

Minutes

SEUF 004-19
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Public



Approved

Minutes 9th Meeting –Scheme End-User Forum (SEUF)

Meeting Date: 12 September 2019 - 10:30 – 13:00

Note: An overview of the action points from this meeting can be found at the end of these meeting minutes.

1 Welcome and approval of the agenda (SEUF 003-19)

The SEUF co-Chair J-Y. Jacquelin welcomed all meeting participants to the 9th SEUF meeting in its new composition for the period 2019-2021. The agenda was approved unchanged and can be published on the EPC Website. Each meeting participant shortly introduced him/ herself. The new list of SEUF members will also be published on the EC website.

2 Terms of Reference (ToRs) of the SEUF and reference in the Scheme Management Internal Rules (SMIRs) (EPC 091-17, EPC 154-19, Pres EPC001-19)

Prior to the meeting, the SEUF members received the ToRs of the SEUF (EPC091-17) approved by the Scheme Management Board (SMB) of the EPC, an extract from the EPC Scheme Management Internal Rules (SMIRs) describing the EPC stakeholder fora (EPC154-19) and an organisation chart of the EPC structure showing the position of the SEUF (Pres EPC 001-19).

The SMB is responsible, under the delegated authority granted by the EPC Board, for performing the functions of management and evolution of the EPC SEPA payment schemes.

Under Module 1, the EPC has two formal stakeholder fora to establish and maintain a dialogue with stakeholders from SEPA scheme end-users (via the Scheme End-User Forum (SEUF)) and technical players providing services and products for the SEPA market (ESTF). Through these stakeholder fora, the stakeholders are informed about the maintenance and the further evolution of the existing EPC SEPA payment scheme rulebooks.

The EPC Director General emphasised that the fora are an important formal feedback channel via which the stakeholders can raise or address issues and make recommendations to the SMB concerning the EPC SEPA payment scheme rulebooks. The stakeholder representatives in the EPC stakeholder fora can appoint an alternate in case they are unable to join future meetings.

3 SEUF role in the EPC SEPA payment scheme rulebook change management process (EPC 207-14 v4.2, SMIRs workflow)

Prior to the meeting, the SEUF members received a detailed workflow explaining the different phases the EPC undertakes from the moment it receives change requests from any stakeholder until the moment the EPC publishes a new version of the EPC SEPA payment scheme rulebooks.



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Individual SEUF members in their capacity of an organisation representative but also the SEUF as a forum as such can submit EPC SEPA payment scheme rulebook change requests to the EPC.

The SEUF will be given the chance to discuss in detail every received change request and the related recommendation given by the EPC Scheme Evolution and Maintenance Working Group (SEMWG) for the 90-calendar day public consultation, during a physical meeting prior to the start of this public consultation.

Once the public consultation is finished, the SEMWG then consolidates all comments from this consultation and formulates a SEMWG change proposal. Subsequently, during a physical meeting, the ESTF and the SEUF each separately give their formal position on each change request. They will have as input the comments received from the public consultation and the SEMWG change proposals. The SMB then assesses the positions from the SEMWG, the ESTF and the SEUF to determine if a change request will be taken up in the new version of the relevant EPC SEPA payment scheme rulebook.

4 Election of SEUF co-chair representing the European associations of users of the SCT and SDD schemes

The ToRs of the SEUF foresee a co-chairing model with the SEMWG Chair taking up the role as EPC co-Chair, and a second Co-Chair to be elected by and amongst the other SEUF members representing stakeholders. With the send-out of the meeting agenda, each SEUF member had been invited to report his/her candidacy as second co-Chair by e-mail to SEUF@epc-cep.eu or latest at the start of the September 2019 SEUF meeting itself.

Mr Massimo Battistella of the European Association of Corporate Treasurers (EACT) presented himself as candidate. The SEUF stakeholder members attending the meeting elected Mr. Battistella. However, given that a few SEUF stakeholders members had to cancel their participation to this meeting at a very short notice, Mr. Battistella asked and the meeting agreed to reconfirm the election of the SEUF co-Chair in the next SEUF meeting.

AP 09.01 EPC to schedule the reconfirmation of the SEUF co-chair election representing the European associations of users of the SCT and SDD schemes at the March 2020 SEUF meeting
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5 Data Protection and Privacy Policy (EPC 024-18)

The SEUF members noted the EPC stipulations on the protection of personal data for persons who are members of an EPC body such as the SEUF. The members of the SEUF should as a matter of principle refrain from processing any personal data accessed or obtained through their SEUF membership for any purpose not directly related to the SEUF itself.

6 Code of Conduct – Competition Law (EPC 212-14)

The SEUF members noted the EPC Code of Conduct - Competition Law. This code of conduct aims at preventing (potential) competition law issues to arise in the context of EPC-organised meetings, and to specify the process to be followed to address any potential competition law issues arising. The EPC draws the attention of each SEUF member to the “do’s and don’ts” (see page 7 of the document).



7 EPC document classification rules applicable to EPC stakeholder groups (EPC 155-19)

The SEUF took note of the following EPC document classification rules:

Classification	Labelling	Distribution	Access
Public	Labelling on first page of document.	<ul style="list-style-type: none"> ▪ Distribution to the general public. ▪ Document can be made available on the EPC website. 	No restrictions apply.
Internal Use (Including Designated External)	Labelling on first page of document.	Distribution to the members of the group.	“Role-based” access: these documents are restricted to the members of the group (including their constituencies, as applicable) and can only be disclosed externally with the EPC Director General’s permission.
Confidential	Labelling on every page of document.	Distribution to the members of the group.	“Role-based” access: these documents are restricted to the members of the group and can only be disclosed to their constituencies or externally with the EPC Director General’s permission.

Most EPC documents shared with the SEUF will be “internal use” documents. For transparency reasons, the SEUF meeting agendas and the approved meeting minutes are made public on the EPC website.

8 Possible change-over to a newer ISO 20022 version for the EPC SEPA schemes (EPC 156-19)

The September 2019 SMB meeting agreed to present the migration of the four EPC SEPA payment scheme rulebooks to the 2019 version of the ISO 20022 standard by November 2022, as a major change request in the 2020 rulebook change management cycle.

Subject to a positive public consultation outcome on this change request, the EPC would formally communicate this ISO version migration in November 2020 when publishing the 2021 EPC SEPA payment scheme rulebooks and the related Implementation Guidelines (IGs). The IGs published in November 2020 will still be predominantly¹ based on the 2009 version of ISO 20022 and will be applicable from November 2021 to November 2022.

A second set of 2021 IGs will be published latest in the second quarter of 2021. This second cluster of IGs would then be based on the 2019 version of the ISO 20022 standard.

The EPC further explained that the ISO version migration would be a big-bang migration, i.e. no transitional period will be foreseen. The mandatory Customer-to-Bank (C2B) IGs as well as the mandatory interbank IGs will be based on the 2019 ISO version. This means that all EPC SEPA

¹ Some messages described in the current IGs are already based on a more recent version of ISO 20022.



payment scheme participants offering ISO 20022 message-based payment services to their customers, should then have to support the 2019 version as of November 2022. On the other hand, the (corporate) customers would still be free to use another ISO version to exchange SEPA transactions in an XML format with their PSPs if so bilaterally agreed.

The advantage of this ISO version migration for customers is that the 2019 ISO version provides them with extra fields in the customer-to-bank messages (e.g., execution date and time for SCT Inst, possibility to provide aliases). For EPC SEPA payment scheme participants, this ISO version will align the EPC SEPA payment schemes with the ISO versions used by the euro-denominated payment infrastructures Target2 (ECB) and EURO1 (EBA Clearing).

The SEUF noted this step forward. For the 2020 public consultation, it suggested that a gap analysis between the 2009 and 2019 ISO versions should be attached to the change request itself.

AP 09.02 EPC to consider the inclusion of a 2009 vs. 2019 ISO version gap analysis for the 2020 change request on the ISO 20022 version migration

9 SCT Inst scheme implementation status

A. Possible amendment of the maximum amount and its entry into force (EPC 232-19)

The September 2019 SMB meeting agreed that the maximum amount an Originator can transfer via a single SCT Inst Instruction remains at 15.000,00 EUR until 1 July 2020. This amount is increased to 100.000,00 EUR as of 1 July 2020 starting from 08:00 CET. The EPC will publicly announce this amount amendment on 12 September 2019.

B. Adherence status and projections (EPC 233-19)

The SEUF noted the August 2019 adherence figures indicating that close to 60 percent of the SCT scheme participants in the eurozone have adhered to the SCT Inst scheme as well.

The EPC aims to have a critical mass of SCT Inst scheme participants in the eurozone by November 2020. On the other hand, when one considers the current number of payment accounts that can be used or reached for SCT Inst payments, the rate of this kind of reachability is much higher compared to the current number of PSPs being SCT Inst scheme participants.

C. Prospects for further use of SCT Inst

The SEUF considered that the increase of the maximum amount will provide the market players with more ideas how the SCT Inst scheme could potentially serve their needs. The SEUF members felt that this will possibly benefit door-to-door sales and delivery services.

The immediacy of funds under the scheme will relieve payment beneficiaries of the task to check if the funds are eventually booked on the account. Mainly mobile device-supported wallets will support the adoption of SCT Inst payments at the physical point-of-sale.

D. Current obstacles to the broader use of SCT Inst

The corporate SEUF members pointed out the need for a standardized way of notifying the payment beneficiaries about the receipt of the funds on their accounts. Today in general, end-users receive a confirmation of funds certainty, but the actual booking of the funds happens later. This demands regular checking of the account balances or statements.



Other SEUF members pointed out the current lack of full reachability across SEPA of the SCT Inst scheme. As for the large adoption of the SCT Inst scheme by consumers, they will only use SCT Inst if the mobile device-supported wallets support this payment instrument.

E. Possible SEUF recommendations about the SCT Inst scheme and processing to EPC and scheme participants

Covered by the previous discussions under item 9.

10 SDD schemes: review the current r-transaction reason codes (EPC 157-19)

At the March 2019 SEUF meeting, some payment end-user association representatives requested that the Debtor Bank should be able to use more specific codes than the generic reason code SL01 (Specific Service Offered By the Debtor Agent). The code SL01 covers a range of possible reasons which the Debtor can use under the SEPA End-Date Regulation to block their account for specific direct debit collections (e.g., Creditor blocking, collection amount limitations, collection frequency limitations).

They stated that the lack of a unique r-transaction reason code for each reason permitted by the SEPA End-Date Regulation prevents the Creditor from developing highly automated follow-up processes for these failed collections internally and with the Debtor. The inclusion of more specific reason codes would foster a symmetry of information sharing between the SDD scheme participants and their respective customers.

These SEUF members also felt that there are different reason codes that could be used for one and the same reason. The SEUF requested the EPC to review the current list of SDD r-transaction reason codes by the September 2019 SEUF meeting.

A. More specific codes instead of reason code SL01

The SEUF noted that during the 2016 and 2018 EPC SEPA payment scheme rulebook change management cycles, a change request suggesting more specific reason codes instead of SL01 had been rejected.

During the 2018 cycle, the main justification for not accepting this change request was that the Debtor can already rely on other reason codes to block a presented SDD collection (e.g., no mandate, refusal, account blocked for SDD by the Debtor). The Debtor may not be pleased that such new SDD r-transaction reasons would be communicated directly to the Creditor.

At this stage, the EPC SEMWG is still not persuaded about the merits these extra codes would bring for Creditors, the SDD scheme participants and the SDD schemes as such.

By using more to-the-point reason codes, the Debtor Banks would disclose more information about the Debtor's preferences with respect to SDD collections or Creditors to other parties. Debtor Banks in some countries would first have to obtain an explicit consent from their Debtors before they can communicate such r-transaction reasons back to any Creditor. Obtaining such consent upfront will be difficult.

Even if the use of these codes would be optional, all SDD scheme participants would have to implement these codes in their systems although some SDD scheme participants would never



apply them in their role of Debtor Bank. The SDD scheme participants also acting as Creditor Bank would also have to process r-transactions containing such codes and pass on such information to their Creditor-clients.

The SEUF members concerned were invited to provide the EPC with concrete examples and arguments how these extra codes would help Creditors in their r-transaction follow-up processes.

The SEUF members interested in these codes reported the day-to-day situations below. They lead to collection issues for Creditors and possible disruptions in the provision of goods and services to Debtors (despite the existence of a valid SDD mandate) if the Creditor fails to reach the Debtor in a reasonable amount of time to understand the reason of the payment failure:

- The Debtor defines a white list of Creditors: in case the Debtor chooses to change Creditors for the delivery of an existing good or service, or signs an SDD mandate with a new Creditor for a total new delivery of goods or services, the Debtor may forget to add this new Creditor on this white list.
This issue also applies when there is a merger or take-over between Creditors. The new Creditor communicates this change to the Debtor but the Debtor does not modify its Creditor white list. Consequently, the new Creditor Identifier and/or name mentioned in the collection lead to a collection failure.
- The Debtor has set collection amount limitations: if foreseen by contractual arrangements or communicated well in advance, Creditors increase the amounts they collect over the years. If the Debtor does not amend its amount limitation set in the past, the collection will fail as the collection amount exceeds the amount limitation.
- The Debtor has set collection frequency limitations: the Creditor represents the collection as the initial collection was rejected due to a different reason (e.g., insufficient funds). Both the initial failed collection and the second collection attempt are counted and assessed against the collection frequency limitations set by the Debtor at the Debtor Bank. If this second collection attempt exceeds the frequency limitation, the second attempt will be rejected as well (even if the reasons for rejection no longer apply (e.g., insufficient funds)).

The Creditor receives only the code SL01 but cannot determine the concrete issue. Meanwhile, the collection processes of the Creditor will continue, based on a valid SDD mandate. If the Creditor receives a more precise reason code, it can swiftly communicate the Debtor a very concrete proposed action to resolve the issue causing the collection failure at the Debtor's end.

The SEUF members concerned emphasised the need for symmetry and transparency of information between the Debtor Bank and its Debtor on the one side and the Creditor on the other side (based on a signed contract and SDD mandate between the Creditor and the Debtor).

However, the SEMWG representatives pointed to the sensitive information about the Debtor which the Debtor Bank would communicate back eventually to the Creditor. The SEUF members challenged this viewpoint as this is just an interpretation about national or EU-wide legislation on sensitive data and data protection. Such position should be investigated for its correctness.

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The SEUF members further questioned why the Debtor's specifications for presented SDD collections cannot be communicated back to the Creditor in case of collection failure, if that Debtor has given its consent to share this kind of information. The Debtor Bank is providing these settings and optional services; the Creditor receives these settings as a factual item with regard to the payment account and not as "personal data" of the Debtor. The SEMWG representatives explained that if national law forbids such disclosure, the SDD rulebooks cannot overrule such legislation.

The SEUF members concerned pointed out that both Debtor Banks and Creditor Banks will provide additional added value to both Debtor and Creditor by adopting the proposed change to use more to-the-point reason codes.

The EPC Director General understood the needs and justifications addressed by these SEUF members. However, the EPC missed the view from the consumer representative in the SEUF on this topic. The EPC Director General invited the SEUF members concerned to work out a detailed change request for the 2020 rulebook change management cycle if they wish to pursue this matter further.

AP 09.03 EPC to determine the volume of SDD R-transactions bearing the code SL01

B. Current SDD r-transaction reason codes

Following the SEUF remark that there are different reason codes that could be used for one and the same reason, the EPC reviewed the EPC document Guidance on Reason Codes for SDD R-transactions (EPC173-14).

The SEMWG points out that the document EPC173-14 is subject to an annual review. An updated version was published in May 2019. During these annual reviews and previous rulebook change management cycles, the EPC has never been informed before by SEMWG members, SDD schemes participants or other stakeholders stating that there are different ISO reason codes expressing the same or a very similar reason.

On the other hand, the SEMWG indicates to those SEUF members acting in the role of Creditor, that some SDD scheme participants consistently use just one single code whereas other scheme participants can send another code which closely matches the r-transaction reason (e.g., sometimes AC06 'blocked account' is used instead of SL01 'Specific Service Offered By Debtor Agent').

The SEUF members concerned can always provide the SEMWG with concrete examples in order that the EPC can further refine the guidance in the document EPC173-14 and/or determine other measures for SDD scheme participants to use the most appropriate reason code.

11 Operational implications of a "no-deal Brexit" on SCT and SDD Transactions (EPC 235-19)

On 07 March 2019, the EPC published its decision (EPC 065-19) on Brexit and UK PSPs' participation in SEPA schemes. It approved the application from UK Finance for the continued participation of UK PSPs in the EPC SEPA payment schemes in case of a no-deal Brexit.

During the summer of 2019, the EPC had discussions with the UK and the Irish PSP communities on the implications of a no-deal Brexit on SCT and SDD transactions to and from the UK.



The EPC decided to communicate as early as possible about the operational implications for payment end-users and scheme participants of a no-deal Brexit. It published its communication on 02 September 2019 on the EPC website and informed the European Commission.

The main concern lies with SDD collections as the Creditor Bank cannot provide the address of each Debtor. Only the Creditor is able to provide the Creditor Bank with these details. This address must be provided in case one of the two SDD scheme participants is based in a non-EEA SEPA country. All SCT and SDD schemes participants are strongly recommended to communicate these operational implications to their customers as soon as possible.

AP 09.04 EPC to provide ASAP the SEUF with the link to the EPC webpage outlining the operational implications of a no-deal Brexit on SCT and SDD transactions (done)

12 2020 scheme change management cycle: concrete change requests from the SEUF or from individual SEUF members

The next rulebook change management cycle for all schemes will take place in 2020. EPC SEPA payment scheme participants and other stakeholders are invited to submit change requests to the four EPC SEPA payment scheme rulebooks by **31 December 2019 close of business**.

These change requests will be considered for the rulebook versions and associated IGs to be published in November 2020 and taking effect in November 2021. A three-month public consultation on these change requests will take place in the Spring of 2020.

The SEUF members did not raise other concrete change requests than those reported earlier during the meeting. The EPC secretariat then presented a list of main change requests which the EPC currently intends to submit itself for the upcoming cycle.

13 Request-to-Pay developments: status

The EPC Board has set up a new EPC-managed multi-stakeholder group (MSG) on RTP. This MSG will submit to the November 2019 EPC Board meeting an RTP framework describing the various features an RTP message must contain, and a wide range of use cases in which RTP can be used as well as proposals for next steps.

The November 2019 EPC Board meeting will decide how it wants to further work out RTP. Options range from a dedicated RTP scheme rulebook to an inclusion of RTP-supporting features in both SCT scheme rulebooks. The aim is to issue the eventual RTP features by November 2020 in order that the interested market players can implement them by November 2021.

14 Proposed 2020 SEUF meeting dates

The meeting agreed with the proposed dates of 11 March and 25 August 2020.

15 AOB

The meeting agreed to discuss the 2019 r-transaction statistics at the March 2020 SEUF meeting. The EPC Director General explained that statistics per individual SEPA country cannot be disclosed. The presentation of such national data could allow the calculation of the transaction volume per



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EPC SEPA scheme processed by each Clearing and Settlement Mechanism. This is considered as commercially sensitive information. The EPC is not entitled to disclose such national statistical data.

AP 09.05 EPC to schedule the consolidated overview of the 2019 r-transaction statistics for the March 2020 SEUF meeting

There was no other business raised or discussed.

16 Date of next meeting and closure of the meeting

The next SEUF meeting will take place at the EPC secretariat premises in Brussels on 11 March.

List of open action items after 09th SEUF Meeting

Item	Topic	Action	Owner	Status / Deadline
09.01	SEUF co-chair	Schedule the reconfirmation of the SEUF co-chair election representing the European associations of users of the SCT and SDD schemes	EPC	March 2020 SEUF meeting
09.02	2020 change mgt cycle	Consider the inclusion of a 2009 vs. 2019 ISO version gap analysis for the 2020 change request on the ISO 20022 version migration	EPC	End 2019
09.03	2020 change mgt cycle	Determine the volume of SDD R-transactions bearing the code SL01	EPC	End 2019
09.04	Brexit	Provide ASAP the SEUF with a link to the EPC webpage outlining the operational implications of a no-deal Brexit on SCT and SDD transactions	EPC	Done
09.05	R-tx reason codes	Schedule the consolidated overview of the 2019 r-transaction statistics	EPC	March 2020 SEUF meeting



List of participants – 9th SEUF Meeting

Name	Institution	Attendance
EPC Scheme Evolution and Maintenance Working Group (SEMWG)		
Jacquelin Jean-Yves	Erste Bank (Austria) (EPC co-Chair)	Yes
Blanco Sanchez Begoña	ING (Belgium)	Yes
European Associations of Users of the SCT, SCT Inst and SDD Schemes		
Kupsys Kestutis	ANEC: European Association for the Coordination of Consumer Representation in Standardisation	Apologies
Morrow-Greven Kristen (Alternate: Zuzana Pucikova)	CCIA: Computer and Communications Industry Association	Apologies
Battistella Massimo	EACT: European Association of Corporate Treasurers	Yes
Janik Birgit	EMOTA: European e-Commerce and Omni Channel Trade Association	Apologies
Becquart Anaïs	EuroCommerce	Yes
Klok Jeannette	GSMA: GSM Association	Yes
Observers		
Romme Roxane	European Commission	Apologies
EPC Secretariat		
Goosse Etienne	EPC Director General	Yes
Clarebout Bart	EPC secretariat	Yes