



## SEPA Payment Scheme Management 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 update the latest version of the SEPA Payment Scheme Management Rules (EPC207-14 v4.2) in light of the creation of the Dispute Resolution Committee (DRC) and the disbandment of the Compliance and Adherence Committee and Appeals Committee.



## Table of Contents

<b>SEPA Payment Scheme Management Rules .....</b>	<b>1</b>
<b>0. Document Information .....</b>	<b>4</b>
<b>1. Introduction .....</b>	<b>5</b>
1.1 The European Payments Council ("EPC") .....	5
1.2 SEPA and the SEPA Schemes.....	6
1.3 SEPA Payment Scheme Management.....	7
1.4 Fees .....	8
<b>2. Scheme Management Roles and responsibilities .....</b>	<b>9</b>
2.1 Role of the Scheme Management Board.....	9
2.2 Role of the Payment Scheme Participants Assembly .....	9
<b>3. Scheme Management Board .....</b>	<b>10</b>
3.1.1 <i>Composition of the SMB</i> .....	10
3.1.2 <i>Duration of Appointment</i> .....	10
3.1.3 <i>Termination of Appointment by decision of the EPC Board</i> .....	10
3.1.4 <i>Criteria for Membership (Scheme Participant representative member)</i> .....	11
3.1.5 <i>Criteria for Membership (Independent Member)</i> .....	11
3.1.6 <i>Criteria for Membership (Chair)</i> .....	11
3.1.7 <i>Duties of SMB Members</i> .....	12
3.1.8 <i>EPC Board Role in Policy of SMB</i> .....	12
3.1.9 <i>Meetings of the SMB</i> .....	12
3.1.10 <i>Quorum</i> .....	13
3.1.11 <i>Voting</i> .....	13
3.1.12 <i>Nominating Process</i> .....	14
3.1.13 <i>Role of the Secretariat</i> .....	14
3.1.14 <i>Information Service</i> .....	15
3.1.15 <i>Additional Optional Services ("AOS")</i> .....	15
3.1.16 <i>Expenses</i> .....	15
3.1.17 <i>Record Keeping</i> .....	15
3.2 Definition of Administration Role .....	15
3.2.1 <i>Role of the Secretariat</i> .....	15
3.2.2 <i>Rules for Adherence</i> .....	16
<b>4. Maintenance and Evolution .....</b>	<b>20</b>
4.1 Change Management Process .....	20
4.1.1 <i>Change Management - Guiding Principles</i> .....	20
4.1.2 <i>Change Management - Terminology</i> .....	20
4.1.3 <i>Role of SMB and Scheme Evolution and Maintenance Working Group</i> .....	21
4.1.4 <i>Submission of Change Requests to the Secretariat</i> .....	21
4.1.5 <i>Acknowledgement of Receipt of a Change Request</i> .....	22
4.1.6 <i>Consideration of a Change Request</i> .....	22
4.1.7 <i>Publication of Change Requests</i> .....	23
4.2 Process for Major Rulebook Changes .....	23
4.2.1 <i>Preparation of SEMWG Recommendation</i> .....	23
4.2.2 <i>Dialogue</i> .....	24
4.2.3 <i>Public Consultation on Change Request</i> .....	25



4.2.4	<i>Process following Public Consultation</i> .....	25
4.2.5	<i>SMB Deliberations on the SEMWG Change Proposal Submission Document and on the Positions from the EPC Stakeholder Fora</i> .....	26
4.2.6	<i>Publication</i> .....	26
4.2.7	<i>Change Release Process Cycle</i> .....	26
4.2.8	<i>Exceptional Change</i> .....	27
4.2.9	<i>Change for Regulatory Reasons</i> .....	27
4.3	<i>Process for Minor Rulebook Changes</i> .....	27
4.4	<i>EPC Stakeholder Fora</i> .....	28
4.5	<i>Process for Changes to the Risk Management Annex (RMA)</i> .....	29
<b>5.</b>	<b>Appendix 1 – Impact Analysis</b> .....	<b>31</b>
5.1.1	<i>Impact Analysis ("IA") - Introduction</i> .....	31
5.1.2	<i>IA - Analytical Parameters</i> .....	31
5.1.3	<i>IA - Results</i> .....	31
<b>6.</b>	<b>Appendix 2 - Conflicts of Interest</b> .....	<b>32</b>
6.1	<i>Rules for Managing Conflicts of Interest</i> .....	32
6.1.1	<i>General Principles</i> .....	32
6.1.2	<i>Record Keeping</i> .....	32
<b>7.</b>	<b>Appendix 3 - Scheme Management Cost Allocation</b> .....	<b>33</b>
7.1	<i>Scheme participation fee</i> .....	33
<b>8.</b>	<b>Terms Defined in the Rules</b> .....	<b>34</b>



### 0. Document Information

This document sets out the rules that govern SEPA Payment Scheme Management (“**SEPA Payment Scheme Management Rules**”, hereinafter “**the Rules**”). This document covers the following topics:

1. Rules for the administration and compliance functions of SEPA Payment Scheme Management.
2. Rules for the maintenance, development and evolution function of SEPA Payment 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-users' needs as well as its competitiveness and innovation goals:

- through the development and management of pan-European payment and payment-related 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 and payment-related 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 the relevant governance documents, including amongst others these Payment Scheme Management Rules. The EPC is the owner and manager of various payment and payment-related 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 Book 10 of the Belgian Companies and Associations Code.

#### *Organisation of the EPC*

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

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 By-Laws.

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**"), as one of the Scheme Management Governance Bodies, is responsible, under the delegated authority granted by the EPC Board, for performing the functions of management and evolution of the SEPA payment Schemes.



- The Scheme Participants Assembly is composed of all payment 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 related seats on the Scheme Management Board.
- The compliance function of the SEPA Schemes is the responsibility of the Dispute Resolution Committee (“**DRC**”).
- The Dispute Resolution Committee mandate (EPC150-19, as amended from time to time), which is made available on the EPC website, sets out the dispute resolution and appeals processes in the context of Scheme Management.
- The Scheme Management Governance Bodies, including the SMB, as well as the DRC 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 the relevant governance documents.
- The Nominating and Governance Committee (“**NGC**”) is charged with making recommendations to the EPC General Assembly, the EPC Board and the Scheme Management Governance Bodies on potential candidates for positions in the various EPC bodies in accordance with the EPC By-Laws.

## 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 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 “**payment Schemes**” for making credit transfer and direct debit payments throughout SEPA (these are the SEPA Credit Transfer Scheme, the SEPA Instant Credit Transfer Scheme, the SEPA Direct Debit Core Scheme and the SEPA Direct Debit Business to Business Scheme, and any other payment Scheme that the EPC may establish from time to time), as well as “**payment-related Schemes**” supporting payment services (jointly hereinafter referred to as the “**Schemes**”).



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 “**Payment Scheme Rulebooks**”), as well as “**Payment-related Scheme Rulebooks**”, jointly hereinafter referred to as the “**Rulebooks**”. The Rulebooks 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 payment Schemes are open to eligible payment service providers (PSPs) regardless of their status as “credit institutions”, “payment institutions”, “electronic money institutions” or other eligible types of institution.

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

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

### **1.3 SEPA Payment Scheme Management**

#### ***Introduction***

SEPA Payment Scheme Management comprises two functions. The first function involves the administration of the Payment Schemes and the process of maintaining and managing the evolution of the Payment Schemes, and the second function involves ensuring compliance with their rules, as set out in the Rulebooks.

#### ***Administration, Maintenance and Evolution***

The administration, maintenance and evolution function of SEPA Payment Scheme Management establishes rules and procedures for administering the adherence process for each of the Payment Schemes, as well as formal change management procedures for these Schemes. The change management procedures aim to ensure that the Payment 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 administration function of the payment Schemes shall be carried out by the Secretariat, under the authority of the SMB.

The maintenance and evolution function of the payment Schemes 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 Rules.



## **Compliance**

The compliance function of SEPA Scheme Management establishes rules and procedures for addressing complaints related to the admission process of applicant Scheme Participants, 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, always in a fair and transparent manner, in accordance with the Rulebooks and general principles of applicable law.

Pursuant to the EPC By-Laws, the compliance function of the SEPA Schemes is the responsibility of the DRC, under the delegated authority granted by the Board. The DRC Mandate sets out the detailed mandate of the DRC, including the dispute resolution and appeals processes in the context of Scheme Management by the EPC.

### **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 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 related to the payment Schemes:

- Supervision of the adherence function of the payment Schemes (as performed by the Secretariat)
- Management of the maintenance and the evolution of the payment Schemes (supported by the SEMWG, the Payment Scheme Fraud Prevention Working Group 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 payment Schemes' "Scheme Management Administration, Maintenance and Evolution Functions")

### 2.2 Role of the Payment Scheme Participants Assembly

The Payment Scheme Participants Assembly is composed of all EPC payment 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.



### 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 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 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 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 By-Laws and the present 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 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 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 By-Laws.

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 payment Scheme Management to the SMB, as necessary.

#### 3.1.14 Information Service

The Secretariat shall be responsible for administering an information service on SEPA payment 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 DRC, which will deal with it in an appropriate way, in accordance with the DRC Mandate.

#### 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. 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 Role**

#### 3.2.1 Role of the Secretariat

The Secretariat is responsible for performing the administration function of SEPA Scheme Management (i.e. the adherence process for becoming a Participant in the payment Schemes).

The Secretariat shall regularly update the SMB on its activities in this context.



### 3.2.2 Rules for Adherence

#### *Eligibility for Participation in payment Schemes*

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

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

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

Each legal entity that seeks to adhere to a payment 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 payment Scheme Rulebooks.

#### *3.2.2.2 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 payment 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.





### 3.2.2.3 *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.

### 3.2.2.4 *Becoming a Scheme Participant*

An application to become a Scheme Participant in one or more payment 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 payment Scheme 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 of the payment Schemes.

The application for adherence shall be finally submitted to the Secretariat. Except as otherwise indicated in section 3.2.2 of these 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 SMB 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.

When an applicant for participation in one of the payment Schemes fails to satisfy the eligibility criteria set out in chapter 5.4 of the Rulebooks, the Secretariat may decide to request the applicant to provide additional information, or to reject the application. When an existing Scheme Participant fails to satisfy the eligibility criteria set out in chapter 5.4 of the Rulebooks, the Secretariat will make a recommendation to the DRC, which may decide to request the existing Scheme Participant to provide additional information, or to terminate its participation to the relevant Scheme in accordance with the provisions of the DRC Mandate.



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 SMB. It will also report or seek guidance and advice on any particular issue encountered when performing its activities.

#### *3.2.2.5 Register of Scheme Participants*

The Secretariat shall maintain a separate register of Scheme Participants for each of the payment 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 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 Rules shall constitute an Event of Default for the purposes of this section 3.2.2.5, 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.

#### *3.2.2.6 Unsuccessful Applications*

The Secretariat 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 Secretariat shall provide the applicant with a written notification 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 Secretariat or after a determination in an appeal begun in accordance with these Rules or after a final determination of a tribunal or court responsible for determining the case.



### *3.2.2.7 Complaints regarding unsuccessful applications*

An applicant whose application for participation in one or more of the Schemes has been rejected may file a complaint with the DRC for a re-consideration of its application. A complaint notice in such cases must be filed within 21 Calendar Days of the applicant receiving a notification of rejection of its adherence application. The complaint notice must include a copy of the adherence application together with a copy of the written notification supplied to the applicant under section 3.2.2.6 and any other information required by the DRC. The complaint shall be determined in accordance with the relevant provisions of the DRC Mandate.



## 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 Rules.

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

Any change to the 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 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 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 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 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 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;
- the introduction of new business functionalities that have a significant impact on the functionality 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 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 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 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 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 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 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 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 Rules. Changes proposed to any section of these 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 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 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 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 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 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.





## 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.



## 8. Terms Defined in the 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>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>	See ' <i>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>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 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.



Term	Definition
<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>DRC</b>	Dispute Resolution Committee
<b>EBA</b>	European Banking Association
<b>ECSA</b>	European Credit Sector Association
<b>EPC</b>	The European Payments Council
<b>EPC By-Laws</b>	The By-Laws of the European Payments Council, 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 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>List of Minor Changes</b>	As defined in section 4.3 of these Rules
<b>LSG</b>	EPC Legal Support Group
<b>Major Change</b>	As defined in section 4.1.6 of these Rules
<b>Minor Change</b>	As defined in section 4.1.6 of these Rules
<b>NASO</b>	National Adherence Support Organisation, as explained in section 3.2.3.3 of these 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



Term	Definition
<b>(payment Scheme) 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>(payment) Scheme</b>	Each of the SEPA Direct Debit Schemes and each of the SEPA Credit Transfer Schemes
<b>Rules</b>	These are the internal rules for Scheme Management set out in this document, as amended from time to time.
<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 payment 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.
<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



Term	Definition
<b>SEPA payment 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.