

SEUF 002-21

Version 1.0

23 April 2021

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Approved

Minutes 12th Meeting – EPC Scheme End-User Forum (SEUF)

Meeting Date: 25 March 2021 – 10H30 – 12H00 CET as Microsoft Teams conference call

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

1. Welcome and approval of the agenda (SEUF 001-21)

The SEUF co-Chairs Messrs M. Battistella and E. Goosse (*the latter acting on an exceptional basis as Mr J-Y. Jacquelin as EPC SEMWG Chair retired in December 2020*) welcomed all meeting participants to the 12th SEUF meeting. The agenda was approved unchanged and can be published on the EPC Website.

2. 2022 rulebook change management cycle: timeline - EPC change requests under analysis - possible SEUF suggestions (Pres EPC015-21)

The SEUF secretariat outlined the following timeline for the upcoming 2022 SEPA Payment Scheme Rulebook Change Management Cycle:

Milestone overview	
Date	Description
1 st semester 2021	SEMWG meetings to develop & agree upon EPC change requests (CRs)
30-06-2021	Submission deadline for 2022 CRs
Summer 2021	SEMWG meeting end August: formulation of recommendations for each CR
09 & 10-09-2021	EPC Stakeholder Forums: discussion on 2022 CRs and SEMWG recommendations
13-09-2021	Start of 90 days Public Consultation (PC) on 2022 CRs until 11 December 2021
Jan 2022	SEMWG meeting: review of PC comments on the 2022 CRs
Feb 2022	SEMWG meeting: finalisation of Change Proposal (CP) Submission Documents
1 st half of March 2022	EPC Stakeholder Forums: formal position on 2022 CRs and SEMWG CPs
End March 2022	SMB meeting: final decision on each CR
Mid April 2022	SEMWG meeting: finalisation of proposed 2023 rulebooks
Start May 2022	SMB meeting: approval of 2023 rulebooks
25 May 2022	Publication of 2023 rulebooks
19-11-2023	Entry into force of 2023 rulebooks

The SEUF was also informed about several possible 2022 change requests (CRs) which the EPC was currently considering.



A. All four SEPA payment schemes

The SEUF was reminded about two CRs already approved during the 2020 change management cycle entering into force in November 2023, i.e. the alignment of all attribute numbers and the migration to the 2019 version of the ISO 20022 messaging standard.

The EPC was considering the following terminology amendments: i) harmonise the generic term 'account' into 'Payment Account' with an unambiguous definition what this term really means and ii) review the new definition of the term "Customer" entering into force November 2021.

As a 2021 work item, the EPC agreed to assess whether and how to adapt all rulebooks to transport in a transparent way all necessary information about all involved parties in the end-to-end payment chain. Compared to the 2008 market situation when the first three rulebooks were developed, now there are more intermediary actors (e.g., market platforms) involved in a payment. The SEUF was informed about the existence of a formal Euro Retail Payments Board (ERPBB) WG that currently works on transparency for retail payment end-users. The EPC waits for the recommendations from this ERPBB WG to be presented at the June 2021 ERPBB meeting, before developing any possible 2022 CR related to this subject.

The EPC also discussed the provision of a structured address in two-legged SEPA transactions when one of the two SEPA payment scheme participants involved is based in a non-EEA SEPA country. There would then be no difference any longer in the provided address format between SEPA transactions and CBPR+ transactions in the future. The EPC decided to submit a 2022 CR in this respect for implementation by November 2025 (instead of November 2023). This will be aligned with the migration timeline to CBPR+ and allow all scheme participants and their customers to plan well in advance any changes to their respective systems for making and receiving SEPA payments involving a non-EEA PSP.

B. All SCT schemes

In September 2020, the European retailers' association EuroCommerce contacted the EPC on how the SCT Inst scheme could be adapted to include the reference which the Originator mentioned him/herself in his/her initial SCT Inst instruction message, in the SCT Inst refund instruction (being a pain.001 message) that the merchant would send back now in its capacity as Originator to the initial Originator/consumer.

The EPC agreed with EuroCommerce that the EPC would investigate whether the pain.001 message supports the inclusion of a kind of "Original Debtor/Oriinator Reference" (and consequently, also in the inter-PSP pacs.008 message).

The EPC currently investigates its technical feasibility, and if feasible, the EPC will propose a change request for **both** SCT schemes (to maintain scheme alignment).

C. SCT scheme

At this stage, the EPC had not identified 2022 CRs for the SCT scheme specifically.

D. SCT Inst scheme

Reduction of Target Maximum Execution Time and Time-Out Deadline

The EPC currently considers reducing the target maximum execution time from 10 to 5 seconds and the time-out deadline from 20 to 7 seconds. Shorter cycles can support SCT Inst scheme-based solutions in Point of Interaction (PoI) payment situations. However, shorter timespans should not lead to higher r-transactions due to time-out.



The EPC now analyses the SCT Inst transaction volume statistics from the SCT Inst scheme compliant CSMs. These statistics include how many confirmation messages are received within 5 seconds, between 5 to 10 seconds etc.

Alignment with SCT rulebook

In case of a Request for a Status Update for a Request for Recall by the Originator (RFRO), the EPC will submit a 2022 CR allowing the possibility for the Originator PSP that such a request can refer to one single RFRO, or to several RFROs (to be in line with the 2021 SCT rulebook).

Improvements in reason codes for exception handling

The SCT Inst scheme foresees the reason codes AB05 '*Transaction stopped due to timeout at the Creditor Agent*' and AB06 '*Transaction stopped due to timeout at the Instructed Agent*'. However, the Originator PSP must still check other fields in the r-transaction message to determine which party has caused the time-out.

The EPC considers introducing separate reason codes for the Beneficiary PSP and for the Clearing and Settlement Mechanism (CSM) to indicate if the pacs.008 arrived too late at the CSM (cause being the Originator PSP) or if the pacs.002 arrived too late at the CSM (cause being the Beneficiary PSP).

E. SDD rulebooks

At this stage, the EPC had not identified 2022 CRs for the two SDD schemes.

The SEUF members themselves did not raise any concrete 2022 CR ideas for any of the four SEPA payment schemes.

3. SCT Inst scheme roll-out

A. March SCT Inst adherence status and projections (EPC 069-21)

The EPC co-Chair reported a slow progress in the SCT Inst scheme adherences amid a year-on-year structural reduction of the overall number PSPs in SEPA (e.g., due to mergers and acquisitions). The March 2021 adherence status showed that 58 percent of SCT scheme participants in SEPA are also SCT Inst scheme participants. About 68 percent of SCT scheme participants in the eurozone offer SCT Inst to their customers.

Based on these adherence figures, only the first condition of article 4 of the SEPA End-Date Regulation is fully met. Only six EU Member States currently meet the second condition. The EPC co-Chair nevertheless stressed that already twelve EU countries currently exhibit a (broad) majority of payment accounts reachable for SCT Inst. The EPC expects that the adherence figures will much improve in 2021 and especially in 2022 in the euro area.

The EPC continues to regularly promote the adherence to the SCT Inst scheme through its various channels and is in regular dialogue with the European Commission and the ECB.

The main question is about the possible concrete measures the Commission itself may undertake to stimulate the SCT Inst adherence. The Commission already surveyed those PSPs which have joined the SCT Inst scheme to better understand the challenges they faced in implementing the SCT Inst scheme. The EPC co-Chair pointed that there are many SCT scheme participants left who are small, operate mainly outside the eurozone or are special-purpose PSPs for whom payment services are not a core business.



B. Payment account reachability (EPC 053-21)

The EPC has been informed that not all SCT Inst scheme participants in their role as Beneficiary PSP are able to process incoming SCT Inst transactions for all payment accounts they offer to their customers. This results in unnecessary rejects and frictions for the customers involved. It also hampers the attractiveness and full reachability of the SCT Inst scheme. The EPC representative gave examples of accounts held by certain insurance companies (an instant insurance premium payment can lead to an immediate insurance cover obligation), and accounts of public authorities in certain EU countries.

The EPC realises that each SCT Inst scheme participant holds the commercial freedom to i) determine which accounts can be used as a payment account, in accordance with the law applicable to them, and ii) offer SCT Inst payment services for which of those payment accounts.

However, the SCT Inst scheme offers many customer benefits in terms of ease of use and immediate availability of funds, and allows SCT Inst scheme participants to deliver new and innovative payment services to their clients.

Therefore, in April 2021 the EPC intends to send a formal letter to those SCT Inst scheme participants also participating in the SCT scheme, strongly encouraging them to ensure that their customers' euro or national-currency-denominated payment accounts that are open for incoming SCT transactions, be open for at least incoming SCT Inst transactions as well.

C. EPC promotion actions among SCT scheme participants (oral report)

The EPC continues to regularly promote the adherence to the SCT Inst scheme through its various channels (e.g., EPC website, social media, regular bulletins to SEPA payment scheme participants).

D. Challenges for the SCT Inst scheme participants for the change-over to the 2019 version of ISO 20022 (EPC 052-21)

The changeover to the 2019 version of the ISO 20022 standard for the SCT Inst scheme on Sunday 19 November 2023 needs a specific time-window as this change may not be done 'on the flight' and may stop the SCT Inst processing for some time. This changeover may then well result in a breach of an SCT Inst rulebook obligation stipulating that there can never be any SCT Inst service down-time.

The EPC wanted to know whether and how SCT Inst processing can still be guaranteed during such a change-over and to determine concrete actions for the SCT Inst scheme participants and each group of affected stakeholders to maintain an uninterrupted SCT Inst processing.

If this change-over requires an overall service down-time of the SCT Inst processing across SEPA, the EPC then wished to determine a concrete window to schedule this down-time in consensus with all SCT Inst scheme participants and the relevant stakeholders. The EPC's aim would then be to keep the duration of this down-time to a minimum.

The EPC co-Chair reported the feedback from the March 2021 EPC Scheme Technical Forum (ESTF) meeting. In summary, it is technically feasible to run two versions of the same set of ISO 20022 standard-based XML messages in parallel and to synchronise the data between both versions for a certain period. In effect, it is a change similar to the SEPA payment scheme rulebook releases happening every two years. What really matters is a proper synchronisation between the two versions.



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The major new point according to the ESTF is the need for a synchronisation between TIPS from the Eurosystem and the other CSMs. TIPS will take up a more central role as of December 2021 in the SCT Inst transaction clearing and settlement. This must be further clarified between TIPS and the CSMs.

The SEUF members stressed the importance to be well prepared especially when SCT Inst scheme-based solutions would be more frequently used at Point of Interaction (PoI) situations by November 2023.

E. Current obstacles to the broader use of SCT Inst and possible SEUF recommendations (oral report)

The ANEC representative reported about issues whereby payment end-users make mistakes in their SCT Inst instructions or are maliciously tricked into making such instructions leading to potentially serious financial consequences. A second issue is the impact of regulatory screening hampering or completely stopping the execution of SCT Inst instructions.

With respect to the first topic, the EPC is looking into subjects such as Confirmation of Payee (CoP) to prevent fraud from happening. However, it was still too early to report about concrete developments.

In March 2021, the EPC as SCT Inst scheme manager sent out a letter to the relevant EU authorities addressing in detail the sanction screening issues for SCT Inst transactions made within the EU. The goal of this letter is to make the EU authorities aware of these issues and possible ways to resolve them.

The EuroCommerce representative raised the need for a convenient way to pay by SCT Inst at the PoI. The consumer should be able to easily select and use an SCT Inst-based instrument. The EPC co-Chair reported that specific EPC working groups are cooperating with other stakeholders to contribute to the realisation of such desired conditions.

The SEUF co-Chair saw four key obstacles:

- The main issue is the reachability of the scheme for any payment counterparty. The EPC co-Chair explained that the EPC very much focuses on this matter but the reality is more complex: a difference between euro zone and non-euro zone countries and the fact that some PSPs do not see a business case to integrate SCT Inst solutions in their financial services.
- The cost charged for SCT Inst transactions compared to SCT. The EPC co-Chair pointed out that pricing lies outside the remit of the EPC.
- Defined amount limitations for initiating SCT Inst instructions: there is a need for flexibility for the payment end-users to easily amend such amount limits. The EPC co-Chair explained that each SCT Inst scheme participant is free to offer such specific SCT Inst feature to its customers.
- A common and easy-to-use method to initiate a SCT Inst instruction at the PoI.

F. Future intentions from payment end-user groups to use SCT Inst (oral report)

The SEUF members did not report any concrete intentions.

4. SCT and SDD r-transaction statistics

A. For the entire year 2020 (Pres EPC013-21)

B. The evolution from 2016 to 2020 (Pres EPC014-21)

The SEUF members noted the presented statistics and had no specific comments.



5. SEPA Request-To-Pay (SRTP) rulebook developments: status (oral report)

The version 1.0 of the SRTP scheme rulebook was published on 30 November 2020 following a public consultation. The approx. 400 comments out of this consultation had been published on the EPC website in December 2020. The related Implementation Guidelines and an SRTP Clarification Paper were published early February 2021.

Any stakeholder interested in the SRTP scheme was able to submit CRs by 26 February 2021 for the second SRTP rulebook version. About 30 CRs were received, and they are now being analysed. The EPC task force concerned will also investigate the e-invoicing use case. The public consultation on these CRs is expected to start at the end of May 2021. Work will also start on Application Programming Interface (API) features between the SRTP providers to prevent fragmentation.

The SRTP scheme goes live on 15 June 2021 and the entities can submit their adherences as of the first week of May 2021. Non-PSPs can also adhere to the SRTP scheme. To guarantee security, the EPC will set up a homologation process to ensure that all SRTP scheme participants comply with the SRTP rulebook obligations. The EPC will rely on a third party for doing this homologation.

The version 2.0 of the SRTP scheme rulebook will be published in November 2021.

6. One-Leg Out (OLO) credit transfers entering or leaving SEPA: internal EPC discussion + SEUF views (oral report)

At the end of 2019, the EPC Board decided to establish an ad-hoc EPC task force i) to look into the business and end-to-end operational aspects and consequences of and scenarios for supporting euro one-leg out¹ (euro OLO) (instant) transactions entering or leaving SEPA and ii) to determine if the EPC can play a role to facilitate the processing of such transactions. Various authorities at EU and at global level now pay more attention to OLO transactions.

The EPC considers working out an EPC arrangement to support euro OLO transactions made via a credit transfer from and to payment accounts held at PSPs. Once a possible arrangement is drafted, the EPC will submit it for a public consultation to obtain input from the market.

The SEUF members welcomed the internal EPC discussions and supported any possible improvement in the handling of OLO transactions under the aegis of the EPC.

7. Brexit: status (oral report)

During 2020, the EPC communicated on several occasions through various channels what PSPs and payment end-users needed to do to avoid SEPA transaction rejects as of 2021.

The EPC received e-mails from several disgruntled payment end-users about some PSPs which have started to apply different charges for SEPA transactions to or from UK PSP-based payment accounts. The EPC co-Chair explained that pricing does not lie within the remit of the EPC and that EU regulatory framework no longer applied to such transactions.

The EPC was also informed about cases whereby some PSPs started to deduct charges from the principal transaction amount. The EPC already reminded all SEPA payment scheme participants that such practice is not allowed under the SEPA payment schemes as the schemes are based on the shared cost (SHA) principle.

¹ “one-leg-out” refers to transactions whereby only one of the PSPs - either the payer’s or the payee’s - is located in the SEPA geographical area (SEPA) (definition by analogy with PSD2 – Article 2.4).



8. Re-composition process of the SEUF (EPC 056-21)

In the last two years, the EPC has launched the SEPA Proxy Lookup (SPL) scheme and the S RTP scheme being SEPA payment-related schemes. For these new EPC schemes, there is a need for a similar structural dialogue with the relevant stakeholders relating to the future evolution of these payment-related schemes.

The EPC intends to transform the SEUF and the ESTF into EPC Multi-Stakeholder Groups (MSGs) with as scope all EPC SEPA payment and payment-related schemes. It intends to establish the two new EPC MSGs as from 1 January 2022.

The April 2021 EPC Scheme Management Board will be requested to extend the mandates of the current SEUF and ESTF until 31 December 2021. The EPC intends to launch the call for candidates for these two MSGs at the end of the summer of 2021.

9. AOB

There was no other business raised or discussed.

10. Date of next meeting and closure of the meeting

The next SEUF meeting will take place at the EPC secretariat premises in **Brussels on 10 September 2021** from 10h30 to 14h00 at the EPC secretariat premises in Brussels. In case COVID-19 related circumstances do not allow the EPC to organize this meeting physically, the meeting will be held as a Microsoft Teams conference call.

List of open action items after 12th SEUF Meeting

Item	Topic	Action	Owner	Status / Deadline
		None identified		



List of participants – 12th SEUF Meeting

Date: 25 March 2021

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