Applicant to the Rulebook.
- 2.3 The Applicant shall ensure that it satisfies and will at all times during its participation in the Scheme satisfy the eligibility criteria for participation in the Scheme as set out in the Rulebook. If at any time, the Applicant has reason to believe that it no longer satisfies such criteria, or may be unable to satisfy such criteria, it shall notify the EPC immediately of the circumstances.
- 2.4 The Applicant is in a position to comply with all of the obligations set out in the Rulebook by the "Readiness Date" as stated in the accompanying Schedule.
3. By submitting this completed form of Adherence Agreement the Applicant agrees to be bound by the provisions of the EPC's Internal Rules governing applications for participation in the Scheme, whether or not it becomes a Participant.
4. Any communication, including service of process, to be made with the Applicant under or in connection with the Rulebook shall be made in writing and addressed to the Applicant at the address set out above.
5. The Applicant consents to the publication of its name and basic details of its adherence application on the public website of the EPC.
6. This Agreement is governed by Belgian law.

FOR AND ON BEHALF OF THE APPLICANT

Signed by (1)

-----  
-----

Name/Position -----  
-----

Date of signature -----  
-----

By (2) (if necessary)

-----  
-----

Name/Position -----  
-----

Date of signature -----  
-----



Where this Adherence Agreement was signed by two signatories on different dates, it shall be considered as being dated the later date.

## SCHEDULE

### Information to the Adherence Agreement for adherence to the SEPA Credit Transfer Scheme

- (F) The Applicant must supply the information requested in this Schedule in support of its application to adhere to the Scheme. A failure to supply this information may result in a rejection of the application or a delay in processing it. The following information must be included in the Schedule:
- BIC8 or BIC11
  - Name of Applicant
  - Street Address
  - Post Code
  - City
  - Country
  - Generic E-mail
  - E-mail and phone number of contact person handling Applicant's Adherence Pack in-house
  - Name of chosen NASO organisation
  - Readiness Date
- (G) Templates to be used for providing the Schedule information (Excel or Word) can be downloaded from the EPC website at [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu). It is strongly recommended that Applicants provide the Schedule information as an Excel File.
- (H) The information supplied above shall be recorded on the EPC's Register of Participants for the SEPA Credit Transfer Scheme.
- (I) The Applicant understands that any information on the Applicant's name, registered office address, Reference BIC and Readiness Date supplied in the Schedule shall be published in the relevant EPC Register of Participants on the public website of the EPC and may be made generally available for download by the EPC.
- (J) The Applicant understands that any other information supplied in the Schedule shall be available only to the EPC or to any National Adherence Support Organisation ("**NASO**") that has been chosen by the Applicant to assist in the



completion of this application, as specified in section (F), and will not be disclosed to any other body.



## **ANNEX II SCHEME MANAGEMENT INTERNAL RULES**

## SEPA SCHEME MANAGEMENT INTERNAL RULES

### (Approved by the Scheme Management Board)

|                  |  |
|------------------|--|
| Abstract         | This document contains descriptions of the internal organisation, structure, rules, and processes that make up Scheme Management of the SEPA Credit Transfer and Direct Debit Schemes. Such processes cover Scheme maintenance, administration and compliance, and change management, including structured dialogue with stakeholders  |
| Reason for Issue | To replace the existing SEPA Scheme Management Internal Rules (EPC207-14 v4.1) to include the new sections 3.1.11.1, 4.2.2.2 and 4.5, and the rewording of section 3.2.3.3 decided upon by the September 2018 Scheme Management Board meeting. It further removes the entire section 0.1 on document references, the notion to the Certification Authority Supervisory Board (CASB) in section 1.1 and 2.1. Chapter 8 includes now the definitions for terms Rulebook, SEPA Instant Credit Transfer Scheme (and Rulebook) and SEPA Direct Debit Schemes. |



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## 0 Document Information

This document sets out the internal rules ("**Internal Rules**") that govern SEPA Scheme Management. This document covers the following topics:

1. Rules for the administration and compliance functions of SEPA Scheme Management.
2. Rules for the maintenance, development and evolution function of SEPA Scheme Management.

## 1 Introduction

### 1.1 The European Payments Council ("EPC")

#### ***EPC Objectives and Roles***

The purpose of the EPC, as one representative of the European Payment Service Providers' sector, is to support and promote European payments integration and development, notably the Single Euro Payments Area ("SEPA").

The mission of the EPC is to contribute to safe, reliable, efficient, economically balanced and sustainable, convenient payments supporting an integrated European economy, its end-user needs as well as its competitiveness and innovation goals:

- through the development and management of pan-European payment schemes and the formulation of positions and proposals on European payment issues;
- in constant dialogue with other Stakeholders and regulators at European level; and
- taking a strategic and holistic perspective.

The EPC offers one focal point and voice for the Payment Service Providers' sector on all European payment issues, driven by a single vision.

The EPC shall, among other things, be responsible for the performance of functions relating to Scheme Management, as set out in these Scheme Management Internal Rules. The EPC is the owner and manager of various payment Schemes.

The EPC is not a market infrastructure. The international non-profit association (in French: "association internationale sans but lucratif" / in Dutch: "internationale vereniging zonder winstoogmerk") named "Conseil Européen des Paiements" in French, abbreviated "CEP" and "European Payments Council" in English, abbreviated "EPC" (hereafter: "EPC") is governed by the provisions of Title III of the law of 27 June 1921 of the Kingdom of Belgium on non-profit associations, international non-profit associations and foundations.

#### ***Organisation of the EPC***

This section sets out an overview of the organisational structure of the EPC, as described in detail in the EPC Charter.

The EPC Board has the powers necessary to accomplish the purpose of the EPC, except for the powers that are specifically granted to other bodies of the EPC by law or the Charter.

The EPC Board is supported by the following bodies in the exercise of its functions:

- the EPC Secretariat (the "**Secretariat**") performs administrative and secretarial functions in relation to the management of the SEPA Schemes as well as providing technical and co-ordination support to the working and support groups and to the Scheme Management Governance Bodies as required. The Secretariat is further responsible for managing an information service on SEPA Schemes.
- The Scheme Management Board ("**SMB**") is responsible, under the delegated authority granted by the EPC Board, for performing the functions of management and evolution of the SEPA Schemes.

- The Scheme Participants Assembly is composed of all Scheme Participants or their representatives, gathering via electronic means. It receives regular information from the Scheme Management Board about its activity. The Scheme Participants Assembly endorses the nomination of candidates for the Scheme Participant seats on the Scheme Management Board.
- The administration and compliance functions of Scheme Management are the responsibility of the Compliance and Adherence Committee (“**CAC**”).
- These Internal Rules set out the appeals process against decisions of the Compliance and Adherence Committee. The Scheme Management appeals function is entrusted to the Appeals Committee.
- The Scheme Management Board, the Compliance and Adherence Committee and the Appeals Committee are the Scheme Management Governance Bodies of the EPC. These Scheme Management Governance Bodies are bodies with decision-making power. This power may only be exercised in relation to the specific functions of Scheme Management for which such body is responsible pursuant to these Internal Rules.
- The Nominating and Governance Committee (“**NGC**”) is charged with making recommendations to the EPC General Assembly, the EPC Board and the SMB on potential candidates for positions in the various EPC bodies in accordance with the EPC Charter.

By derogation of the stipulations of the present Internal Rules, the initial composition of the aforementioned bodies will be decided upon by the EPC Plenary in December 2014.

## 1.2 SEPA and the SEPA Schemes

### **SEPA**

The Single Euro Payments Area (SEPA) is the area where citizens, companies and other economic participants can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. The aim of SEPA therefore is to create a single market for making payments, where cross border payments can be made on the same terms and conditions as national payments. SEPA is driven by the European Commission and the European Central Bank, amongst others, as a key component of the Internal Market. SEPA will create the conditions for enhanced competition in the provision of payment services. It will also generate, through harmonisation, more efficient payment systems and deliver tangible benefits for the economy and society as a whole. The common currency will be systemically strengthened by a harmonised set of euro payment instruments.

For the purposes of these Internal Rules, SEPA shall be deemed to encompass the countries and territories which are part of the jurisdictional scope of the SEPA Schemes, as listed in the EPC List of SEPA Scheme Countries, as amended from time to time.

### **SEPA Schemes**

An important step in the creation of SEPA is the development and implementation of SEPA Schemes for making credit transfer and direct debit payments (the “**Schemes**”) throughout SEPA.

To this effect, the EPC has produced the SEPA Credit Transfer Scheme Rulebook, the SEPA Instant Credit Transfer Scheme Rulebook, the SEPA Direct Debit Core Scheme Rulebook and the SEPA Direct Debit Business to Business Scheme Rulebook (the “**Rulebooks**”) which set out binding rules and technical standards governing each of the Schemes. The Rulebooks only have legal effect between participants in the Schemes (“Scheme **Participants**”) and the EPC.

The SEPA Schemes are open to eligible payment service providers (PSPs) regardless of their status as “banks”, “payment institutions”, “electronic money institutions” or other eligible Scheme Participants.

The EPC is responsible for the implementation and operation of Scheme Management.

These Internal Rules set out the rules in accordance with which the Schemes are administered and enforced by the EPC, as well as detailing procedures for the evolution of existing Schemes.

### **1.3 SEPA Scheme Management**

#### ***Introduction***

SEPA Scheme Management comprises two functions. The first function involves the administration of the Schemes and the process of ensuring compliance with their rules, as set out in each of the respective Rulebooks, and the second function involves managing the maintenance and evolution of the Schemes entrusted by the EPC to the Scheme Management Board.

#### ***Administration and Compliance***

The administration and compliance function of SEPA Scheme Management establishes rules and procedures for administering the adherence process for each of the Schemes, for addressing cases of claimed non-compliance by Scheme Participants with the rules of the Schemes and for addressing situations where Scheme Participants are unable to resolve their grievances through local or national dispute resolution methods.

The administration and compliance processes aim to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebooks and general principles of applicable law.

The administration and compliance function shall be performed under the responsibility of the SMB, with some input from the EPC Board on matters relating principally to the policy of the Schemes. The SMB shall have wide decision-making power in respect of each of its functions however; it shall be accountable to the EPC Board. The CAC shall perform the administration and compliance function in accordance with the procedures set out in these Internal Rules.

#### ***Maintenance and Evolution***

The maintenance and evolution function of SEPA Scheme Management establishes formal change management procedures for the Schemes. The change management procedures aim to ensure that the Schemes are kept relevant for their users and up-to-date, with structured processes for initiating and implementing changes to the Schemes, the Rulebooks and related documentation. An important component of change management is the inclusion of innovative ideas for enhancing the quality of existing Schemes.



The establishment of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Scheme Participants, suppliers and end-users as well as other interested groups. That is to say, the maintenance and evolution function provides a structured and transparent means through which Scheme Participants, users and suppliers can participate in a dialogue with the EPC, so that proposals for change are openly considered by all relevant parties.

The maintenance and evolution function shall be performed by the SMB, supported by the Scheme Evolution and Maintenance Working Group ("**SEMWG**"), in accordance with the procedures set out in these Internal Rules.

#### **1.4 Fees**

The EPC reserves the right to recover costs. The policy of the EPC with regard to fees related to the management of the Schemes will be decided from time to time by the EPC Board, upon recommendation of the SMB, as set out in more detail in Appendix 3 to the present Internal Rules.

## **2 Scheme Management Roles and responsibilities**

### **2.1 Role of the Scheme Management Board**

The SMB shall be responsible for performing the following functions of SEPA Scheme Management:

- Management of the maintenance and the evolution of the EPC Schemes (supported by the SEMWG and other relevant EPC bodies)
- Interaction with the Scheme end-users and relevant stakeholders (Scheme End-User Forum)
- Interaction with Clearing and Settlement Mechanisms and other technical providers (Scheme Technical Forum)

(together, the "Scheme Management Functions")

- Adherence
- Conciliation
- Complaints

(together, the "**Compliance Functions**", delegated by the EPC Charter and these Internal Rules to the Compliance and Adherence Committee)

- Appeals

(the "**Appeals Function**", delegated by the EPC Charter and these Internal Rules to the Appeals Committee)

### **2.2 Role of the Scheme Participants Assembly**

The Scheme Participants Assembly is composed of all EPC Scheme Participants (who can be represented) gathering via electronic means. The body is responsible for endorsing nominations of Scheme Participant representatives on the SMB approved by the EPC Board, and receives regular information from the SMB.

By derogation of the above paragraph, the initial composition of the SMB will be decided upon by the EPC Plenary in December 2014, without the endorsement of the Scheme Participants Assembly.



### **3 Scheme Management Board**

#### **3.1.1 Composition of the SMB**

The SMB shall be composed of maximum 25 members, one of which shall be the Chair of the SMB. The SMB shall be required to have 3 Independent Members.

Up to 20 SMB members shall be representatives of Scheme Participants (nominated by an individual National Community of Scheme Participants or a “coalition” of National Communities of Scheme Participants), subject to reaching individually or on a consolidated basis 5% of the following composition criterion: the total volume of credit transfers and direct debits of all national communities included with the geographical scope of the Schemes (sources: ECB “Blue Book” for EU countries and national central banks for non-EU countries). At least 1 common seat shall be reserved for Payment Institutions and Electronic Money Institutions (even if they fail to reach the 5% threshold). A cap of 3 seats per National Community from the euro area and 1 seat per National Community from outside the euro area shall apply. National Communities of Scheme Participants or “coalitions” thereof may nominate one (and only one) alternate to the SMB member representing their National Community or Communities. An alternate to the SMB member representing a “coalition” of National Communities shall come from a different National Community of that coalition than the SMB member representing the coalition. Alternates shall be nominated in accordance with the principles set out in section 3.1.12 of these Internal Rules. An alternate may only attend an SMB meeting when the relevant SMB member is unable to attend such meeting.

The SMB Chair shall be an Independent Member. The SMB Chair shall be appointed by the EPC Board in accordance with the Nominating Process set out in section 3.1.6 of these Internal Rules.

#### **3.1.2 Duration of Appointment**

Each member shall hold office for a term of 2 years, with the possibility of re-election.

Each member who does not act as the Chair, may resign from the SMB by giving notice in writing to the SMB Chair and the EPC Chair, with copy to the EPC Director General via similar means, not less than 30 Calendar Days’ prior to leaving the SMB.

The SMB Chair may only resign from the SMB by giving notice in writing to the EPC Chair, with copy to the EPC Director General, not less than 60 Calendar Days’ prior to leaving the SMB.

#### **3.1.3 Termination of Appointment by decision of the EPC Board**

The EPC Board may decide to remove from office either an individual SMB member, a group of such members or the SMB as a whole.

This power may only be exercised if the EPC Board, after due and proper consideration, reasonably believes that either an individual SMB member, a group of such members or the SMB as a whole is performing the functions of the SMB in a manner evidencing serious misconduct, a dereliction of duty, bad faith, or gross negligence. The EPC Board may further exercise this power where, after due and proper consideration, the EPC Board reasonably believes that a member of the SMB does not have the capacity to perform the function of an SMB member.

Any SMB member removed from the SMB by decision of the EPC Board shall cease to be a member of the SMB with either immediate effect or on such a date as the EPC Board may specify taking into account the outstanding obligations of the SMB member to the SMB and to Scheme Management.

A member of the SMB removed in this manner shall be notified in writing of his or her removal from the office of SMB member.

If the mandate of a SMB member ceases before its term, for whatever reason, the EPC Board may appoint a new member for the remainder of the term, provided that the candidate member fulfils the criteria for the composition of the SMB of the replaced member.

#### **3.1.4 Criteria for Membership (Scheme Participant representative member)**

A member of the SMB shall be chosen on the basis of his or her suitability and expertise for the position ahead of any other consideration. A prospective member of the SMB must therefore be of good repute, possess appropriate academic and vocational qualifications together with relevant work experience and a proven track record at a senior level in the payments services sector. In addition, members must be fluent in English, with – in particular – the capability to understand complex documents and the ability to express views during meetings.

Subject to the foregoing, the SMB shall aim to represent as far as reasonably practicable the composition of Scheme Participants, ensuring at all times that this composition fairly represents a balance of the country, size, and industry sectors of Scheme Participants and includes an appropriate representation of members from SEPA countries where the euro is the official currency.

A member of the SMB may not also act as a member of the EPC Board. If an EPC Board member wishes to be considered for the position of SMB member, he or she is obliged to cease acting as an EPC Board member before assuming the role of an SMB member.

The provisions of this section 3.1.4 shall equally apply to alternates to Scheme Participant representative members.

#### **3.1.5 Criteria for Membership (Independent Member)**

An Independent Member is a member who can display the highest standard of professional integrity and objectivity in relation to Scheme Management. An Independent Member should be a professional of good repute, with appropriate skills, who has a reasonable knowledge of the payments services sector but who is not employed or is not otherwise affiliated with a Scheme Participant or its PSP communities, service providers or a payment services user group or user association. It is to be understood that an Independent Member cannot be allowed to work as a consultant/contractor for a Scheme Participant or its PSP communities, service providers or a payment services user group or user association, during the course of his or her Independent Membership. A prospective Independent Member must possess appropriate academic and vocational qualifications for the position together with relevant work experience and a proven track record in a profession. In addition, members must be fluent in English, with – in particular – the capability to understand complex documents and the ability to express views during meetings. It is envisaged that an Independent Member shall provide expertise to the SMB as well as adding breadth to the knowledge base of the SMB membership.

After NGC consultation, the EPC Board shall have complete discretion in appointing an Independent Member in accordance with this section 3.1.5.



### **3.1.6 Criteria for Membership (Chair)**

The SMB Chair shall be an Independent Member chosen on the basis of his or her suitability and expertise for the position ahead of any other consideration. A prospective SMB Chair must therefore be of good repute, possess appropriate academic and vocational qualifications together with relevant work experience and expertise. In addition, the SMB Chair shall be fluent in English, with – in particular – the capability to understand complex documents and the ability to preside meetings in English.

The SMB Chair shall be required to demonstrate a proven track record of leadership in his or her professional field together with relevant management experience.

After NGC consultation, the EPC Board shall have complete discretion in choosing a Chair in accordance with these criteria.

### **3.1.7 Duties of SMB Members**

All SMB Members shall be required to act in accordance with the following general principles:

- each SMB member shall act in accordance with the provisions of these Internal Rules at all times for the duration of his or her term in office;
- each SMB member shall owe a duty to act in the best interests of the Schemes with a view to ensuring that the Schemes are administered efficiently, fairly and professionally;
- each SMB member shall observe the highest standards of integrity, fairness and professionalism at all times;
- as and when arising, each SMB member is obliged to disclose and manage any conflict of interest, as set out in further detail in Appendix 2;
- each SMB member agrees to act impartially in fulfilling the obligations of the SMB, notwithstanding his or her membership of a particular PSP community, industry sector or position of employment. As part of this duty, an SMB member must be mindful of and refuse any inducements, rewards, or other gifts offered to him or her in the performance of his or her duties, ensuring at all times that he or she acts and is seen to act in accordance with the highest standards of independence and impartiality. SMB members meeting the SMB composition criterion of 5% on a consolidated basis shall ensure that the relevant communities are kept up to date on any non-confidential SMB work items;
- each SMB member shall endeavour as far as reasonably practicable to carry out his or her duties in the SMB with reasonable skill, care and diligence; and
- each SMB member shall abide by the EPC Code of Conduct (EPC212-14).

The provisions of this section 3.1.7 shall equally apply to alternates to Scheme Participant representative members.

### **3.1.8 EPC Board Role in Policy of SMB**

The EPC Board may discuss matters of SMB policy to ensure that the SMB is acting within its scope and performing its role in a proper manner. The EPC Board may request the SMB to revisit a decision which, in the view of the EPC Board, exceeds the SMB mandate as provided for in the EPC Charter and the present Internal Rules or might jeopardise the reputation, the integrity, the proper functioning or the continuity of any of the Schemes. The EPC Board, in its sole discretion, may annul or amend the disputed decision, in the event that the SMB fails to properly justify or modify its decision.



The EPC Board shall be able to raise issues arising from the work of the SMB in order to discuss policy issues arising in respect of the Rulebooks.

The SMB shall report to the EPC Board and in particular raise issues relating to the substance or of the operation of the Schemes.

### **3.1.9 Meetings of the SMB**

The SMB shall meet on a regular basis and not less than 2 times every year. The SMB may convene more regularly if it is appropriate to do so in the exercise of its duties.

Meetings of the SMB will be held physically or by telephone, video or web conference if deemed necessary by the SMB Chair.

The SMB members shall receive from the Secretariat written notice of the date, time and place of a meeting no less than two (2) weeks before the date of the meeting. The agenda of a meeting and the material documents necessary for the discussion will be sent no less than two (2) weeks before the date of the meeting.

Members of the SMB are required to make every reasonable effort to attend a meeting convened in accordance with this section. Where a member is unable to attend, he or she must give reasonable notice to this effect to the Chair.

An SMB member who is unable to attend an SMB meeting may appoint a proxy from amongst the remaining SMB members to vote at the meeting on his or her behalf.

An SMB member wishing to appoint a proxy must give reasonable notice to the Chair in writing. A notice to appoint a proxy may be given either electronically or in paper format.

An SMB member may not hold a proxy for more than 2 other SMB members at any SMB meeting.

The Chair must make every reasonable effort to attend a meeting convened in accordance with this section. Where the Chair is unable to attend in a particular instance, he or she may appoint another independent SMB member in writing to carry out the functions of the Chair. In such cases, the Chair must notify other members of the SMB in writing of this temporary appointment.

Minutes of each meeting must be prepared and filed upon approval by the SMB members.

### **3.1.10 Quorum**

The quorum for the meetings of the SMB is at least 2/3rds of the total membership of the SMB present either in person or by proxy. Where the quorum is not reached, a further meeting may be called within 30 Calendar Days of the date of the first meeting and this second meeting may properly convene and carry out SMB business, if more than 50% of SMB members are present either in person or by proxy and as long as the Chair is present.

### **3.1.11 Voting**

Each member of the SMB shall be entitled to one vote.

In respect of all matters discussed by the SMB, resolutions may be passed with the approval of 2/3 of those present and voting on the resolution at a validly convened meeting of the SMB.

On a vote, a member of the SMB must disclose and manage any conflict of interest that exists or that might reasonably be expected to arise in accordance with Appendix 2.

### **3.1.11.1 Voting by written procedure**

In exceptional cases and when the urgency of the matter so requires, the SMB may take decisions by a written procedure. To that effect, the Chair, with the assistance of the Secretariat, shall send via regular mail or via any other means of written communication (including e-mail) which he/she deems fit, the proposed decision(s) to all SMB members. The communication shall be accompanied by an explanation prepared by the Chair setting forth the reasons which have led to the use of the written procedure, the deadline for the vote as well as the context of the proposed decision(s).

The proposed decision(s) shall be deemed adopted, if within fourteen (14) calendar days after being sent, the number of, and votes attached to, the duly completed communications returned to the Secretariat by the SMB members is sufficient to meet the quorums and voting requirements set forth in the present Internal Rules.

Votes in favour, against and abstentions shall be recorded separately by the Secretariat. Results of the vote must be communicated to all SMB members by the Secretariat within two (2) working days of the close of voting.

The decisions taken via the written procedure shall have the same legal force as the decisions taken at an SMB meeting.

Upon request by any SMB member submitted to the SMB Chair within 5 calendar days from the sending to the SMB members of the written communication including the proposed decision(s), the SMB Chair may agree to hold an SMB meeting by telephone in accordance with these Internal Rules in order to provide an opportunity for additional clarifications and for a debate on the decision item(s) that was (were) proposed to be subject to the written voting procedure. In such a case, the proposed decision(s) shall be subject to approval at the telephone SMB meeting as convened by the SMB Chair.

### **3.1.12 Nominating Process**

The nomination of candidates for the position of SMB member shall be carried out by the EPC Board. The NGC shall recommend suitable candidates for this position to the EPC Board in accordance with its role, as set out in Article 9.1 of the EPC Charter.

Subject always to the criteria set out in 3.1.4 – 3.1.6, the EPC Board shall endeavour to ensure that the composition of the SMB reflects a balanced composition of Scheme Participants, bringing together a fair representation of the country, size and industry sectors of Scheme Participants, including an appropriate representation of members from SEPA countries where the euro is the official currency.

The NGC shall provide a list of candidates for the position of SMB member to the EPC Board at least two weeks in advance of an EPC Board meeting. This list shall include a summary of the candidates' qualifications for the position. The NGC should only include details of suitable candidates on such a list.

The EPC Board shall approve suitable candidates, subject to endorsement of the list of Scheme Participant representative members by the Scheme Participants Assembly. The Scheme Participant representative members' list shall be deemed to be endorsed, unless more than 50% of the voting Scheme Participants has voted against it (voting quorum), and at least 50% of Scheme Participants have expressed their vote (participation quorum). In such case, the NGC shall provide a new list of candidates to the EPC Board, in accordance with the aforementioned procedure. In the interim, the existing SMB members' term shall be extended until a new list of candidates has been endorsed by the Scheme Participants Assembly and approved by the EPC Board.

The NGC may not recommend and the EPC Board may not appoint a candidate to the position of SMB member, or propose his or her name to the EPC Board, if the candidate is in a situation of judicial administration, or bankruptcy, judicial reorganisation, dissolution or liquidation, or is subject to insolvency proceedings of a similar nature under the laws of any jurisdiction.

The NGC may not recommend and the EPC Board may not appoint a candidate to the position of SMB member, or propose his or her name to the EPC Board, if there are reasonable grounds to believe that such a candidate is a person of ill-repute who may bring the SMB and the Schemes into disrepute.

### **3.1.13 Role of the Secretariat**

The Secretariat shall provide secretarial and administrative support to the SMB.

The Secretariat shall be responsible for referring issues arising in respect of Scheme Management to the SMB, as necessary.

### **3.1.14 Information Service**

The Secretariat shall be responsible for administering an information service on SEPA Schemes. The information service shall be open to everyone. Requests for information to the information service shall be in written format only, either by letter, fax or email.

The information service shall endeavour to respond to requests for information within 30 Business Days from the date of receiving the request for information.

### **3.1.15 Additional Optional Services ("AOS")**

The following principles will apply to AOS:

1. All AOS must not compromise interoperability of the Schemes nor create barriers to competition. The SMB should deal with any complaints or issues concerning these requirements brought to its attention in relation to compliance with the Rulebooks as part of its normal procedures.
2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the EPC may incorporate commonly used AOS features into the Schemes through the SEPA Schemes change management processes.
3. There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 message standards (including any community usage rules for the SEPA core mandatory subset) should be disclosed on a publicly available website (in both local language(s) and English).

The SMB may receive complaints from Scheme Participants in relation to the operation of community AOS in respect of the above principles. The SMB will strive to resolve the issue in an amicable way. If no solution can be found, the SMB may refer the complaint to the CAC, which will deal with it in an appropriate way, in accordance with these Internal Rules.

### **3.1.16 Expenses**

Independent Member(s) of the SMB shall be entitled to claim reasonable expenses. The SMB Independent Member(s) shall also be able to claim an annual representation allowance. Amounts payable may be subject to Belgian tax law, including but not limited to Belgian withholding tax, as applicable; the EPC cannot be held responsible for the fulfilment of any tax obligations of the Independent Member(s).

### **3.1.17 Record Keeping**

The Secretariat shall keep a record of all agendas and minutes of meetings of the SMB. The Secretariat shall use reasonable efforts to keep records relating to appeals separately from those relating to other compliance aspects of Scheme Management. Records may be held in either paper or electronic format. The SMB shall in its absolute discretion decide whether these minutes and related documentation may be made publicly available on the EPC Website or on the internal extranet of the EPC.

## **3.2 Definition of Administration and Compliance Roles**

### **3.2.1 Role of the Compliance and Adherence Committee**

The Compliance and Adherence Committee (CAC) is responsible for performing the administration and compliance functions of SEPA Scheme Management. The role of the CAC is limited to the following:

- Adherence – the CAC shall be responsible for overseeing the adherence process for becoming a Participant in the Schemes;
- Conciliation – the CAC shall be responsible for establishing and administering a conciliation process for Scheme Participants who are unable to resolve grievances relating to the Schemes through local dispute resolution methods; and
- Complaints – the CAC shall be responsible for investigating complaints made against Scheme Participants for alleged breaches of the Rulebooks, evaluating such complaints and determining appropriate sanctions against Scheme Participants who are found to be in breach.

The CAC shall regularly update the SMB on its activities.

#### **3.2.1.1 Composition of the Compliance and Adherence Committee**

The CAC will be composed of six members, at least two of which will be independent members, and up to four members will be Scheme Participant representative members, appointed by the SMB in accordance with the same provisions as SMB members under sections 3.1.4 (1<sup>st</sup> and 2<sup>nd</sup> paragraphs) and 3.1.5 of these Internal Rules. A member of the SMB may not also act as a member of the CAC.

The members of the CAC are elected for a three-year term that may be renewed for identical terms.

The initial CAC composition and subsequent renewals will be initiated by the NGC, with a call for candidates published through the EPC Secretariat. The SMB will approve the final composition. On an annual basis, two CAC members shall be appointed by the SMB. As such, one third of the total number of CAC members will be appointed each year, allowing a three year rotating policy. To this end, for the initial period, two independent members will be elected for a three-year term, whereas two Scheme Participant representative members will be elected for a two-year term and two other Scheme Participant representative members will be elected for a one-year term.

After NGC consultation, the CAC Chair will be elected among the independent members of the CAC by the SMB.

If the mandate of a CAC member ceases before its term, for whatever reason, the SMB may appoint a new member for the remainder of the term, provided that the candidate member fulfils the criteria for the composition of the CAC of the replaced member.

The duties of and criteria for SMB members set out in sections 3.1.4, 3.1.5, 3.1.6 and 3.1.7 of these Internal Rules shall apply *mutatis mutandis* to the members of the CAC.



Independent Member(s) of the CAC shall be entitled to claim reasonable expenses and an annual representation allowance. The Independent Member(s) shall also be able to claim a daily stipend for each full day spent on working on CAC related matters. The level of the stipend paid to the CAC Independent Member(s) shall depend on the work undertaken and the time spent on carrying out such work. Amounts payable may be subject to Belgian tax law, including but not limited to Belgian withholding tax, as applicable; the EPC cannot be held responsible for the fulfilment of any tax obligations of the Independent Member(s).

### **3.2.1.2 Meetings of the Compliance and Adherence Committee**

The CAC will meet physically or by telephone conference, according to the demands of its work programme, with a minimum of two meetings per year.

Calls for meetings and agendas will be issued at least two weeks in advance and meeting papers will be provided at least one week in advance, unless otherwise determined by the CAC Chair in exceptional circumstances.

The CAC will develop its conclusions and decisions on the basis of broad consensus. In circumstances where such consensus is not achievable, and the matter is appropriate for the conduct of a vote, a vote may be taken. Any member of the CAC shall be entitled to vote at a meeting of the CAC. Each member has one (1) vote. Any decision taken by vote shall be validly adopted if it obtains a qualified majority of two thirds (2/3) of the votes cast by the members present or represented (i.e. voting quorum). Blank votes, invalid votes and abstentions do not count. No decision may be passed if more than half of the members present or represented abstains. In the event of a serious divergence of views, reference may be made to the SMB for advice and guidance.

### **3.2.2 Role of the Appeals Committee**

The Appeals Committee shall be responsible for hearing appeals brought in respect of decisions taken by the CAC in accordance with a fair process that is separate from the process of decision-making at first instance.

The Appeals Committee shall regularly update the SMB on its activities.

#### **3.2.2.1 Composition of the Appeals Committee**

The Appeals Committee will be composed of three members, at least two of which will be independent members, whereas maximum one member will be a Scheme Participant representative member, appointed by the SMB in accordance with the same provisions as SMB members under sections 3.1.4 (1<sup>st</sup> paragraph) and 3.1.5 of these Internal Rules. A member of the SMB or the CAC may not also act as a member of the Appeals Committee.

The members of the Appeals Committee are elected for a three-year term that may be renewed for identical terms. The initial Appeals Committee composition and subsequent renewals will be initiated by the NGC, with a call for candidates published through the EPC Secretariat. Upon NGC consultation, the SMB will approve the final composition.

After NGC consultation, the Appeals Committee Chair will be elected among the independent members of the Appeals Committee by the SMB.

If the mandate of an Appeals Committee member ceases before its term, for whatever reason, the SMB may appoint a new member for the remainder of the term, provided that the candidate member fulfils the criteria for the composition of the Appeals Committee of the replaced member.

The duties of and criteria for SMB members set out in sections 3.1.4, 3.1.5, 3.1.6 and 3.1.7 of these Internal Rules shall apply *mutatis mutandis* to the members of the Appeals Committee.

Independent Member(s) of the Appeals Committee shall be entitled to claim reasonable expenses and an annual representation allowance. The Independent Member(s) shall also be able to claim a daily stipend for each full day spent on working on Appeals Committee related matters. The level of the stipend paid to the Appeals Committee Independent Member(s) shall depend on the work undertaken and the time spent on carrying out such work. Amounts payable may be subject to Belgian tax law, including but not limited to Belgian withholding tax, as applicable; the EPC cannot be held responsible for the fulfilment of any tax obligations of the Independent Member(s).

### **3.2.2.2 Meetings of the Appeals Committee**

The Appeals Committee will meet physically or by telephone conference, according to the demands of its work programme, with a minimum of one meeting per year.

Calls for meetings and agendas will be issued at least two weeks in advance and meeting papers will be provided at least one week in advance, unless otherwise determined by the Appeals Committee Chair in exceptional circumstances.

The Appeals Committee will develop its conclusions and decisions on the basis of consensus. In circumstances where such consensus is not achievable, and the matter is appropriate for the conduct of a vote, a vote may be taken. Any member of the Appeals Committee shall be entitled to vote at a meeting of the Appeals Committee. Each member has one (1) vote. Any decision taken by vote shall be validly adopted if it obtains two (2) votes in favour.

### **3.2.3 Rules for Adherence**

#### *Eligibility for Participation in Schemes*

In order to be eligible to participate in the Schemes, each applicant must satisfy the eligibility criteria set out in Chapter 5.4 of the Rulebooks.

The CAC shall accept any applicant that fulfils the criteria set out in Chapter 5.4 of the Rulebooks and will only reject applications on the basis of failure to meet these criteria.

#### **3.2.3.1 Rules for Adherence by an Entity in a Group/Decentralised Structure**

Each legal entity that seeks to adhere to a Scheme must agree to accept the rights and obligations of a Scheme Participant in relation to the relevant Scheme. Upon admission to a Scheme, the adhering legal entity shall assume all of the rights and responsibilities arising from admission to a Scheme.

A subsidiary entity or affiliate of an adhering entity, i.e. each entity that has a separate and distinct legal personality within the adhering entity's group or organisational structure, must adhere separately from a parent or group entity. A subsidiary or affiliate shall be a Scheme Participant in its own right and shall assume all the rights and responsibilities arising from admission to a Scheme.

A branch of an adhering entity, i.e. an entity that does not have separate legal personality, whether located in the jurisdiction of the adhering entity or in another SEPA jurisdiction, shall be deemed to be legally part of the adhering entity and able to carry out SEPA transactions in accordance with the Rulebooks.

### **3.2.3.2 Rules for Signing the Adherence Agreement**

An entity may sign the Adherence Agreement on its own behalf. Alternatively, an entity may give legal authority to an agent to sign the Adherence Agreement on its behalf (for example, an agent could be a parent company, another adhering entity or PSP association). An entity that appoints an agent to sign the Adherence Agreement on its behalf must ensure that the agent is given the necessary legal authority to sign. An agent must demonstrate that it possesses the legal authority to bind an adhering entity in accordance with the local law of the entities involved. An agent signing the Adherence Agreement on behalf of other entities must demonstrate by way of legal opinion of external or internal legal counsel in a form specified by the EPC that it possesses the requisite legal authority to bind such entities.

This provision permits members of a PSP community to adhere to a Scheme at the same time by nominating an agent to complete the Adherence Agreement in respect of each member. Similarly, a parent company may sign an Adherence Agreement in respect of some or all of its subsidiaries and an entity in a group or de-centralised structure may sign an Adherence Agreement in respect of each of the other entities in the group or de-centralised structure. In each case, an entity signing the Adherence Agreement that acts as an agent on behalf of another must show that it possesses the legal authority to do so.

### **3.2.3.3 National Adherence Support Organisation ("NASO")**

The EPC has, in conjunction with a national PSP community, identified one or more NASOs in respect of each SEPA community. A NASO is responsible for providing basic guidance on the adherence process and on adherence applications through a helpdesk, for liaising with the Secretariat in respect of an application (as requested by the applicant) and for such other tasks as the EPC may request it to perform from time to time. A NASO also carries out a basic preliminary review of an adherence application, if requested by the applicant to do so. The EPC publishes a list of NASOs on the EPC Website. A NASO could be a national PSP association(s) or a regulatory body, which has agreed to conduct the task on behalf of the national community.

### **3.2.3.4 Becoming a Scheme Participant**

An application to become a Scheme Participant in one or more Schemes shall be made using the form of Adherence Agreement set out in the official Adherence Guide an example of which is in Annex 1 of each of the Rulebooks.

An application shall be accompanied by a legal opinion in the form specified by the EPC provided by either internal or external counsel on the capacity and authority of the applicant to become a Scheme Participant in one or more the Schemes.

The application for adherence shall be finally submitted to the EPC Secretariat. Except as otherwise indicated in section 3.2.3 of these Internal Rules, before submitting the application, an applicant must consult with the relevant NASO for preliminary guidance on eligibility and documentation involved in the adherence process.

The Secretariat uses reasonable efforts to send a written acknowledgement of receipt of the application to the applicant within 10 Business Days of receiving the application.

The Secretariat shall use reasonable efforts to determine the application within 60 Calendar Days of receiving the application. In the event that the Secretariat requires more time to arrive at a determination, it shall notify the applicant as soon as it is reasonably practicable to do so.





The Secretariat may request the applicant to provide such additional information as may be required in the course of determining the application.

In the course of determining the application, the Secretariat may take into consideration views expressed by national regulators (this term extends to include such bodies as insolvency officers, law enforcement authorities and local courts).

In the case of a successful application, the applicant or its agent will receive a written notification of admission to a Scheme. The applicant becomes a Scheme Participant and becomes subject to the Rulebooks on one of the Admission Dates agreed by the CAC and published on the EPC Website or, where requested by the applicant and agreed by the Secretariat, on a deferred Admission Date specified by the applicant in advance to the Secretariat. The Secretariat may send the written notification to the applicant in paper or electronic format.

The Secretariat will make a recommendation to the CAC when an applicant for participation in one of the Schemes or an existing Scheme Participant fails to satisfy the eligibility criteria set out in chapter 5.4 of the Rulebooks. In such case, the CAC may decide to request the applicant or existing Scheme Participant to provide additional information, or to reject the application or terminate participation in accordance with section 3.2.3.6 of these Internal Rules.

The Secretariat will, on a regular basis, and at least four times per year, report in writing on the adherence applications received and accepted to the CAC. It will also report or seek guidance and advice on any particular issue encountered when performing its activities.

#### **3.2.3.5 Register of Scheme Participants**

The Secretariat shall maintain a separate register of Scheme Participants for each of the Schemes. The register shall contain the name, contact address and other details determined by the EPC in respect of the Scheme Participant.

The registers shall be updated by the Secretariat regularly as specified in the relevant schedule published on the EPC Website.

If the Scheme Participant changes its details, so that the register does not carry accurate data in respect of the Scheme Participant, the Scheme Participant shall notify the Secretariat as soon as it is reasonably practicable to do so. For those Participants which are part of a 'group' as described in section 7.1 of these Internal Rules, such notification can be provided by the parent undertaking or the central body of the corresponding group or grouping. It is the responsibility of the Scheme Participant to ensure that the Secretariat is provided with information in relation to the Scheme Participant that is accurate and up-to-date at all times.

In the event of Scheme Participants no longer being able to pay their debts as they fall due, becoming insolvent or having ceased to exist (each an Event of Default), the Secretariat may decide to rectify the register of Scheme Participants after verification of such event with the relevant national regulator or national authority. The failure of a Scheme Participant to pay the fees mentioned in section 1.4 of these Internal Rules shall constitute an Event of Default for the purposes of this section 3.2.3.5, on the basis of which the EPC may, at its sole discretion and upon notice by registered mail, temporarily or permanently suspend the entry of the Scheme Participant in the register(s) of the relevant Scheme(s), as of the first following register update publication, but not earlier than 30 calendar days after the issuance of such notice of suspension.

The public part of the register, containing the Participants' BIC code, name, address, operational readiness date and Scheme leaving date (if applicable), may be accessed and searched through a website of the EPC, available to all users. The register is not an operational database in respect of Scheme usage. Any operational data needed by Scheme Participants in relation to other Scheme Participants shall be supplied outside of the Schemes.

#### **3.2.3.6 Unsuccessful Applications**

The CAC may reject an application for participation in one of the Schemes if an applicant fails to satisfy the eligibility criteria set out in chapter 5.4 of the Rulebooks.

Where an application is rejected, the CAC shall provide the applicant with a letter setting out the reasons for rejecting the application.

An applicant may not re-apply to become a Scheme Participant until 3 months after the determination of its application by the CAC or after a determination in an appeal begun in accordance with these Internal Rules or after a final determination of a tribunal or court responsible for determining the case.

#### **3.2.3.7 Appeals**

An applicant whose application for participation in one or more of the Schemes has been rejected may appeal to the Appeals Committee for a re-consideration of its application. A notice of appeal in such cases must be filed within 21 Calendar Days of the applicant receiving a notification of rejection of its adherence application. The appeals notice must include a copy of the adherence application together with a letter supplied to the applicant under section 3.2.3.6 and any other information required by section 3.5.3 of these Internal Rules. The appeal shall be determined in accordance with section 3.5 of these Internal Rules.

### **3.3 Conciliation Undertaken by the CAC**

#### **3.3.1 CAC Role in Conciliation**

The CAC shall provide a voluntary conciliation service to Scheme Participants and to the EPC. Conciliation may be used for resolving Unresolved Issues that arise in respect of the Rulebooks only.

Issues concerning CAC determinations on adherence applications or on complaints must be addressed through the appeals process rather than through conciliation.

Conciliation services shall be available with regard to the following:

- Unresolved Issues arising out of the Rulebooks between Scheme Participants;
- Unresolved Issues arising out of the Rulebooks between a Scheme Participant and the EPC.

Conciliation services shall only be available to a Scheme Participant where the Scheme Participant can demonstrate that it has used reasonable endeavours to resolve the matter amicably, after dialogue with PSP communities and by using conciliation or other dispute resolution processes at a local level. SEPA PSP communities are expected to make a body available to Scheme Participants for this purpose.

Conciliation services shall be administered in a manner that is efficient and cost-effective, with a view to ensuring a rapid conclusion to the Unresolved Issue.



The CAC shall appoint one or more conciliators either from the body of relevant CAC members to hear the Unresolved Issue on a case-by-case basis and/or, as appropriate, appoint experienced individuals from outside the CAC and EPC to adjudicate on Unresolved Issues. The conciliators shall make a recommendation to the parties involved. This recommendation shall not be binding upon them and will be without prejudice to further proceedings between the parties.

As set out in further detail in Appendix 2, conciliators must be mindful of any conflict of interest arising in relation to the subject matter of the conciliation or to any of the parties to the conciliation. In the event that a conciliator is aware that a conflict of interest exists, he or she shall make this known to the CAC immediately and the CAC can appoint another conciliator(s) from the relevant members of the CAC to carry out the conciliation. If the CAC is unable to find a conciliator(s) from the CAC to act in respect of the Unresolved Issue, the Chair may appoint a conciliator(s) from outside of the CAC and the EPC, provided always that the parties to the Unresolved Issue agree to this appointment.

In cases where the conciliation is between a Scheme Participant and the EPC, the CAC shall ensure that conciliators from outside the CAC and the EPC are appointed, provided that both the EPC and the Scheme Participant agree to this appointment.

### **3.3.2 Application for Conciliation**

An application for conciliation shall be made in writing and filed with the Secretariat. The application shall clearly state the name of the other party involved together with details of the Unresolved Issue. The application shall also be accompanied with a written statement of consent from the other party stating that it wishes to submit to conciliation.

The Scheme Participant shall give a copy of the application and accompanying information to the other party involved in the Unresolved Issue.

Within 15 Business Days starting from the date that the application was filed, the Secretariat shall request the other party to file with the Secretariat any statement of facts in relation to the Unresolved Issue.

The other party may withdraw from the conciliation at any time. If the other party withdraws in this manner, the conciliation proceedings shall be terminated with immediate effect and the conciliator shall not deliver a recommendation. The costs provisions set out in section 3.3.6 of these Internal Rules continue to apply.

### **3.3.3 Conciliation Proceedings**

The conciliator shall aim to resolve the Unresolved Issue between the parties in a manner that is fair, open and amicable.

Unless otherwise agreed, conciliation proceedings shall be in private.

The conciliator shall consider all the evidence put before the conciliator and allow both parties to provide clarification and elaboration on the points raised in the Unresolved Issue.

The conciliator shall then recommend a proposed settlement to the Unresolved Issue.

If a settlement is reached, the settlement shall be written down by the conciliator and signed by the parties. The parties may keep a copy of the settlement.

If the parties cannot reach settlement, the conciliator shall close the conciliation proceedings. The parties may take such procedures as they consider appropriate and may take the matter to arbitration or litigation in accordance with section 3.3.7.

### **3.3.4 Conciliation Involving the EPC**

Where conciliation involves the EPC, the conciliators shall always be individuals who are not connected to either the EPC or to the Scheme Participant in any way. The costs of engaging conciliators in such cases shall be determined in accordance with section 3.3.6. In all other respects, the conciliation proceedings shall follow the procedure set out in this section.

### **3.3.5 Report of Conciliators**

Following the conclusion of conciliation proceedings, whether by way of settlement or voluntary termination by parties to the conciliation, the conciliators may prepare a report on the conciliation for the CAC. The report may contain such details relating to the conciliation proceedings as the conciliators wish to include. The report shall be confidential and may only be made available to relevant members of the CAC.

Where the conciliators become aware of serious misconduct by the Scheme Participant such as behaviour evidencing fraud or other such serious violations of the law, they may bring this to the attention of the relevant national regulator or national authority.

### **3.3.6 Costs**

An upfront, non-refundable administrative fee outlined in Appendix 3 of these Internal Rules on the Scheme Management cost recovery mechanism will be payable to the EPC prior to the initiation of the proceeding, by the Scheme Participant who wishes to initiate the proceeding, to cover basic administrative costs. This fee will be recoverable from the losing party, as appropriate.

The EPC will ensure that any fee set under this section is quantified so as to be consistent with the costs incurred by the EPC and the EPC's status as a non-profit organisation under Belgian law.

The upfront, non-refundable administrative fee shall be equally split between the two parties where they are both jointly seeking conciliation.

In addition, any relevant non-administrative EPC costs incurred during the course of the proceedings shall be recovered from the losing party, or divided between the parties based on the principles established by the Rules of Arbitration of the International Chamber of Commerce.

Where the conciliation is terminated before either a settlement is reached or before the conciliators close the conciliation, the upfront, non-refundable administrative fee payable to the EPC and the EPC's costs incurred to handle the conciliation up to that point in time will be recovered from the party requesting the termination of the conciliation process.

### **3.3.7 Further Steps - Arbitration v Litigation**

Following consultation with the CAC, if the parties are unable to settle an Unresolved Issue through conciliation, or where such a conciliation process has not taken place, if a Scheme Participant gives another Scheme Participant notice that an Unresolved Issue exists and if the Unresolved Issue has not been resolved within 30 Calendar Days of service of the notice, the Unresolved Issue shall be referred by the CAC to arbitration.

No Scheme Participant shall resort to arbitration against another Scheme Participant under the Rulebook until 30 Calendar Days after the referral of the Unresolved Issue to the CAC.

Unless parties to the Unresolved Issue otherwise agree, any Unresolved Issue which is unresolved 30 Calendar Days after the referral of the Unresolved Issue to the CAC shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those Rules. The seat of the arbitration shall be Brussels. The EPC, as represented by an appropriate member of the CAC, shall have the right to participate in the arbitration.

However, if the Unresolved Issue is referred to arbitration in accordance with this section, the parties to the Unresolved Issue may agree to submit to local arbitration in a SEPA jurisdiction. If the relevant Scheme Participants elect to submit to such local arbitration, they shall conduct the arbitration under rules agreed between them. The jurisdiction chosen by the relevant parties for such local arbitration must be substantially connected to the conduct of the Unresolved Issue. The EPC, as represented by an appropriate member of the CAC, shall have the right to participate in the arbitration.

Any arbitration between Scheme Participants under the Rulebook shall (unless the relevant Scheme Participants agree otherwise, and in an Unresolved Issue in which the EPC is participating, with the consent of the EPC) be conducted in the English language.

Alternatively, following a failure by the relevant Scheme Participants to resolve an Unresolved Issue in accordance with the steps set out above, the parties to the Unresolved Issue may agree to submit to such other dispute resolution process (other than arbitration) as they consider appropriate, including litigation. If the relevant parties submit to litigation in accordance with this section, the relevant Scheme Participants shall conduct the litigation in a jurisdiction, and under such processes as are determined by established principles of conflicts of laws.

In arbitration or litigation proceedings, the Rulebooks shall be governed by and interpreted in accordance with Belgian law. A court or arbitrator may however apply such rules of process in relation to the proceedings as may be applicable under established principles of conflicts of laws.

The parties shall inform the CAC of the outcome of any litigation or arbitration or other dispute resolution methods conducted by them. The parties may consult the CAC on matters relating to the interpretation of the Rulebooks in the course of any such arbitration or litigation proceedings.

### **3.4 Complaints Submitted to the CAC**

#### **3.4.1 Role of CAC in Complaints**

The CAC shall oversee the implementation of the Rulebooks by Scheme Participants. The CAC may investigate breaches or potential breaches of the Rulebooks following a complaint made by a Scheme Participant to the CAC.

For breaches of the obligation for Scheme Participants to ensure the ongoing compliance of their own rules and procedures with the laws applicable to them, the CAC shall only focus on violations of such obligations which are of scheme-wide importance.

For the sake of clarity, an issue of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. The CAC may refuse complaints if it reaches the conclusion that a particular complaint at hand does not qualify to be of scheme-wide importance. The CAC may decide to consult with the SMB in such matters before refusing a complaint.

Unless otherwise stated, a complaint may be submitted by any Scheme Participant and must be filed in writing with the Secretariat. A complaint that is filed with the Secretariat must state the name of the Scheme Participant that is the subject of the complaint (the "**Affected Participant**") together with details of the complaint.



In addition, the CAC may investigate breaches or potential breaches of the Rulebooks of its own accord.

For the purposes of this section, investigations made by the CAC into breaches or potential breaches of the Rulebooks, whether or not initiated by the CAC itself, shall be referred to as complaints.

References to the CAC include any person nominated by the CAC to carry out a function in relation to a complaint, and where a complaint is made by or on behalf of the CAC itself, references to the "parties" are to the Affected Participant only.

### **3.4.2 Key Principles**

In the course of carrying out its function in relation to complaints, the CAC shall ensure that it acts in accordance with the following general principles:

- the CAC shall act in a manner that is impartial and objective at all times;
- the CAC shall act in a manner that is fair to all parties, taking into account the circumstances of each case;
- the CAC shall ensure that, as far as possible, it acts in a manner that is transparent, open and intelligible to the parties; and
- the CAC shall ensure that it acts in a manner that is proportionate to the seriousness of the matter before it.

The deliberations of the CAC and any discussions held in the course of evaluating and investigating the complaint shall be private and confidential, unless otherwise agreed between the parties.

### **3.4.3 Investigation of Complaints**

The CAC may nominate a group of members of the CAC to investigate and evaluate a complaint or the CAC may delegate its power to investigate a complaint to the EPC Secretariat or any other person.

The CAC shall as soon as reasonably possible notify the Affected Participant that it is subject to investigation by the CAC. The Affected Participant shall have 28 Calendar Days from receipt of such notification to file written representations in respect of the Complaint. The Affected Participant may be required to cease any activity that could constitute conduct suspected of being in breach of one of the Rulebooks.

Members investigating the complaint may in the course of the investigation call for such information and documentation from the Affected Participant as may be relevant for determining whether a breach of a Rulebook has taken place. The Affected Participant shall use reasonable efforts to provide such information to the relevant CAC members as is within the Affected Participant's possession, custody or control. The Affected Participant shall have 28 Calendar Days to respond to such requests for information and documentation.

The CAC may additionally require the Affected Participant to give all reasonable assistance in the course of the CAC investigation. A failure to provide such assistance shall be deemed to be a breach of Scheme rules and may therefore be actionable in accordance with this section.

In addition, in the course of the investigation, relevant CAC members may consult Scheme Participants as well as end-users and suppliers and may call for information and documentation, liaising through Scheme Participants.



Members investigating the complaint may engage any person in order to carry out tasks related to the investigation at the cost of the EPC and within the budget of the EPC. The CAC may also engage a legal professional to give legal advice on any aspects of the investigation. Where this is done, the cost incurred by the CAC and paid by the EPC may be added by the CAC to the costs payable under section 3.4.10 below.

#### **3.4.4 Evaluation of Complaint**

The CAC shall evaluate any information that it may obtain in the course of the investigation. It may engage a skilled person in order to carry out tasks related to the evaluation of the complaint as well as a legal professional to give legal advice on any aspects of the evaluation and adjudication of the complaint at the cost of the EPC and within the budget of the EPC. The CAC may request advice from the EPC Scheme Evolution and Maintenance Working Group ("SEMWG") and the EPC Legal Support Group ("LSG") to determine whether a Scheme Participant is in breach of a Rulebook. The CAC shall ensure that any person engaged in this manner shall be subject to a duty of confidentiality in respect of information acquired in the course of its engagement with the CAC.

In the course of this evaluation, the Affected Participant shall be invited to discuss the complaint with the CAC. The Affected Participant may seek legal advice at any stage of this process at its own cost.

When evaluating any complaint, the CAC shall take into account the date of the alleged breach and, except in exceptional circumstances at the discretion of the CAC or where a breach is continuing, shall determine a complaint to be invalid which relates to a breach which occurred three years or more before the complaint is filed.

In the event of a complaint as to a scheme participants' compliance of their own rules, procedures and agreements with applicable legislation, regulations or generic supervisory requirements a complainant PSP should refer such matter to the relevant competent authority. The CAC – at its discretion - could also refer such matter to the relevant competent authority. Only issues of a scheme-wide importance shall be a matter for the CAC in respect of its investigations and possible sanctions in the event of a complaint.

In the event of a complaint regarding a Scheme Participants' compliance with the obligation to ensure that an agreement governing the provision and use of services relating to the Scheme is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable, a complainant Scheme Participant should refer such matter to the relevant competent authority. Only issues of a scheme-wide importance shall be a matter for the CAC in respect of its investigations and possible sanctions in the event of a complaint.

In the event of a complaint regarding a Scheme Participants' compliance with the obligation to enter into legally binding agreements with their credit transfer service providers or direct debit service providers covering all functions performed by those providers in direct connection with the concerned scheme, to ensure that such agreements are complete, unambiguous and enforceable on each contractual party and / or to safeguard the ongoing compliance of such agreements with the laws applicable to them, a complainant Scheme Participant should refer such matter to the relevant competent authority. Only issues of a scheme-wide importance shall be a matter for the CAC in respect of its investigations and possible sanctions in the event of a complaint.



For the sake of clarity, an issue of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. The CAC may refuse complaints if it reaches the conclusion that a particular complaint at hand does not qualify to be of scheme-wide importance. The CAC may decide to consult with the SMB in such matters before refusing a complaint.

### 3.4.5 Sanctions

On completion of the evaluation, the CAC shall prepare a report on the conduct of the case, setting out the facts of the case and a preliminary evaluation of the complaint.

The CAC shall review the contents of this report, following which the CAC may consider that:

- no further action should be taken in relation to the alleged breach of the Rulebook if the CAC considers that either there is no evidence of a breach, or that the breach is of a trivial nature;
- discussions should take place with the Affected Participant to decide how to proceed in respect of a breach that has already occurred or one that is continuing - no sanctions are contemplated at this stage;
- discussions should take place with the Affected Participant and the Affected Participant should be sanctioned.

If the CAC considers that the Affected Participant should be sanctioned, the CAC shall send a written notice to the Affected Participant setting out details of the complaint and the sanction proposed, the report and any material that is believed to be relevant to the matter.

Subject to section 3.4.7, the Affected Participant shall have 30 Calendar Days following receipt of the notification to accept the sanction, or to present written or oral representations to the CAC (the "**Representation Right**"). The Affected Participant may consult legal counsel at any stage of the sanctioning process.

In considering any representations made to it, the CAC is not bound to follow rules of evidence, as followed in a court or tribunal. It will not normally consider oral evidence. Any party may however adduce written evidence in the course of the deliberations of the CAC and make such representations as it considers appropriate in accordance with this section.

Within 30 Calendar Days of hearing representations from the Affected Participant, the CAC shall determine the sanction to be made against the Affected Participant. The CAC shall notify the Affected Participant of its determination.

The sanctions available to the CAC are the following:

- private warning
- written notification of complaint
- public warning
- report to a national regulator or equivalent national authority, including a NASO
- termination



### ***Private Warning***

The CAC may give a private warning to the Affected Participant. The private warning shall constitute a formal notice to the Affected Participant and aims to deter the Affected Participant from committing a further breach of a Rulebook or to cease conduct that is in breach of a Rulebook. A record of the private warning shall be made by the CAC. This record shall be confidential.

### ***Written Notification of Complaint***

The CAC may give a written notification of a complaint to the Affected Participant. A written notification constitutes a formal reprimand to the Affected Participant. The written notification shall set out details of the breach and is aimed to deter the Affected Participant from committing a further breach of a Rulebook or to cease conduct that is on breach of a Rulebook. The CAC may publish details of this sanction on the Website of the EPC.

### ***Public Warning***

The CAC may give a public warning to the Affected Participant. The public warning shall constitute a formal notice to the Affected Participant and aims to deter the Affected Participant from committing a further breach of a Rulebook or to cease conduct that is in breach of a Rulebook. The public warning shall publish the name of the Affected Participant, together with details of the breach, on the website of the EPC.

### ***Circumstances which may indicate which Warning Sanctions may be applied***

The decision as to which sanction or sanctions may be appropriate in respect of any Affected Participant shall be entirely at the discretion of the CAC. However, the following circumstances would tend to indicate that one of the above three sanctions would be more appropriate than the sanction of termination (described below):

- the conduct of the Affected Participant did not display bad faith nor was it due to gross negligence towards other Scheme Participants or to the Scheme(s) of which the Affected Participant is part;
- the conduct of the Affected Participant did not display dishonesty and the Affected Participant did not act in a grossly unprofessional manner;
- the breach was not of such a serious nature as to potentially undermine the operation and integrity of one of the Schemes;
- the Affected Participant had not committed a breach, or a breach of this type, in the past;
- the breach was of a nature that the CAC believes would be best addressed by deterrent action envisaged by these three sanctions and that it remains appropriate for the Affected Participant to continue as a Scheme Participant in the relevant Scheme(s) rather than facing expulsion under the sanction of termination; and
- the breach can be rectified without loss or cost to any other Scheme Participant or user or the EPC

As regards which of the three Warning Sanctions might be applicable to any case:

- a private warning may generally be considered more appropriate for a first breach where the breach was not of a serious nature, had not adversely affected other Scheme Participants or the Scheme(s), and there would be no merit in other Scheme Participants being informed of the breach;

- a written notification of complaint, being a formal reprimand, would be applied where the CAC considered the breach to be of a sufficiently serious nature to record a reprimand against the firm. The CAC may consider publishing the notification on its website if it believed this would be in the interests of other Scheme Participants and/or the Scheme(s)
- a public warning, being a formal notice, would be applied in the case of a more serious breach and where the CAC believes it would be in the interests of other Scheme Participants and/or the Schemes to publicise the notice. This sanction is the most likely of the three to be used in conjunction with the sanction of termination.

### ***Report to National Regulator***

In addition to giving a private warning, public warning or written notification of breach, the CAC may report the Affected Participant to its national regulator, NASO or to an equivalent national authority. The regulator shall be provided with the name of the Affected Participant together with details of the conduct of the Participant.

Considerations which may indicate the appropriateness of this sanction would be if the CAC believed that the breach by the Affected Participant may also constitute a breach of the rules or guidelines of a relevant regulator or if the Affected Participant's conduct cast doubt on its fitness and propriety to continue as a regulated entity. However, the decision whether or not to report a breach by an Affected Participant to a regulator will be entirely at the CAC's discretion.

### ***Termination***

In addition to making a report to a relevant national regulator or giving a private warning, written notification of breach or public warning to the Affected Participant, the CAC may terminate the participation of an Affected Participant in a Scheme in the following circumstances:

- where the breach committed by the Affected Participant is sufficiently serious to undermine the operation and integrity of a Scheme;
- where the Affected Participant has committed a repeated breach of a Rulebook, notwithstanding any earlier sanctions given to the Affected Participant by the CAC;
- where the conduct of the Affected Participant displays bad faith or gross negligence towards other Scheme Participants or towards the Scheme(s) of which it is part; or
- where the conduct of the Affected Participant displays dishonesty or is grossly unprofessional.

Before making a termination order, the CAC may consult with relevant groups to determine the impact of the sanction. Such groups may include other Scheme Participants, the EPC Board, clearing and settlement mechanisms or PSP communities. The CAC shall consult with relevant regulators before applying the termination sanction.

If the CAC decides to terminate the participation of an Affected Participant, it shall make a termination order setting out the terms and conditions on which the termination is to be effected. Such an order shall set out the steps to be taken by the Affected Participant to ensure the continued orderly and efficient operation of the Schemes.

In the event of termination, the Affected Participant shall be barred from exercising rights under the Rulebooks in accordance with the terms and conditions set out in the termination order. The Affected Participant shall fulfil all obligations arising under the Rulebooks in accordance with the termination order.

If the participation of an Affected Participant is terminated, the Affected Participant may re-apply to join the relevant Scheme after 6 months, starting from the date of the termination of its participation. However, an Affected Participant may re-apply earlier if it can demonstrate to the CAC that it has remedied the breach and/or that there is no reasonable likelihood of the Scheme Participant committing the breach in future.

The CAC shall publish details of a termination of participation on the website of the EPC together with the relevant order and details of the conduct giving rise to the complaint.

#### **3.4.6 Emergency Injunction Procedure**

Where a termination order is issued to an Affected Participant, such Affected Participant may within 21 Calendar Days of receiving notification of the order, apply for an injunction against such order to a competent court in Belgium, during which time the sanction shall be suspended pending the court's determination of the matter. Where the court decides not to grant the injunction requested by the Affected Participant, the CAC may enforce the conditions of the termination order. The courts of Belgium shall have exclusive jurisdiction in respect of proceedings brought in accordance with this section.

#### **3.4.7 Appeals Arising from Complaints**

Within 30 Calendar Days of receiving the notification of a sanction, the Affected Participant may appeal to the Appeals Committee in accordance with section 3.5.

#### **3.4.8 Timing of Sanctions**

Except in exceptional circumstances described in more detail below, a determination by the CAC of a sanction to be made against an Affected Participant shall not take effect until the conclusion of appeals proceedings before the Appeals Committee that may be commenced in accordance with these Internal Rules, or until such time as the time period for referring a matter to an appeal to the Appeals Committee has expired in accordance with these Internal Rules.

Of all sanctions available to the CAC, the imposition of the following sanctions only shall be suspended awaiting the determination of the appeal: (i) public warning, (ii) report to national regulator or equivalent national authority, including NASO, and/or (iii) termination.

The following applies only if the CAC considers that the conduct or circumstances of the Affected Participant will undermine the operation of any of the Schemes or would cause a serious risk of undermining the operation of any of the Schemes. The CAC may impose a sanction of which it has notified the Affected Participant with immediate effect, or at any other time specified by the CAC. In particular, the CAC may impose a sanction in such circumstances even though the Representation Right has not expired; or any appeal under section 3.5 has not yet been determined.

However, both the Representation Right and the right to appeal against any sanction will remain available to any Affected Participant notwithstanding the expedited imposition of any sanction.

The decision whether or not to expedite the imposition of sanctions under this section 3.4.8 shall be entirely at the discretion of the CAC, however, issues which would tend to indicate the need for such action would be insolvency, loss of regulatory licence(s), or criminal conviction of the Affected Participant.

In cases where a sanction takes effect with immediate effect or at any other time specified by the CAC, the sanction shall remain in force for as long as determined by the CAC or until it is revoked by a determination of the case at appeal. No Affected Participant will have any right of recourse against the CAC for any loss suffered due to the imposition of a sanction if a sanction is subsequently revoked on appeal or under any other circumstances.

#### **3.4.9 Eligibility, Merger and Acquisition of a Scheme Participant**

In addition to the circumstances set out in section 3.3.1, the CAC may investigate, initiate or respond to a complaint in the following circumstances:

- a Scheme Participant has failed to satisfy one or more of the Scheme eligibility criteria; and
- a Scheme Participant has failed to notify the EPC of its intention to terminate its participation under section 5.11 of the relevant Rulebook,

The CAC may treat evidence of the existence of these circumstances coming to its attention as if it were a formal complaint, and deal with the matter in accordance with section 3.3.1 of these Internal Rules. Any references to a 'breach' of the Rulebooks in section 3.4.1 shall include a breach of the Adherence Agreement (including the representations and warranties set out in the Adherence Agreement) entered into by the Scheme Participant and may be treated by the CAC as being references to the circumstances set out in this section 3.4.9.

#### **3.4.10 Costs**

An upfront, non-refundable administrative fee outlined in Appendix 3 of the SMIRs on the Scheme Management cost recovery mechanism will be payable by the complainant to the EPC, upon lodging the complaint, to cover basic administrative costs. This fee will be recoverable from the losing party, as appropriate. Appendix 3 of the SMIRs listing this fee will be reviewed regularly and adjusted in line with any actual costs incurred in the first year plus a reasonable increase uplift for anticipated increases in costs in the year in question and will be adjusted accordingly in subsequent years.

The EPC will ensure that any fee set under this section is quantified so as to be consistent with the costs incurred and paid by the EPC and the EPC's status as a non-profit organisation under Belgian law. In addition, any relevant non-administrative costs incurred during the course of the proceedings will be recovered from the losing party.

Where the complaint is withdrawn by the complainant before a formal CAC decision on the complaint has been made, the CAC's costs incurred to handle the complaint proceedings up to that point in time will be recovered from the complainant.

Where the CAC initiates a complaint, it may require the Affected Participant to contribute to any costs incurred by the CAC in relation to the complaint, if the Affected Participant were found to be in breach of the Rulebook(s).

### **3.5 Appeals**

#### **3.5.1 Introduction to the Appeals Process**

In this section and unless the context otherwise indicates, a reference to the Appeals Committee shall be read as a reference to those persons comprising the Appeals Committee who have been nominated to carry out the Appeals Function of Scheme Management in accordance with section 3.2.2.1 of these Internal Rules.

Where the decision under appeal is a decision in which the CAC had initiated a complaint under section 3.4.1 of these Internal Rules, the CAC is not to be regarded as a "party" to the appeal.

The role of the Appeals Committee shall be to determine whether, on the basis of the material put before it by the appellant, a decision reached in complaints and adherence matters was correct and justified. The Appeals Committee may request advice from a third party professional, including a legal professional in the course of its deliberations.

Deliberations before the Appeals Committee shall be conducted in private and shall be confidential unless otherwise agreed between the parties.

In considering any representations made to it, the Appeals Committee is not bound to follow rules of evidence, as followed in a court or tribunal. The Appeals Committee will not normally consider oral evidence.

The Appeals Committee shall act in accordance with the principles set out in section 3.5.2 to ensure that a matter is handled fairly and impartially. It may stipulate such conditions as it considers appropriate in order to ensure that this obligation is fulfilled.

In the course of determining an appeal, the Appeals Panel must not discuss details of the case with members of other EPC bodies, without first ensuring that such discussions are carried out with the agreement of the parties to the appeal.

The Appeals Committee may engage skilled professionals or the Secretariat to carry out administrative duties arising out of the conduct of appeals before the Appeals Committee at the cost of the EPC and within the budget of the EPC. The Appeals Committee shall ensure that any person engaged in this manner shall be subject to a duty of confidentiality in respect of information acquired in the course of its engagement with the Appeals Committee.

### **3.5.2 Key Principles**

In carrying out the Appeals Function, the Appeals Committee shall perform its functions in accordance with the following principles:

- the Appeals Committee shall act in a manner that is impartial and objective at all times;
- the Appeals Committee shall act in a manner that is fair to all parties, taking into account the circumstances of each matter before it;
- the Appeals Committee shall act in a timely manner to determine matters arising before it;
- the Appeals Committee shall allow all parties to make representations and present written material to the Appeals Committee;
- the Appeals Committee shall ensure that, as far as possible, matters referred to it are dealt with in a way which is transparent, open and intelligible to the parties; and
- the Appeals Committee shall ensure that it acts in a manner that is proportionate to the seriousness of the matter before it.
- each member shall be subject to a duty of confidence in respect of appeals cases pending before the Appeals Committee.

### **3.5.3 Submission of Appeals Notice**

A person with the right to an appeal under these Internal Rules must file an appeals notice with the Secretariat. An appeals notice shall set out details of the case under appeal, reasons supporting the appeal, together with a copy of the determination that is the subject of the appeal.

Within 21 Calendar Days of receiving the appeals notice, the Secretariat shall provide a copy of the appeals notice to the CAC. The CAC members shall have 21 Calendar Days to file written representations in respect of the appeal. They may appoint one or more representatives from their number to take the appeal forward on their behalf.

The Appeals Committee shall then consider the appeals notice and any representations filed and, within 21 Calendar Days of receiving representations from each party, shall notify all parties of the date of the appeal meeting.

At any time before the date of the meeting, the Appeals Committee may, but is not obliged to make such directions to the parties as may be useful for the swift and fair determination of the appeal. Such directions may include the following:

- directions to exchange documents relevant for the appeal; and
- directions to exchange names and written statements of any witnesses, including expert witnesses (if any).

The Appeals Committee shall ensure that all documents and evidence received from the CAC by the Appeals Committee or by one or other of the parties is provided to all the parties to the appeal in a timely manner in advance of the appeal meeting.

#### **3.5.4 Meeting**

The Appeals Committee shall aim to determine the appeal between the parties in a manner that is fair, open and amicable at a meeting involving all relevant parties.

Unless otherwise agreed, this meeting shall be private. Parties may bring legal representatives to a meeting.

In the event that a party does not attend the meeting, or if both parties do not attend, the Appeals Committee may arrive at such determination as it considers appropriate, or may postpone the date of the meeting.

The Appeals Committee shall consider all the material put before it and allow the parties to make oral representations during the meeting.

The Appeals Committee shall then deliver a decision on the appeal.

The Appeals Committee may make either of the following determinations:

- confirm, vary, or reverse the decision of the CAC at first instance;
- impose any sanction that may have been imposed, but was not imposed by the CAC at first instance.

The Appeals Committee may publish the details of the appeals decision on the website of the EPC. Any decisions of the CAC at first instance that are published on the website of the EPC, if varied or reversed at appeal, shall be amended accordingly on the EPC Website.

A party to an appeal may withdraw from the appeal at any time by giving notice to the Appeals Committee. The appeal shall be closed with immediate effect and the Appeals Committee may make such determination in respect of the subject matter of the appeal and in respects of the allocation of costs for the appeal as may be appropriate.



### 3.5.5 Costs

An upfront, non-refundable administrative fee outlined in Appendix 3 of the SMIRs on the Scheme Management cost recovery mechanism will be payable to the EPC upon lodging the appeal, by the party filing the appeal in question, to cover basic administrative costs. This fee will be recoverable from the losing party, as appropriate. Appendix 3 of the SMIRs listing this fee will be reviewed and adjusted in line with any actual costs incurred in the first year plus a reasonable amount for anticipated increases in costs in the year in question and will be adjusted accordingly in subsequent years.

The EPC will ensure that any fee set under this section is quantified so as to be consistent with the costs incurred by the EPC and the EPC's status as a non-profit organisation under Belgian law. In addition, any relevant non-administrative costs incurred by the EPC during the course of the proceedings will be recovered from the losing party.

Where the appeal is withdrawn by the appeal filing party before a formal Appeals Committee decision on the appeal has been formulated, the EPC's costs incurred to handle the appeal proceedings up to that point in time will be recovered from the appeal filing party.

Where there is a sole party to the appeal, the Appeals Committee shall have the power to require that party to bear the EPC's costs in respect of the appeal, if that party were found to be in breach of the Rulebook(s).

### 3.5.6 Further Steps

Following the determination of the Appeals Committee, if a party to the appeal does not consider the issue to have been correctly resolved, it shall be open to that party to attempt to resolve the matter through such means as it considers appropriate, including litigation in a competent court in Brussels. As the EPC shall always be a defendant in such proceedings, the courts of Brussels shall have exclusive jurisdiction in respect of proceedings brought in accordance with this section. Such a party may challenge the decision before the courts of Brussels, but only on the grounds of a serious breach by the EPC of these Internal Rules or of a breach of mandatory rules of law, or on the grounds that the decision, when subject to a *prima facie* review (*examen marginal / marginale toetsing*) by the court, appears manifestly incorrect.

## 4 Maintenance and Evolution

### 4.1 Change Management Process

#### 4.1.1 Change Management - Guiding Principles

It is a key objective of the EPC that the Schemes are able to evolve with an evolving payment services market. To meet the demands of the Scheme Participants and stakeholders including end-users and PSP communities, the Schemes shall be subject to a change management process that is structured, transparent and open, governed by the rules of the management and evolution function of SEPA Scheme Management.

The key principles underpinning change management are the following:

- Innovation - the Schemes shall be open to innovative proposals to improve delivery of the Schemes in order that the Schemes are competitive, efficient and able to benefit from the latest developments in payments technology.
- Compliance with applicable legislation and regulation - the Schemes shall be and remain at all times in compliance with the relevant Belgian and EU legislation and with any relevant regulatory requirements.
- Transparency - the change management process shall be transparent and open so that changes implemented into the Schemes are carefully considered and scrutinised. Establishing open channels for Scheme Participants, end-users and suppliers to propose changes is a key aim of change management.
- Impact analysis - proposals for change are supported, where appropriate, by a careful analysis evaluating its impact on the Customer-to-PSP, the PSP-to-PSP and the PSP-to-Customer domains to ensure that changes implemented into the Schemes are viable.
- Development of SEPA - the Schemes are seen as an important platform for Scheme Participants to develop SEPA-enabled products and services that allow both end-users and Scheme Participants to take advantage of the development of and investment in SEPA.

#### 4.1.2 Change Management - Terminology

The change management process shall involve ideas for changes being formulated as follows:

**Change Request** - A Change Request denotes any concrete and comprehensible proposal for making a change to the Schemes which is to be presented along with a substantiated reasoning on why and how it concerns the Initiator (or the stakeholders it is representing). A Change Request may be devised by any individual or organisation that is able to claim a legitimate interest in this change management process and is submitted to the Secretariat in accordance with these Internal Rules.

**Initiator** - Refers to an individual or organisation that submits a Change Request in accordance with these Internal Rules.

**SEMWG Recommendation** - The Scheme Evolution and Maintenance Working Group (SEMWG) is in charge of analysing the Change Request. Following its analysis, the SEMWG makes a Recommendation about the Change Request. Both the Change Request and the related SEMWG Recommendation will be submitted for a Public Consultation.

**Public Consultation Document** - The SEMWG consolidates all received Change Requests in accordance with these Internal Rules and its Recommendation on each Change Request in a Public Consultation Document.



**Public Consultation** - The Public Consultation starts with the publication of the Public Consultation Document on the EPC Website. Scheme Participants and Stakeholders have the opportunity to comment on the Change Requests and related SEMWG Recommendations described in the Public Consultation Document.

**Change Proposal** – The SEMWG formulates a Change Proposal based on the outcome of the Public Consultation on the Change Requests and the related SEMWG Recommendations.

Where the Change Request proposes to modify the Rulebooks and any related documentation, a Change Proposal shall include a mark-up of the Rulebooks and any related documentation to show the proposed amendments to be made to the Rulebooks and related documentation when the change would be implemented.

**Change Proposal Submission Document** - The SEMWG makes the Change Proposal Submission Document which is a consolidation of the Change Requests, the related non-confidential comments received from the contributors during the Public Consultation and the related Change Proposals.

The Change Proposal Submission Document also indicates that each stage of the change management process has been completed.

#### **4.1.3 Role of SMB and Scheme Evolution and Maintenance Working Group**

The management and evolution function of SEPA Scheme Management shall be performed by the SMB supported by the SEMWG.

The SMB shall formulate proposals to and interact with stakeholders and end-users on the evolution of the SEPA Schemes and implement changes, taking into account the overall strategy and policy goals of SEPA and the EPC, identifying key needs and finding appropriate solutions.

The SMB shall be supported by the SEMWG. The SEMWG is the co-ordination and administration body for change management whose role involves liaising with Initiators, reviewing Change Requests, formulating Change Proposals and guiding these through the change management process. The SEMWG shall operate in accordance with its terms of reference. The Chair of the SEMWG, who may or may not be a member of the SMB, shall be invited to attend all SMB meetings.

#### **4.1.4 Submission of Change Requests to the Secretariat**

A Change Request as described in section 4.1.2 shall be submitted to the Secretariat in accordance with the rules set out in this section. Change Requests shall be submitted in all cases in accordance with a format which will be published for this purpose on the EPC website.

The Initiator needs to substantiate the interests it represents (e.g., a specific institution, an association of institutions at national or at SEPA-level) in order that the SEMWG and any contributor during the Public Consultation can understand the potential impact of the change request on the concerned Scheme Participant or stakeholder.

It is recommended that different individuals or organisations representing as a whole a specific stakeholder community at national and/or at SEPA level through e.g., an association or a representative body, agree first on a **joint** Change Request on that stakeholder community level and then submit it to the Secretariat. Such a joint Change Request will ease the Change Request review process for the SEMWG prior to the Public Consultation and for the contributors when analysing the Change Requests during the Public Consultation.

It is recommended that the Initiator supports the Change Request, where appropriate, with an impact analysis (set out in chapter 5 of these Internal Rules). Such an impact analysis emphasizes the merits of the Change Request and can influence the formulation of the SEMWG Recommendation on the Change Request prior to the start of the Public Consultation and the opinion of the contributors when analysing the Change Requests during the Public Consultation.

#### **4.1.5 Acknowledgement of Receipt of a Change Request**

The Secretariat shall acknowledge receipt of the Change Request to the Initiator within 21 Calendar Days of receiving the Change Request. An acknowledgement of receipt does not imply that a Change Request has been accepted but only that the Change Request has been received.

#### **4.1.6 Consideration of a Change Request**

The SEMWG shall analyse (a) whether the change as suggested in a Change Request falls within the scope of the Scheme and (b) whether the change proposed by the Change Request is a Minor Change or a Major Change.

In respect of (a), as part of this analysis, the SEMWG shall consider the change proposed by a Change Request in accordance with the following broad criteria:

- the change presents a case for wide SEPA market-acceptance;
- the change is sufficiently concrete
- the change is feasible to implement; and
- the change must not compromise SEPA-wide interoperability of the Schemes or the integrity of the Schemes.

In respect of (b), the SEMWG shall assess whether a Change Request proposing a change can be defined as a Minor Change or 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. Clarifications of existing rules shall not be deemed to affect the substance of the Rulebooks or the Schemes and will therefore be a Minor Change. Examples of such changes include corrections of spelling mistakes, grammatical corrections, or minor adjustments to technical standards in the Rulebooks to take account of upgrades. More information about the process for Minor Changes are set out in section 4.3 of these Internal Rules.

A Major Change by contrast is a change that affects or proposes to alter the substance of the Rulebooks and the Schemes. Examples of such changes include the addition or development of new technical standards, proposals for new services to be offered in the Schemes, or changes affecting policy. Any change to chapters 5 and 6 of the Rulebooks shall always be a Major Change. Changes that are classified as Major Changes are approved through detailed consultation, as set out in section 4.2 of these Internal Rules.

Any change to the Internal Rules shall not be counted as Minor Change. Such Change Requests shall be submitted first to the EPC Legal Support Group (LSG) for its advice. The Change Request and the related LSG advice are then presented to the SMB for a first assessment unless the Change Request was initiated by the SMB itself. Any decision to integrate or not to integrate a Change Request for change to the Internal Rules into the Public Consultation Document must be endorsed by both the SMB and the EPC Board.

#### 4.1.7 Publication of Change Requests

All Change Requests that comply with the published EPC template for Change Requests and with the section 4.1.4 of these Internal Rules shall be submitted for Public Consultation. The SEMWG shall provide the Initiator with a written response before the start of the Public Consultation indicating the reasons in the event that a Change Request cannot be considered for the Public Consultation.

### 4.2 Process for Major Rulebook Changes

#### 4.2.1 Preparation of SEMWG Recommendation

Once a Change Request from the Initiator has been classified as a Major Change by the SEMWG, the SEMWG is responsible for analysing in detail the submitted Change Request (and if provided the related impact analysis) and for preparing its Recommendation for the Public Consultation.

The analysis of the SEMWG will also indicate if the Change Request meets the criteria set out in section 4.1.6 of these Internal Rules. The SEMWG may ask the Initiator to provide an impact analysis to demonstrate the potential of the Change Request.

The SEMWG will determine whether any Change Request which includes a request for expedited implementation in accordance with section 4.2.7 of these Internal Rules on grounds that the proposed change constitutes a non-operational change, does indeed qualify as such. If the SEMWG is satisfied that a Change Request would have no operational impact on Scheme Participants and that it is suitable for an expedited implementation, the SEMWG will make a recommendation to the SMB that the Change Request is implemented as a non-operational change in accordance with section 4.2.7.

Where the change as presented in the Change Request proposes to modify the Rulebooks and any related documentation, the SEMWG recommendation on the basis of the Change Request shall also show the likely amendments to be made to the Rulebooks and related documentation in case of implementing the proposed change.

The SEMWG shall make all reasonable efforts to complete the analysis and its recommendation for each Change Request in a timely manner. Each Change Request will be given one of the SEMWG Recommendation options below:

- a. The change is **already provided for** in the Scheme: no action is necessary for the EPC
- b. The change **should be incorporated into the Scheme**: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly
- c. The change **should be included in the Scheme** as an **optional feature**:
  - The new feature is optional and the Rulebook will be amended accordingly
  - Each Scheme Participant may decide to offer the feature to its customers, or not
- d. The change is not considered fit for SEPA wide use and could be taken up as an additional optional service (AOS) by interested communities
  - The proposed new feature is not included in the Rulebook or in the Implementation Guidelines released by the EPC with regard to the Rulebook
  - The development of AOS is out of scope of the EPC. The EPC does however publish declared AOS arrangements on the EPC Website for information
  - The EPC may consider the inclusion of AOS arrangements, if supported by a sufficient number of communities, in a future version of the Rulebook

e. The change **cannot be part** of the Scheme

- It is technically impossible or otherwise not feasible (to be explained on a case by case basis)
- It is out of scope of the Scheme
- It does not comply with the SEPA Regulation or any other relevant EU or Belgian legislation

The SEMWG will share the Public Consultation Document containing the Change Requests and the related SEMWG recommendations with the SMB, the Scheme End-User Forum (SEUF) and the EPC Scheme Technical Forum (ESTF) prior to the start of the Public Consultation on the Change Requests.

#### **4.2.2 Dialogue**

##### **4.2.2.1 With the Initiator**

In the course of developing its recommendation on the Change Request, the SEMWG may consult with the Initiator for clarification purposes. To that end the SEMWG can invite the Initiator to present its Change Request(s).

The Initiator can also ask the Secretariat to present its Change Request in further detail to the SEMWG.

##### **4.2.2.2 With the Overseer**

The Secretariat shall inform the Eurosystem's lead overseer (hereinafter referred to as "the "Overseer") in due time (no later than at the start of the public consultation) about any planned changes to the scheme which would be classified by the Overseer, according to its own criteria, as "major" (those changes will be referred to as "Major Change with an Oversight impact" for purposes of these Internal Rules).<sup>1</sup> In addition, relevant documentation where necessary shall be submitted by the Secretariat to the Overseer as soon as available.

The Overseer will then assess the significance of the change and whether an assessment is required. Furthermore, the Overseer will evaluate which Eurosystem oversight standards<sup>2</sup> may be affected by the change and communicate it to the EPC. This would in particular be the case for major changes to the design or functioning of the scheme, where such changes either significantly alter the setup of the scheme rules or introduce major new business features. Such changes may have an impact on the risk situation in the scheme and have the potential to have an impact on the level of observance of the scheme against the oversight standards if not properly managed.

Examples of changes to a scheme likely to be considered as "major" from an oversight perspective are:

- changes in the legal and/or organisational structure of the scheme;
- changes to the scheme rules, with a significant impact, including where this might affect the legal soundness of the scheme;

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<sup>1</sup> The Overseer publishes its own criteria for the classification of changes that are considered major in its oversight guide for payment schemes. This document is publicly available on [www.ECB.Europa.eu](http://www.ECB.Europa.eu)

<sup>2</sup> The Eurosystem's oversight standards for payment schemes are published on the website [www.ECB.Europa.eu](http://www.ECB.Europa.eu)

- the introduction of new business functionalities that have a significant impact on the functionality of the scheme;
- the migration of the scheme to a new business model (e.g. from four-party scheme to three-party scheme).

If a change is classified as “major” by the Overseer, the Secretariat prepares a self-assessment of the envisaged change against the oversight standards affected. The Overseer will review the self-assessment and provide feedback to the EPC in relation to the implementation of the change. In case a need is identified that would downgrade the level of compliance of the scheme against the oversight standards, the Overseer will alert the EPC and issue recommendations that would allow the EPC to reconsider the relevant Change Request before implementation.

The feedback from the Overseer to the EPC in relation to the implementation of the change should be reviewed by the SEMWG with the assistance of the LSG and a change proposal shall be submitted to the SMB along with the Change Proposals based on the comments received from the Public Consultation.

#### **4.2.3 Public Consultation on Change Request**

Once the SEMWG has concluded on its recommendations related to each Change Request, the SEMWG shall begin the process of consulting Scheme Participants and stakeholders including end users and service suppliers on the submitted Change Requests, via a Public Consultation. The Public Consultation shall start with the publication of the Public Consultation Document on the EPC Website.

The SEMWG shall aim to conclude the Public Consultations after 90 Calendar Days of publication of the Public Consultation Document on the EPC Website.

##### *Scheme Participants*

PSP communities are requested to ask their members which are Participants to the Schemes whether they support or not the Change Request or the related SEMWG Recommendation. Each PSP community then notifies the SEMWG of the outcome of such a consultation with its members. Scheme Participants, through their PSP communities, may provide comments on the Change Requests to the SEMWG.

Such community feedback is essential to determine whether a Change Request is supported by a majority of the responding Scheme Participants from that PSP community. It is a valuable contribution for the SMB during its deliberations to accept or not a Change Proposal (reference is made to section 4.2.5 of these Internal Rules).

##### *End-user and suppliers*

End-users and suppliers can give contributions through the SEUF and the ESTF as described under section 4.4 of these Internal Rules.

#### **4.2.4 Process following Public Consultation**

The SEMWG shall collect and analyse the support for each Change Request and the comments received from all Scheme Participants and stakeholders and shall develop its Change Proposals based on the comments received from the Public Consultation.

A Change Proposal as developed by the SEMWG may bring together more than one change, developed from one or more Change Requests.

The SEMWG will consolidate the Change Proposals, along with each Change Request and the related non-confidential comments received from the contributors during the Public Consultation, in the Change Proposal Submission Document.



The Change Proposal Submission Document shall indicate that each stage of the change management process, from initiation to consultation, has been properly completed in respect of the Change Request submitted.

The Change Proposal Submission Document is then submitted to the SMB for decision-making purposes in accordance with section 4.2.5 of these Internal Rules, and to the SEUF and the ESTF. The SEUF and the ESTF formulate their respective positions as described in section 4.4 of these Internal Rules and address them to the SMB for its final deliberations in accordance with section 4.2.5.

#### **4.2.5 SMB Deliberations on the SEMWG Change Proposal Submission Document and on the Positions from the EPC Stakeholder Fora**

The SMB deliberates on the Change Proposal Submission Document from the SEMWG and the position documents from the SEUF and the ESTF. The SMB shall finally determine whether or not to accept a Change Proposal after consideration of the position from the EPC Stakeholder Fora in accordance with section 4.4 of these Internal Rules.

If the SMB considers that the Change Proposal could be of strategic relevance to the EPC, for example when the Change Proposal relates to the geographic scope of the SEPA Schemes or to the Change release process and cycle itself, the Change Proposal shall be submitted for endorsement to the EPC Board, without which it could not be accepted by the SMB.

#### **4.2.6 Publication**

The Change Proposal Submission Document submitted to the SMB shall be published on the EPC Website along with the decision of the SMB on each Change Proposal. The SEMWG shall publish all Change Requests and Change Proposals, irrespective of whether the change has been accepted or rejected at the SMB.

#### **4.2.7 Change Release Process Cycle**

The SMB shall launch a Change Release Process at a minimum every two years but may at its discretion decide on a shorter cycle. This will ensure that Scheme Participants and stakeholders have sufficient time to gain sufficient experience with the respective changes of the last change cycle. This should further ensure Scheme stability for all actors.

In order to ensure that the Schemes are not disrupted by the rapid implementation of numerous Change Proposals in a short space of time, it shall not be possible for the SMB to approve more than 1 Change Proposal Submission Document in any year, except in exceptional circumstances (see sections 4.2.8 and 4.2.9 of the Internal Rules).

The EPC may only implement a Change Proposal, as approved by the SMB, at the earliest 6 months after the date on which the Change Proposal is published on the EPC Website in accordance with section 4.2.6. In respect of complex changes, the EPC may specify a longer period of notice before implementing a Change Proposal.

The EPC may implement a Change Proposal on shorter notice where the change proposed pertains to any section of these Internal Rules. Changes proposed to any section of these Internal Rules shall take effect on a date to be determined by the SMB but not earlier than 30 calendar days after SMB approval.

A change which has been designated by the SMB as a non-operational change suitable for expedited implementation under section 4.2.1 of these Internal Rules may be implemented at a date earlier than 6 months after the date on which the Change Proposal is published on the EPC Website. Such date will be determined by the SMB on a case by case basis following consideration of a recommendation from the SEMWG.

#### **4.2.8 Exceptional Change**

In exceptional circumstances, the SMB can approve the urgent implementation of a Change Proposal only in cases whereby the failure to implement a change may result in a disruption to the Schemes or to users of the Schemes (e.g., material mistakes or significant flaws in the Scheme are reported).

The SEMWG shall prepare, in close cooperation with the LSG, an Exceptional Change Proposal Submission Document for submission to the SMB alongside the Exceptional Change Proposal. The SEUF and the ESTF will provide their respective position documents on the Exceptional Change Proposal to the SMB.

The SMB shall determine whether or not to accept the Exceptional Change Proposal.

An Exceptional Change Proposal that has been considered by the SMB shall be published on the EPC Website together with the Exceptional Change Proposal Submission Document and the decision of the SMB.

The EPC may implement an Exceptional Change Proposal, as approved by the SMB, at the earliest from the business day following the date on which the Exceptional Change Proposal is published on the EPC Website. Such date will be determined by the SMB on a case by case basis.

#### **4.2.9 Change for Regulatory Reasons**

The creation of or amendments to relevant rules and regulations (including the technical requirements set out in the Annex to the SEPA Regulation as amended by the European Commission from time to time) might necessitate the urgent alignment of the Schemes with such rules and regulations.

In such case the SEMWG, in close collaboration with the LSG, will prepare a Regulatory Change Proposal. This will be done as soon as reasonably possible, in light of the date on which the new or amended rules and regulations will enter into force.

The SEMWG shall complete a Regulatory Change Proposal Submission Document for submission to the SMB alongside the Regulatory Change Proposal. The Regulatory Change Proposal Submission Document shall specify that the change proposed relates to a mandatory rule of law, and the reasons why the regular change management process could not be followed.

The SMB shall determine whether or not to accept the Regulatory Change Proposal.

A Regulatory Change Proposal that has been considered by the SMB shall be published on the EPC Website together with the Regulatory Change Proposal Submission Document and the decision of the SMB.

The EPC may implement a Regulatory Change Proposal, as approved by the SMB, at the earliest from the business day following the date on which the Regulatory Change Proposal is published on the EPC Website. Such date will be determined by the SMB on a case by case basis following consideration of a recommendation from the SEMWG and the LSG.

#### **4.3 Process for Minor Rulebook Changes**

The SEMWG shall notify the list of Minor Changes within the Public Consultation Document used for Major Rulebook Changes (see section 4.2.3 of these Internal Rules).

As Minor Changes do not affect the substance of the Rulebooks or the Schemes, the contributors taking part in the Public Consultation are not requested to provide comments to these Minor Changes. These Changes will also be included in the SEMWG Change Proposal Submission Document (see section 4.2.4 and 4.2.5 of these Internal Rules).

In the event that the SEMWG receives extensive comments on the list of Minor Changes, where some items on the list are identified by contributors as potentially Major Changes, the SEMWG may remove the item from the List and consider re-classifying this item.

The SEMWG shall consult with the relevant Initiator(s) on the status of the item with a view to determining whether a change is a Minor or a Major Change. Following such a consideration, the change may be re-classified as a Major Change and to be approved through the approval process for Major Changes, as set out in these Internal Rules.

#### **4.4 EPC Stakeholder Fora**

The SMB shall consider the position documents from the EPC Stakeholder Fora on a Change Request and on the relevant Change Proposal during the change management process. End-users and suppliers shall have an opportunity to present their views through stakeholder fora. The change management process shall aim to capture a range of stakeholder opinions in SEPA.

##### **Scheme End-User Forum (SEUF)**

The SEUF is established in order to cater for a thorough consultation of end-user representative associations for advice to the SMB on the evolution of the Schemes.

The SEUF shall represent a wide cross-section of interest groups at the European level, including consumers, large users and small and medium sized enterprises. This stakeholder forum shall operate in accordance with terms of reference concluded with the SMB.

The SMB shall request through a public call for SEUF candidates, properly established, representative European end-user associations or major pan-European end-users with presence in multiple countries to nominate a representative(s) to the SEUF (one member per eligible stakeholder association or end-user at the European level). The representative(s) nominated by such groups, together with up to five SEMWG members (including its Chair), shall form the SEUF.

It is open for organisations nominating a representative to withdraw a member from this forum at any stage and replace this member with another representative. However, to encourage continuity in the work of the forum, the forum should aim, as far as reasonably possible to have a stable and committed membership.

The SMB shall have discretion in deciding whether a stakeholder group at the European level is sufficiently established to qualify as a nominating stakeholder group.

The SEUF will meet at least twice per year to reflect on the maintenance and evolution of the Schemes.

The SEUF has no decision making power but is a consultative body to the SMB.

The SEUF is invited to provide its consolidated comments in a position document on the Change Requests and on the related Change Proposals outlined in the Change Proposal Submission Document. This position document will be communicated to the SMB.

##### **EPC Scheme Technical Forum (ESTF)**

In addition to consulting Scheme Participants and Scheme end-users, the SMB shall facilitate the establishment of a stakeholder forum for various types of technology and service providers including Clearing and Settlement Mechanisms (CSMs) in SEPA.

The ESTF is established for consultation and advice to the SMB, and for the provision of relevant Scheme related information to technical players.



The SMB shall request through a public call for ESTF candidates, properly established, representative European technical player associations or major technical players with presence in multiple countries to nominate a representative(s) to the ESTF (one member per eligible association or player). The representative(s) nominated by such groups, together with up to five SEMWG members (including its Chair), shall form the ESTF.

It is open for organisations nominating a representative to withdraw a member from this forum at any stage and replace this member with another representative. However, to encourage continuity in the work of the forum, the forum should aim, as far as reasonably possible to have a stable and committed membership.

The SMB shall have complete discretion in deciding whether a stakeholder group at the European level is sufficiently established to qualify as a nominating stakeholder group.

The ESTF will meet at least twice per year to be informed and provide advice on the management and evolution of the Schemes.

The ESTF is invited to provide its consolidated comments in a position document on the Change Requests and on the related Change Proposals outlined in the Change Proposal Submission Document. This position document will be communicated to the SMB.

#### **4.5 Process for Changes to the Risk Management Annex (RMA)**

Every other year preceding the two-yearly (biennial) rulebook change management cycle the SEMWG shall together with EPC's Payment Security Support Group (PSSG) carry out a joint review of each of the existing Schemes' risk management annex (RMA) which is included in a non-public annex to the Rulebooks.

The scope of the review and any changes to the RMA shall be limited to risk management aspects and practices which are described in each scheme-specific RMA.

Before any conclusions of the joint SEMWG-PSSG review are submitted to the SMB for decision, the Secretariat shall present the conclusions in a comprehensive document and share the proposed changes to the RMA – per scheme – in a one-month consultation addressed to the relevant Scheme Participants. The document outlining the proposed changes to the RMA shall be circulated electronically by the Secretariat to all Scheme Participants concerned.

The results and the feedback from the consultation of the Scheme Participants shall be reviewed and processed jointly by the SEMWG and PSSG. The final conclusions from the joint review of the consultation shall be presented to the SMB in a final change proposal submission document – including the most important comments from Scheme Participants – before any decision on amendments to the RMA(s) is taken by the SMB.

At the end of this review process the SMB will - at each second meeting that follows the publication of the new version of all Rulebooks - receive an updated version of each RMA for its review and final approval. The SMB may however decide on a different approval and implementation schedule based on its reasoned decision.

The updated RMA would then enter into force on the same date as the entry-into-force of the new version of the Rulebooks (i.e. on the third weekend of November).

The SMB may however – in the case of newly identified risks requiring urgent attention – based on a recommendation from the SEMWG and if appropriate from the PSSG approve and circulate at any time an updated version of the RMA to all Scheme Participants. In such event, the SMB will decide on a reasonable implementation date for the Scheme Participants.

The decision on changes to the RMA shall be communicated swiftly by the Secretariat to the Scheme Participants.

## **5 Appendix 1 – Impact Analysis**

### **5.1.1 Impact Analysis ("IA") - Introduction**

An IA evaluates the impact of a Change Request together with a practical assessment of its benefit for the industry, including the Scheme Participants, the end-user, and the society as a whole.

### **5.1.2 IA - Analytical Parameters**

An IA shall illustrate the following:

- The impact for the industry, including Scheme Participants and suppliers of payments technology and infrastructure including costs and benefits;
- The impact on the relationships PSP-to-customer, inter-PSP and customer-to-PSP and, where appropriate, other parties involved in the payment; and
- The impact for end-users and for SEPA as a whole, showing where the impact of the Change Request will be felt across the different areas of the SEPA payments environment.

#### *Impact for Industry*

An IA should clearly show all the consequences that would result when implementing a Change Request.

The benefits for industry shall be determined mainly by the added value of a new service to the end-users, or by the added value to the existing service provided to the end-users. Accordingly, the IA shall include information on the likely end-user uptake of the Change Request by including results of any surveys, research or projections.

#### *Benefits for End-Users and SEPA*

The IA shall consider the wide benefit accruing to end-users and to society as a whole as part of any analysis.

The wider social benefits of a Change Request may be seen in the benefits it holds for technological innovation, faster service delivery or financial stabilisation.

### **5.1.3 IA - Results**

An IA outlines the financial and non-financial effects of the Change Request for Scheme Participants, end-users and suppliers.

The IA or the Change Request itself shall set out the efforts for upgrading technology and infrastructure to deal with the change together with an analysis of the general risks that may impact on the implementation of the new changes.

If an IA shows that the benefits do not justify the efforts involved, it is expected that this will lead to the rejection by the SMB of the Change Request and the related Change Proposal.

In some cases, where the IA shows that the change would be positive for end-users but costly for the industry, this analysis is likely to contribute to a debate at the level of end-users, suppliers and the SMB. Such a debate may focus on the funding arrangements necessary for re-distributing the costs involved. In such cases, the SMB shall exercise its discretion in determining the feasibility of changes while taking into account the views expressed in the consultation process (e.g., Public Consultation, position documents from the SEUF and the ESTF).

## **6 Appendix 2 - Conflicts of Interest**

### **6.1 Rules for Managing Conflicts of Interest**

#### **6.1.1 General Principles**

A member of the SMB may be faced with a situation where the duties owed by him or her under these Internal Rules conflict in some way with another interest, duty or consideration of the member.

A member of the SMB must be alert to such conflicts of interest, or potential conflicts of interest arising in the course of his or her engagement with the SMB.

In order to ensure that the Schemes are administered in accordance with the highest standards of fairness and transparency, a member of the SMB must monitor any conflicts of interest arising or potentially arising in the course of his or her office.

On appointment, each Independent Member of the SMB must supply the NGC with a written list of issues that create or that may create a conflict of interest in the course of his or her office. If a new issue which could create a conflict of interest would arise in the course of a member's appointment to the SMB, that member will, without delay, inform the NGC accordingly.

A member of the SMB shall be expected to declare any actual or potential conflicts of interests at the start of any meeting involving the SMB. A note of such a declaration must be retained in accordance with section 6.1.2 below.

Any member of the SMB may inform an appropriate person like the Chair that he or she feels that a member of the SMB or the SMB as a whole is subject to a conflict of interest, or that a conflict of interest might reasonably be expected to arise. In such cases, the Chair shall act in an appropriate manner to ensure that the conflict of interest is managed effectively and transparently. Where the Chair is subject to a conflict of interest, he or she may nominate another person within the SMB to manage the conflict on his or her behalf. Where all the members of a body are subject to a conflict of interest, the body must request the NGC to take appropriate action.

Where a conflict exists or where one might reasonably be expected to arise, the member must declare the conflict and the Chair, acting together with other members of the SMB shall decide whether a conflict does indeed exist and how such a conflict should be managed. Where a conflict of interest is deemed to exist or where one might reasonably be expected to arise, the Chair, acting together with the other members of the SMB, must determine whether the affected member should refrain from voting on the relevant issue before him or her.

#### **6.1.2 Record Keeping**

The SMB shall keep a record of each case where a conflict of interest has arisen or where one has been likely to arise, together with the action taken by the relevant member or body to manage the conflict.

The SMB shall also record cases where a conflict of interest was suspected but where, after analysis, such a conflict was deemed not to have arisen.

Such records shall be open to inspection by the EPC and to such other persons as the SMB may consider appropriate.

#### **6.1.3 Field of Application**

The provisions of this Appendix 2 on conflicts of interest shall apply mutatis mutandis to the members of the CAC and to the members of the Appeals Committee.

## **7 Appendix 3 - Scheme Management Cost Allocation**

### **7.1 Scheme participation fee**

The EPC may set an annual Scheme participation fee to recover the costs related to the Scheme Management function performed by the EPC and the Scheme Management governance bodies.

These fees may be levied at the individual Scheme Participant level, or at group level, for those Scheme Participants which are part of a 'group' as defined in the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (the EMIR Regulation) as amended from time to time, or for those Scheme Participants located in a country outside the European Economic Area and within the geographical scope of the Schemes, which are part of a group meeting substantially equivalent requirements as referred to in the definition of a 'group' in the EMIR Regulation.

The applicable fees will be fixed in a fair, reasonable and non-discriminatory way by the EPC Board upon a proposal submitted by the SMB based on the fee setting mechanism approved by the EPC Board upon recommendation by the SMB, and will be made public on the EPC Website.

By derogation of the above fee setting process, the first annual participation fee will be set in accordance with principles and parameters agreed by the EPC Plenary in December 2014 on the basis of a recommendation by the EPC's Coordination Committee and will be made public on the EPC Website.

### **7.2 Main cost types in a dispute resolution procedure**

Three types of costs are identified:

- Administrative costs, incurred by the EPC for administering and monitoring the relevant proceedings (including all disbursements in connection with a particular case, for example, postage, international courier services, telephone, faxes, copies, etc.);
- Legal fees and expenses, incurred by the EPC including costs for travel, lodging and clerical assistance; and
- Litigation or dispute resolution costs incurred by the parties in question, including fees and expenses of any lawyers engaged, as well as amounts incurred on the presentation and preparation of the case.

### **7.3 Rationale for dispute resolution cost recovery mechanism**

The rationale for the dispute resolution cost recovery mechanism centres on a non-refundable administrative fee. This centres on the position that the individual Scheme Participants benefiting from the Scheme Management conciliation, complaint and appeal activities should be responsible for the costs arising from them (in whole or in part). In addition, given the EPC's core activity is to develop and design payment schemes and frameworks to realise SEPA, it would be unfair for the EPC membership to subsidise the Scheme Management conciliation, complaint and appeal proceedings.

Moreover, there are some initial administrative and handling costs involved in the various stages of the conciliation, complaint and appeal activity. These should be recoverable from the Scheme Participants either requesting or affected by the conciliation, complaint and appeal proceedings.

It is therefore appropriate for the filing Scheme Participant to pay to the EPC a flat fee to cover these costs as an 'upfront fee' for such activities. Such a fee is recoverable from the other Scheme Participant involved in the action if the Scheme Participant initiating the procedure is successful at the end of the proceedings.

In addition, any relevant non-administrative EPC costs incurred during the course of the proceedings shall be recovered from the losing party.

#### **7.4 Level of the non-refundable administrative fee for dispute resolution**

As a non-profit organisation, the EPC ensures that there is no material 'profit' mark-up resulting in a material gain for the EPC when setting the non-refundable administrative fee.

The upfront fee payable to the EPC per single conciliation, complaint and appeal case by the concerned Scheme Participant initiating the proceeding is estimated to be as at [8 October 2014]:

- Conciliation: 2.000 EUR
- Complaint: 2.000 EUR
- Appeal: 3.000 EUR

The level of these fees will be regularly reviewed by the SMB and the EPC Board.

## 8 Terms Defined in the Internal Rules

Definitions taken from other documents are acknowledged. Terms defined elsewhere in this document are not repeated here, but only referenced.

| Term                                       | Definition  |
|--|---|
| <b>Additional Optional Services</b>        | Complementary features and services based on the Schemes, as described in more detail in the Rulebooks.   |
| <b>Adherence Agreement</b>                 | The agreement to be completed as part of the process by which an entity applies to become a Scheme Participant. The agreement is found at Annex 1 of the Rulebooks.   |
| <b>Admission Date</b>                      | A date specified for admission to one of the Schemes for a group of successful applicants.  |
| <b>Affected Participant</b>                | A Scheme Participant that is subject to proceedings before the CAC in accordance with section 3.4 of these Internal Rules.  |
| <b>Business Identifier Code (BIC)</b>      | An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions (ISO 9362).  |
| <b>BIC</b>                                 | <i>See 'Business Identifier Code'.</i>  |
| <b>Business Day</b>                        | A day on which PSPs in the relevant jurisdiction are generally open for business with customers.  |
| <b>Calendar Day</b>                        | A Calendar Day means any day of the year  |
| <b>Chair</b>                               | Chair refers to the Chair of the SMB  |
| <b>Change Proposal</b>                     | A Change Proposal is formulated by the SEMWG on the basis of the Initiator's Change Request. A Change Proposal should take into account any impact analysis that may be submitted together with the Change Request, and any other details in relation to the change proposed. Where the change proposed in the Change Request modifies the Rulebooks or related documentation, a Change Proposal shall include a mark-up of the Rulebooks and related documentation to show the amendments required to be made to the Rulebooks and related documentation as a result of the change proposed. |
| <b>Change Proposal Submission Document</b> | Is a consolidation of the Change Requests, the related non-confidential comments received from the contributors during the Public Consultation and the related Change Proposals. The document is prepared by the SEMWG and certifies that each stage of the change management process has been properly completed.  |



| <b>Term</b>                          | <b>Definition</b>  |
|--------------------------------------|--|
| <b>Change Request</b>                | A Change Request means any concrete and comprehensible proposal for making a change to the Schemes which is to be presented along with a substantiated reasoning. A Change Request may be devised by any individual or organisation that is able to claim a legitimate interest in this change management process (the “Initiator”) and then submitted to the Secretariat in accordance with the procedures set out in these Internal Rules.   |
| <b>Commencement Date</b>             | The date on which the EPC resolves to commence operation of the Scheme in accordance with section 5.1 of the Rulebooks.  |
| <b>CSMs</b>                          | Clearing and Settlement Mechanisms   |
| <b>Customer Banking Business Day</b> | A Customer Banking Business Day is a day on which PSPs in the relevant jurisdiction are generally open for business with customers.  |
| <b>EBA</b>                           | European Banking Association   |
| <b>ECSA</b>                          | European Credit Sector Association   |
| <b>EPC</b>                           | The European Payments Council  |
| <b>EPC Charter</b>                   | The Charter of the European Payments Council dated 18 June 2004, as amended from time to time.   |
| <b>ESTF</b>                          | EPC Scheme Technical Forum   |
| <b>EU</b>                            | The European Union   |
| <b>Event of Default</b>              | Each event indicating that a Scheme Participant is no longer able to pay its debts as they fall due, becomes or became insolvent or has ceased to exist (each an Event of Default), including but not limited to the failure of a Scheme Participant to pay the fees mentioned in section 1.4 of these Internal Rules.   |
| <b>IA</b>                            | Impact Analysis  |
| <b>Independent Member</b>            | An Independent Member is a member who can display the highest standard of professional integrity and objectivity in relation to Scheme Management. An Independent Member should be a professional of good repute, with appropriate skills, who has a reasonable knowledge of the payments services sector but who is not employed or is otherwise affiliated with a Scheme Participant or its PSP communities, service providers or a payment services user group or user association. |
| <b>Initiator</b>                     | Any individual or organisation submitting a Change Request   |
| <b>Internal Rules</b>                | These are the internal rules for Scheme Management set out in this document, as amended from time to time.   |





| Term  | Definition  |
|---|---|
| <b>List of Minor Changes</b>                | As defined in section 4.3 of these Internal Rules   |
| <b>LSG</b>                                  | EPC Legal Support Group   |
| <b>Major Change</b>                         | As defined in section 4.1.6 of these Internal Rules   |
| <b>Minor Change</b>                         | As defined in section 4.1.6 of these Internal Rules   |
| <b>NASO</b>                                 | National Adherence Support Organisation, as explained in section 3.2.3 of these Internal Rules.   |
| <b>National Community</b>                   | The Scheme Participants from one and the same country.  |
| <b>NGC</b>                                  | Nominating and Governance Committee   |
| <b>Payment Services Directive</b>           | The EU Directive on payment services in the internal market, and any revision thereof.  |
| <b>PSP</b>                                  | Payment Service Provider  |
| <b>Rulebooks</b>                            | Cover the SEPA Credit Transfer Scheme Rulebook, the SEPA Instant Credit Transfer Scheme Rulebook, the SEPA Direct Debit Core Scheme Rulebook and the SEPA Direct Debit Business to Business Scheme Rulebook.  |
| <b>Scheme</b>                               | Each of the SEPA Direct Debit Schemes and each of the SEPA Credit Transfer Schemes  |
| <b>Scheme Participant</b>                   | Is an entity that has adhered to one or more EPC SEPA Schemes in any capacity.  |
| <b>Scheme Participants Assembly</b>         | The Scheme Participants Assembly is composed of all EPC Scheme Participants (who can be represented), gathering via electronic means.   |
| <b>Secretariat</b>                          | The EPC Secretariat   |
| <b>SEMWG</b>                                | Scheme Evolution and Maintenance Working Group  |
| <b>SEPA</b>                                 | SEPA is the area where citizens, companies and other economic actors are able to make and receive payments in euro within Europe. SEPA comprises the countries listed in the official EPC list of SEPA countries as published by the EPC from time to time. |
| <b>SEPA Credit Transfer Schemes</b>         | The SEPA Credit Transfer Schemes are the payment schemes for making credit transfers across SEPA, as set out in the SEPA Credit Transfer Scheme Rulebook and the SEPA Instant Credit Transfer Scheme Rulebook.  |
| <b>SEPA Credit Transfer Scheme Rulebook</b> | The Rulebook setting out rules and business standards for the SEPA Credit Transfer Scheme, as amended from time to time.  |





| Term  | Definition   |
|---|--|
| <b>SEPA Instant Credit Transfer Scheme Rulebook</b>           | The Rulebook setting out rules and business standards for the SEPA Instant Credit Transfer Scheme, as amended from time to time.   |
| <b>SEPA Direct Debit Schemes</b>                              | The SEPA Direct Debit Schemes are the payment schemes for issuing direct debit collections across SEPA, as set out in the SEPA Direct Debit Core Scheme Rulebook and the SEPA Direct Debit Business to Business Scheme Rulebook. |
| <b>SEPA Direct Debit Core Scheme Rulebook</b>                 | The Rulebook setting out rules and business standards for the SEPA Direct Debit Core Scheme, as amended from time to time.   |
| <b>SEPA Direct Debit Business to Business Scheme Rulebook</b> | The Rulebook setting out rules and business standards for the SEPA Direct Debit Business to Business Scheme, as amended from time to time.   |
| <b>SEPA Regulation</b>  | 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   |
| <b>SEPA Scheme</b>  | A SEPA payment scheme is a common set of business rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at an inter-PSP level in a competitive environment.                         |
| <b>SEPA Scheme Management</b>                                 | SEPA Scheme Management denotes the governance, development and compliance mechanisms in relation to a SEPA Scheme.   |
| <b>SMB</b>  | Scheme Management Board  |
| <b>SEUF</b>   | Scheme End-User Forum  |
| <b>Suggestion</b>   | A Suggestion is an idea for change to the Schemes, proposed to the SEMWG.  |
| <b>Unresolved Issue</b>                                       | Any dispute in relation to one of the Rulebooks.   |



## **ANNEX III RULEBOOK AMENDMENTS AND CHANGES SINCE 2017 VERSION V1.3**

THIS ANNEX IS NOT A PART OF THE RULEBOOK AND IS INCLUDED IN THE  
RULEBOOK FOR INFORMATION PURPOSES ONLY

## List of Changes in SCT Rulebook 2019 version 1.0 Compared to 2017 version 1.3

### Key:

Column one contains the rulebook reference

Column two contains a description of the amendment

Column three contains the type of amendment, as classified below:

- TYPO: typing and layout errors
- CLAR: clarification of the text
- CHAN: change of the Rulebook content

Note: for further background details on the changes below, please consult the document 'EPC122-18 v1.0 Change Proposal Submission Document after 2018 public consultation on SCT change requests' made available on the EPC Website.

| Reference | Description  | Type |
|-----------|--|------|
| 0.1       | Review of a number of document references (changes in reference numbering and document numbers)  | CLAR |
| 0.5.1     | Inclusion of important clarification specifications on the Customer-to-Bank IGs (see change request (CR) #01), and of a reference to the Extended Remittance Information (ERI) option  | CHAN |
| 0.5.3     | A new rulebook section on the ERI option (CR #09)  | CHAN |
| 1.3       | Editorial update of figure 1 (no content change)   | TYPO |
| 1.3       | Removal of words in: • The demand for payment services using a <del>customer</del> credit transfer   | TYPO |
| 2.7       | Inclusion of reference to ERI in the section title, and a new last paragraph on ERI (CR #09)   | CHAN |
| 3.2       | Editorial update of figure 2 (no content change)   | TYPO |
| 4.3.1     | CT-01.02: rewording on the provision of a BIC (CR #25)   | CHAN |
| 4.3.2     | The section 4.4 Exception processing flow has become section 4.3.2 – the section on Recall processing is now a subsection of 4.3.2 (CR #08).<br>This results in the renumbering of all subsequent sections under Chapter 4: 4.5 becomes 4.4 for SCT inquiries, 4.6 becomes 4.5 for the datasets, 4.7 becomes 4.6 for the attributes. | CLAR |
| 4.3.2.3   | Rewording on the new subsection on Recall processing (CR #02 -several clarifications and reformulations- and #18 -extension of response deadline to 15 Banking Business Days-)   | CHAN |
| 4.3.2.3   | Update of figure 4 on Recall process: editorial update and inclusion of new process step CT-02.07  | CHAN |
| 4.3.2.4   | Renumbered section on Request for Recall by the Originator (RFRO): rewording done (CR #03 -several clarifications and reformulations- and #18 -extension of response deadline to 15 Banking Business Days-)  | CHAN |
| 4.5.1     | DS-01 C2B SCT Information:<br>Removal of the mandatory character of the attribute BIC of the Beneficiary Bank in case of an SCT transaction including at least one SCT scheme participant located in a non-EEA SEPA country (CR #25)   | CHAN |
| 4.5.1     | Updated wording in 'Rules applied': inclusion of important clarification specification on the Customer-to-Bank IGs (CR #01),   | CHAN |



| Reference       | Description   | Type |
|-----------------|---|------|
| 4.5.1           | Updated wording in 'Remarks':<br>– Clarification about the circumstances in which a BIC of the Beneficiary Bank must be provided (CR #25)<br>– Clarification what a Beneficiary can do when it wishes to transfer back funds to the Originator but does not have the IBAN of the Originator (CR#17)   | CHAN |
| 4.5.5           | DS-05 Recall of SEPA Credit Transfer: new sentence at the end of 'Remarks' (CR #02)   | CHAN |
| 4.5.7           | DS-07 Request for Recall by the Originator: rewording of the second sentence in 'Remarks' (CR #03)  | CHAN |
| 4.5.10          | DS-10 Response-to-SCT-Inquiry: rewording of the attribute AT-83 Non-receipt of the SEPA Credit Transfer/ <u>non-execution due to regulatory reason</u> (CR #07)   | CHAN |
| 4.6             | Rewording of the attribute AT-83 Non-receipt of the SEPA Credit Transfer/ <u>non-execution due to regulatory reason</u> (CR #07)  | CHAN |
| 4.6.1           | AT-23 The BIC code of the Beneficiary Bank: rewording of the description (CR #25)   | CHAN |
| 4.6.1           | AT-48 The Recall reason code; inclusion of "Request for status update" in the value range (CR #02)  | CHAN |
| 4.6.1           | AT-55 Reason code for non-acceptance of the Request for Recall by the Originator: inclusion of extra reasons in the value range (CR #03)  | CHAN |
| 4.6.1           | AT-83 Non-receipt of the SEPA Credit Transfer/ non-execution due to regulatory reason: extension of the description (CR #07)  | CHAN |
| 4.6.1           | AT-R3 The reason code for non-acceptance of the SEPA Credit Transfer:<br>Inclusion of extra reason under Reject:<br>– ERI Option not supported (CR #09)<br>– Settlement of the SEPA Credit Transfer failed (CR #28)<br>Inclusion of extra reason under Return:<br>– ERI Option not supported (CR #09)<br>– Beneficiary Bank not registered under this BIC in the CSM (CR #28) | CHAN |
| 5.2             | Inclusion of important compliance specifications on the Customer-to-Bank IGs (CR #01) and on the ERI option (CR #09)  | CHAN |
| 5.7             | Obligation 11): updated stipulation about the circumstances in which a BIC of the Beneficiary Bank must be provided ("...when requested by the Originator Bank...") (CR #25)  | CHAN |
| 5.7             | In the first paragraph after the first list of obligations: updated stipulations about the circumstances in which a BIC of the Beneficiary Bank must be provided (CR #25)   | CHAN |
| 7               | Inclusion of the definitions 'ERI Option' and 'ERI Option Participant' (CR #09)   | CHAN |
| 7               | Updated definition of the term 'Major Incident' (regulatory change)   | CHAN |
| 7               | Inclusion of the definition of the term 'Payment Account'   | CLAR |
| Entire rulebook | The following terms have been adapted (changes highlighted in bold):<br>– Customer<br>– Payment Account   | TYPO |
| Entire rulebook | Removal of footnotes referring to articles in PSD1  | CLAR |
| Annex V         | New rulebook annex on the ERI option  | CHAN |



## **ANNEX IV RISK MANAGEMENT**

The document (EPC173-17) has a restricted distribution and is therefore not included here.

Should Participants wish to provide suppliers with a copy of this Risk Management Annex, they must do this under a non-disclosure agreement. A suggested text is included here, but Participants may use their own document if they prefer.



## Example non-disclosure agreement

**[To be typed on headed notepaper of the Bank disclosing information]**

[Insert name and address of person receiving information] [Insert date]

Dear Sirs,

### **SEPA CREDIT TRANSFER SCHEME - RISK MANAGEMENT ANNEX**

This letter, which is to be understood as a legally binding agreement (hereinafter referred to as "Agreement") is to agree the basis upon which we will supply and/or have supplied to you Confidential Information in relation to the SEPA Credit Transfer Scheme. In consideration of us supplying you with certain Confidential Information necessary for you to perform your functions under the commercial arrangements between us, you agree as follows:

#### **1. KEEPING CONFIDENTIAL INFORMATION CONFIDENTIAL**

You shall keep the Confidential Information confidential and, in particular, you shall:

- a) keep all documents and other material containing, reflecting, or which are generated from the Confidential Information separate from all other documents and materials and at your usual place of business in [insert name of country];
- b) exercise in relation to the Confidential Information no lesser security measures and degree of care than those which you apply to your own confidential information (and which you warrant as providing adequate protection against any unauthorised disclosure, copying or use).

#### **2. DEFINITIONS**

In this Agreement:

2.1 "Confidential Information" means any information contained within the Risk Management Annex to the SEPA Credit Transfer Scheme Rulebook disclosed (whether before or after the date of this Agreement and whether in writing, orally or by any other means and whether directly or indirectly) by us or by another person on our behalf to you or to another person on your behalf.

2.2 Shall not be considered as "Confidential Information" information which:

2.2.1 is already known to you, unless this information too was provided subject to a non-disclosure undertaking; and/or

2.2.2 has been gathered by you independently of us; and/or

2.2.3 has lawfully been obtained by you from a third party, without any duty of secrecy; and/or

2.2.4 has already been released into the public domain by the person lawfully entitled.

#### **3. DISCLOSURE OF CONFIDENTIAL INFORMATION**

3.1 You shall not disclose the Confidential Information to another person except that you may disclose the Confidential Information:

- a) to your employees [professional advisors, authorised representatives or sub-contractors] to the extent that it is essential to enable you to perform your functions (need to know basis).



- b) if disclosure is required by law, by a court of competent jurisdiction or by another appropriate regulatory body provided that you shall use all reasonable efforts to give us not less than [two business days'] notice in writing of that disclosure.

3.2 You shall use all reasonable efforts to prevent the disclosure of the Confidential Information except as mentioned in paragraph 3.1.

3.3 You shall ensure that each person to whom Confidential Information is disclosed pursuant to paragraph 3.1(a) complies with the terms of this Agreement as if that person was a party to this Agreement.

#### **4. ENTRY INTO FORCE AND DURATION**

4.1 This Agreement shall enter into force upon signature by both parties to this Agreement.

4.2 All the undertakings fixed in this Agreement shall be of indefinite duration.

4.3 The provisions of this Agreement shall remain in force even after the termination of the commercial arrangements/agreements between the parties to this Agreement.

4.4 You shall, within [7 (seven) business days] of a written request from us, and in any event upon termination of our commercial arrangements/agreement, return to us all documents and other material in the possession, custody or control of you or any of the persons falling within the exception mentioned in paragraph 3.1 (a) that contain any part of the Confidential Information and shall ensure that both you and such persons erase all Confidential Information held in electronic form on any computer, electronic file storage system or other electronic device (other than copies of computer records and/or files containing any Confidential Information which have been created pursuant to automatic archiving or back-up procedures).

#### **5. FURTHER AGREEMENTS**

5.1 We accept no responsibility for and make no representation or warranty, express or implied with respect to the truth, accuracy, completeness or reasonableness of the Confidential Information. We are not liable to you or another person in respect of the Confidential Information or its use.

5.2 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

#### **6. GOVERNING LAW**

6.1 This Agreement is governed by [insert choice of law].

6.2 Disputes resulting from or in connection with the Agreement shall be referred to the competent court in [insert competent court].

6.3 Please indicate your full acceptance of this Agreement by signing and returning the enclosed copy of this Agreement to us.



Yours faithfully

---

for and on behalf of  
[ ]

Agreed and accepted by

---

for and on behalf of  
[ ]

Dated [ ]





## **ANNEX V    EXTENDED REMITTANCE INFORMATION (ERI) OPTION**



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## **0 Introduction to this Annex**

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

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

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

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

1. This Annex of the Rulebook: it covers the specific business and operational rules, and rights and obligations of the ERI Option;
2. The adapted ISO 20022 XML message standards for the C2B and the Interbank messages defined in [11] and [1] of the Rulebook.



## **1. VISION AND OBJECTIVES**

### **1.7 The Business Benefits of the Scheme**

#### **For Originators and Beneficiaries as users:**

*(Addition at the end of the section)*

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

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

#### **For Participants**

*(Addition at the end of the section)*

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

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



## **2. Scope of the Scheme**

### **2.2 Description of Scope of the Scheme**

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

*(Addition at the end of the section)*

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

### **2.6 Reachability**

*(Addition at the end of the section)*

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

### **2.7 Remittance Data**

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

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

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

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

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



## **4. Business and Operational Rules**

### **New section 'ERI Processing'**

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

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

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

- The ERI is transmitted from the Originator to the ERI Option Participants based on the ISO 20022 XML Customer-to-Bank messages described in [11] and the ISO 20022 XML Inter-Bank messages described in [1] of the Rulebook;
- Each ERI Option Participant determines with its CSM and Intermediary Banks how to transport the ERI up to the ERI Option Participant-counterparty;
- The Beneficiary Bank passes as a minimum the occurrences of structured RI to the Beneficiary. The Beneficiary Bank is free to arrange with the Beneficiary to submit as well the unstructured RI;
- The exchange of ERI between the Beneficiary Bank and the Beneficiary is only made available through an agreed **electronic** format (preferably based on ISO 20022);
- In case the Beneficiary Bank is an ERI Option Participant but the Beneficiary has not arranged with the Beneficiary Bank on the delivery and the presentation of ERI, the Beneficiary Bank removes the occurrences of structured RI and transmits only the occurrence of 140 characters of unstructured RI to the Beneficiary;
- The messages used for exception processing and inquiries for ERI-populated SEPA Credit Transfer transactions must only contain the occurrence of 140 characters of unstructured RI.



## Section 4.5 'Business Requirements for Datasets'

### **DS-01 Customer-to-Bank SEPA Credit Transfer Information**

*(Changes or additions made in red)*

|                                  |  |
|----------------------------------|--|
| <b>Identification:</b>           | <b>DS-01</b>   |
| <b>Name:</b>                     | <b>Customer-to-Bank SEPA Credit Transfer Information supporting ERI</b>  |
| <b>Description:</b>              | The following list of attributes represents the full range of data which may be provided by the Originator and transported under the Scheme rules via Dataset DS-02  |
| <b>Attributes contained</b>      | <ul style="list-style-type: none"><li>• 01 The IBAN of the account of the Originator</li><li>• 02 The name of the Originator</li><li>• 03 The address of the Originator</li><li>• 04 The amount of the SEPA Credit Transfer in euro</li><li>• <del>05 The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer Instruction</del></li><li>• 61 The unstructured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</li><li>• 62 The structured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</li><li>• 07 The Requested Execution Date of the SEPA Credit Transfer Instruction</li><li>• 08 The name of the Originator Reference Party</li><li>• 09 The identification code of the Originator Reference Party</li><li>• 10 The Originator identification code</li><li>• 20 The IBAN of the account of the Beneficiary</li><li>• 21 The name of the Beneficiary</li><li>• 22 The address of the Beneficiary</li><li>• 23 The BIC code of the Beneficiary Bank</li><li>• 24 The Beneficiary identification code</li><li>• 28 The name of the Beneficiary Reference Party</li><li>• 29 The identification code of the Beneficiary Reference Party</li><li>• 41 The Originator's reference of the SEPA Credit Transfer Transaction</li><li>• 44 The purpose of the SEPA Credit Transfer</li><li>• 45 The category purpose of the SEPA Credit Transfer</li></ul> |
| <b>Technical characteristics</b> | <i>No changes to this section compared to DS-01 in the SCT Rulebook itself.</i>  |



|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>DS-01</b>   |
| <b>Name:</b>           | <b>Customer-to-Bank SEPA Credit Transfer Information supporting ERI</b>  |
| <b>Rules applied:</b>  | <p>Only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank SEPA Credit Transfer Instructions <b>and the Originator Bank and the Originator have an arrangement on the use of the ERI Option</b>, the Originator Bank is obliged to accept at least but not exclusively Customer-to-Bank Credit Transfer Instruction messages which follow the specifications defined in the SEPA Credit Transfer Scheme Customer-to-Bank Implementation Guidelines covered in section 0.5 at the request of the Originator.</p> <p><b>In case the Originator Bank receives SEPA Credit Transfer Instructions containing ERI addressed to a Beneficiary Bank that is not an ERI Option Participant, the Originator Bank must reject the concerned SEPA Credit Transfer Transactions addressed to this Beneficiary Bank unless the Originator Bank and the Originator have made an arrangement whereby in such case, the Originator Bank can just transfer AT-61 and can remove AT-62.</b></p> <p>Where any of the <b>other</b> attributes <b>specified above</b> (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> |
| <b>Remarks</b>         | <i>No changes to this section compared to DS-01 in the SCT Rulebook itself.</i>  |

## **DS-02 Interbank Payment Dataset**

*(Changes or additions made in red)*

|                             |   |
|-----------------------------|---|
| <b>Identification:</b>      | <b>DS-02</b>  |
| <b>Name:</b>                | <b>The Interbank Payment Dataset supporting ERI</b>   |
| <b>Description:</b>         | This dataset describes the content of the Interbank Payment message (mandatory unless otherwise indicated).   |
| <b>Attributes contained</b> | <ul style="list-style-type: none"><li>• 01 The IBAN of the account of the Originator</li><li>• 02 The name of the Originator</li><li>• 03 The address of the Originator (only mandatory when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country or territory)</li><li>• 04 The amount of the SEPA Credit Transfer in euro</li><li>• <del>05 The Remittance Information (Optional)</del></li><li>• <b>61 The unstructured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</b></li><li>• <b>62 The structured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</b></li><li>• 06 The BIC code of the Originator Bank</li><li>• 08 The name of the Originator Reference Party (Optional)</li></ul> |





|                                  |  |
|----------------------------------|--|
| <b>Identification:</b>           | <b>DS-02</b>   |
| <b>Name:</b>                     | <b>The Interbank Payment Dataset <span style="color: red;">supporting ERI</span></b>   |
|                                  | <ul style="list-style-type: none"> <li>• 09 The identification code of the Originator Reference Party (Optional)</li> <li>• 10 The Originator identification code (Optional)</li> <li>• 20 The IBAN of the account of the Beneficiary</li> <li>• 21 The name of the Beneficiary</li> <li>• 22 The address of the Beneficiary (Optional)</li> <li>• 23 The BIC code of the Beneficiary Bank</li> <li>• 24 The Beneficiary identification code (Optional)</li> <li>• 28 The name of the Beneficiary Reference Party (Optional)</li> <li>• 29 The identification code of the Beneficiary Reference Party (Optional)</li> <li>• 40 The identification code of the SEPA electronic credit transfer Scheme</li> <li>• 41 The Originator's reference of the SEPA Credit Transfer Transaction</li> <li>• 42 The Settlement Date of the SEPA Credit Transfer</li> <li>• 43 The Originator Bank's reference number of the SEPA Credit Transfer message</li> <li>• 44 The purpose of the SEPA Credit Transfer (Optional)</li> <li>• 45 The category purpose of the SEPA Credit Transfer (Optional)</li> </ul> |
| <b>Technical characteristics</b> | <i>No changes to this section compared to DS-02 in the SCT Rulebook itself.</i>  |
| <b>Rules applied:</b>            | <i>No changes to this section compared to DS-02 in the SCT Rulebook itself.</i>  |
| <b>Remarks</b>                   | <i>No changes to this section compared to DS-02 in the SCT Rulebook itself.</i>  |

## **DS-04 – Bank-to-Customer SEPA Credit Transfer Information**

*(Changes or additions made in red)*

|                              |   |
|------------------------------|---|
| <b>Identification:</b>       | <b>DS-04</b>  |
| <b>Name:</b>                 | <b>The Bank-to-Customer SEPA Credit Transfer Information <span style="color: red;">supporting ERI</span></b>  |
| <b>Description:</b>          | Description of the minimum information that a Beneficiary Bank needs to make available to the Beneficiary.  |
| <b>Attributes contained:</b> | <ul style="list-style-type: none"> <li>• 02 The name of the Originator</li> <li>• 04 The amount of the SEPA Credit Transfer in euro</li> <li>• <del>05 The Remittance Information</del></li> <li>• 61 The unstructured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</li> <li>• 62 The structured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</li> <li>• 08 The name of the Originator Reference Party (optional)</li> <li>• 09 The identification code of the Originator Reference Party (optional)</li> <li>• 10 The Originator identification code</li> <li>• 20 The IBAN of the account of the Beneficiary</li> </ul> |



|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>DS-04</b>  |
| <b>Name:</b>           | <b>The Bank-to-Customer SEPA Credit Transfer Information supporting ERI</b>   |
|                        | <ul style="list-style-type: none"><li>• 21 The name of the Beneficiary</li><li>• 24 The Beneficiary identification code</li><li>• 28 The name of the Beneficiary Reference Party (optional)</li><li>• 29 The identification code of the Beneficiary Reference Party (optional)</li><li>• 41 The Originator's reference of the SEPA Credit Transfer Transaction</li><li>• 42 The Settlement Date of the SEPA Credit Transfer (optional)</li><li>• 44 The purpose of the SEPA Credit Transfer (optional)</li></ul>  |
| <b>Rules applied:</b>  | <p>Following an arrangement between the Beneficiary and the Beneficiary Bank, the Beneficiary Bank shall provide the Beneficiary with either the contents in AT-62, or the contents in both AT-61 and AT-62, in full and without alteration. In absence of such arrangement, the Beneficiary Bank shall deliver only the contents in AT-61 to the Beneficiary.</p> <p>Where any of the above attributes, optional or not, are present in an Interbank Payment message (DS-02) the contents must be made available in full by the Beneficiary Bank to the Beneficiary, subject to any prior agreement to the contrary.</p> <p>Where the Beneficiary and Beneficiary Bank have an explicit agreement regarding the deduction of charges then the amount of the charges will be made clear to the Beneficiary.</p> <p>A Beneficiary Bank may drop received extended Reference Party information (attributes 08, 09, 28, 29 and 44) and not make it available to a Beneficiary who uses an interface which does not comply with the ISO 20022 XML standard.</p> |

#### 4.7 Business Requirements for Attributes

*(New attribute with the following description)*

|                        |   |
|------------------------|---|
| <b>Identification:</b> | <b>AT-61</b>  |
| <b>Name:</b>           | <b>The unstructured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</b>  |
| <b>Description:</b>    | <p>A maximum of 140 characters of unstructured Remittance Information.</p> <p>This allows the Originator to provide unstructured Remittance Information to the Beneficiary if the Beneficiary Bank has no arrangement with the Beneficiary for the delivery of the contents of AT-62 containing structured Remittance Information under the ERI Option.</p> |



*(New attribute with the following description)*

|                        |  |
|------------------------|--|
| <b>Identification:</b> | <b>AT-62</b>   |
| <b>Name:</b>           | <b>The structured Remittance Information sent by the Originator to the Beneficiary in the SEPA Credit Transfer Instruction</b> |
| <b>Description:</b>    | A maximum of 999 occurrences of 280 characters of structured Remittance Information based on the ISO 20022 standard.           |



## **5. RIGHTS AND OBLIGATIONS OF ALL PARTICIPANTS**

### **5.2 Compliance with the Rulebook**

*(Addition at the end of the section)*

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

### **5.3 Reachability**

*(Addition at the end of the section)*

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

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

### **5.4 Eligibility for participation**

*(Addition at the end of the section)*

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

### **5.5 Becoming a Participant**

*(Additions at the end of the section)*

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

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

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

### **5.6 SEPA Credit Transfer Scheme List of Participants**

*(Addition at the end of the section)*

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

### **5.7 Obligations of an Originator Bank**

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

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

### **5.8 Obligations of a Beneficiary Bank**

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



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

### 5.11 Termination

*(Additions at the end of the section)*

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

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

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

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

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

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