



CLARIFICATION PAPER ON SEPA CREDIT TRANSFER AND SEPA INSTANT CREDIT TRANSFER SCHEME RULEBOOKS

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Clarification Paper

on SEPA Credit Transfer and SEPA Instant Credit Transfer Scheme Rulebooks

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Payments Council**

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Abstract

This document addresses operational issues arising from the implementation of the SEPA Credit Transfer (SCT) scheme rulebook and the SEPA Instant Credit Transfer (SCT Inst) scheme rulebook.

This document applies in first instance to the 2019 SCT and SCT Inst scheme rulebooks. Some sections provide also clarifications about the 2021 and 2023 SCT and SCT Inst scheme rulebooks.

This version now includes a clarification about the SCT inquiry procedure on whether the Beneficiary PSP can indicate that its claimed Inter-PSP inquiry fee and interest compensation are to be paid in two separate payments or in just one payment, and in case of two payments, whether it can indicate these payments are to be paid to two different accounts.

This document replaces the version 1.7 of EPC 131-17.



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0 Document Information

Issue number	Dated	Reason for revision
V1.0	21/11/2017	Final review by the October 2017 Scheme Management Board meeting
V1.1	08/05/2018	Additions of the section 2.7, 2.8 and 3.1
V1.2	18/09/2018	Additions of the clarification points a) and c) in section 2.8
V1.3	19/02/2019	Additions of the section 2.8, 2.9 d) and 2.10
V1.4	27/05/2019	Additions of the sections 3.2 and 3.3 applicable to the 2019 SCT scheme rulebook version 1.0
V1.5	01/04/2020	Addition of the section 3.4
V1.6	26/11/2020	Extension of the clarification under section 2.4 for RFRO. Addition of the sections 2.9 and 2.12. Extra clarification for the Beneficiary on the use of the code RRCT in the first paragraph of section 2.11. Small editorial updates as the 2019 SCT and SCT Inst scheme rulebooks are currently in force. Heads-up information about some changes entering into force in November 2021 for the SCT inquiry procedure (sections 3.2 to 3.4 included).
V1.7	06/07/2021	Addition of the sections 2.13, 3.5 and 4.1. Review of and the inclusion of heads-up information about some changes entering into force in November 2021 in the sections 2.8 (on Recalls) and 3.2 (SCT inquiry procedure). Extra information about using the Remittance Information attribute in section 2.11 for a transfer back of funds to the Originator. Change of the term 'Bank' into 'PSP'.
V1.8	16/09/2021	Addition of the section 3.6 containing clarifications on how to claim and to pay the interest compensation and/or the Inter-PSP fee under the SCT inquiry procedure.



1 Introduction

This document has been created to avoid a fragmented approach in the manner in which the SEPA Credit Transfer (SCT) and the SEPA Instant Credit Transfer (SCT Inst) scheme rulebooks are implemented.

In this document the European Payments Council (EPC) provides guidance and, where feasible, recommendations to EPC SEPA payment scheme participants on how to handle situations that are not as such described in the rulebooks. This document will be updated from time to time by the EPC, once new questions and issues arise and need clarification.

2 General questions & answers on the SCT and SCT Inst scheme rulebooks

2.1 Receipt of an SCT/SCT Inst transaction by the Beneficiary PSP or CSM which includes characters not covered by the Latin character set

Reference is made to the section 1.4 of the inter-PSP Implementation Guidelines (IGs) of the SCT and SCT Inst scheme rulebooks.

The character set issue centres on the use of the full set characters in the message elements. Two considerations are:

- While PSPs must be allowed to use the character set currently in use at national level,
- PSPs throughout SEPA cannot be required to support the full character set used in SEPA countries.

Therefore:

- The ISO 20022 XML messages allow for the full range of global language requirements (UTF-8).
- PSPs must be able to support the Latin character set commonly used in international communication, as follows:

a b c d e f g h i j k l m n o p q r s t u v w x y z
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
0 1 2 3 4 5 6 7 8 9
/ - ? : () . , ' +
Space

- References, identifications and identifiers must respect the following:
 - Content is restricted to the Latin character set as defined above
 - Content must not start or end with a '/'
 - Content must not contain '//'

However, there may be bilateral or multilateral agreements to support one or more sets of characters beyond the Latin character set referred to above.

More information on this subject can be found in the document [EPC217-08 'Best practices SEPA Requirements for an extended character set'](#) which contains a set of best practices to be used in dealing with local language and special characters used in some SEPA countries.



2.2 Non-euro denominated accounts held by SCT/ SCT Inst scheme participants

Section 2.4 of the SCT and the SCT Inst scheme rulebooks specify that all SCT/ SCT Inst transactions are in euro in all process stages. The accounts of the Originator and of the Beneficiary may be denominated in euro or any other currency.

Subject to the Terms and Conditions of the Originator PSP or of the Beneficiary PSP, payment service users can use non-euro denominated accounts for SCT and SCT Inst transactions. This means an SCT scheme participant may only reject or return SCT transactions or an SCT Inst scheme participant may only reject SCT Inst transactions if the selected account is not designated to send or to receive SCT or SCT Inst payments.

In case of SCT/ SCT Inst r-transactions, the transferred amount will be the original euro amount of the initial SCT/ SCT Inst instruction (except for Recall, see section 2.4 below).

2.3 Mandatory Customer-to-PSP (C2PSP) Implementation Guidelines

The Implementation Guidelines (IGs) for the customer-to-PSP and PSP-to-customer XML message standards are mandatory. Only when the Originator PSP offers to its Originators the service of accepting and processing electronically bundled Customer-to-PSP Credit Transfer Instructions, the Originator PSP is obliged to accept at least but not exclusively the messages as described in these IGs.

This means that Originators still have the choice either to continue using their accepted C2PSP file set-up or to opt for the C2PSP file based on EPC specifications. On the other hand, the SCT/ SCT Inst scheme participants will have to be technically capable of supporting the EPC C2PSP SEPA payment file specifications.

However, there are SCT/ SCT Inst scheme participants in the role of Originator PSP that do not offer the service of electronic bulk files of SCT/ SCT Inst instructions to their Originators. An example are consumer-only oriented scheme participants.

Customers of such SCT/ SCT Inst scheme participants only transmit SCT/ SCT Inst instructions by entering the instructions one by one directly in the online banking portals. There are even scheme participants that may only accept paper based C2PSP SCT/ SCT Inst instructions.

Only those SCT/ SCT Inst scheme participants that currently offer or wish to offer to their Originators the service of transmitting and processing electronic bulk files of SCT/ SCT Inst instructions, have the obligation to accept C2PSP SCT/ SCT Inst instructions which are based on the credit transfer ISO 20022 XML initiation message standards in the SCT/ SCT Inst C2PSP IGs.

2.4 Liability for a potential currency loss in case of a Recall or Request for Recall by the Originator for a SCT/ SCT Inst transaction which was subject to a currency conversion at the Beneficiary PSP

A (SCT Inst) Recall is always initiated by the Originator PSP, possibly on behalf of the Originator. A Request for Recall by the Originator (RFRO) is initiated by the Originator PSP after an Originator has requested the Originator PSP to reverse a settled SCT/ SCT Inst transaction for a reason other than those foreseen under the (SCT Inst) Recall procedure. Neither the Beneficiary nor the Beneficiary PSP has any influence on it. As a consequence, they should not bear any loss related to it.



The positive response of the Beneficiary PSP to a (SCT Inst) Recall or RFRO request is a ISO Payment Return message with a specific return reason “following cancellation request” (FOCR). The SCT and SCT Inst schemes allow for the Beneficiary PSP to charge a fee for such a positive response. This fee is clearly identified in the ISO Payment Return message, which also contains the amount of the original SCT/ SCT Inst transaction and the actual returned amount. Currency conversion losses may be included in the (SCT Inst) Recall or RFRO fee that may be charged by the Beneficiary PSP.

In exceptional cases, the currency conversion loss can be settled outside the (SCT Inst) Recall or RFRO procedure by rejecting the (SCT Inst) Recall or RFRO request and settling the issue in a bilateral way.

2.5 Auto-conversion practices: can an SCT/ SCT Inst transaction be converted into a non-euro currency before reaching the Beneficiary PSP?

Reference is made to Section 2.4 of the SCT and the SCT Inst scheme rulebooks which states that “all transactions are in euro in all process stages”. In other words, the amount of the transaction must remain unchanged and expressed in euro until it reaches the Beneficiary PSP. This also means that currency conversion of an SCT/ SCT Inst transaction to be credited to a non-euro account can only be carried out by the Beneficiary PSP, and currency conversion of an SCT/ SCT Inst transaction to be debited from a non-euro account can only be carried out by the Originator PSP.

2.6 Clarification on specific attributes to identify counterparties in SCT/ SCT Inst transactions

The SCT and the SCT Inst scheme rulebooks foresee the following attributes to further identify counterparties in SCT/ SCT Inst transactions (i.e., in addition to their names):

1. AT-09 The identification code of the Originator Reference Party
2. AT-10 The Originator identification code
3. AT-24 The Beneficiary identification code
4. AT-29 The identification code of the Beneficiary Reference Party

These attributes refer to elements of the ISO 20022 XML message standard to transfer information or codes. The codes inserted in each of these attributes allow a unique and unambiguous way of identifying an organisation or an individual. This can be useful for the automated and straight-through-processing identification of the counterparties involved in the SCT/ SCT Inst transaction.

Codes that can be used in these attributes are among others the Fiscal Code, the VAT Code, the Enterprise Registration Number, the Business Identifier Code, the Organization Code, the Trade Register Number, the Business Register Number, the National Tax ID, the Customer Code (for AT-09 and AT-10 only) and the Supplier Code (for AT-24 and AT-29 only).

2.7 Provision of country-related information in the interPSP messages

The Regulation 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006 (Funds Transfer Regulation 2 – FTR2) specifies among others that the full address of the Originator needs to be provided in the credit transfer message when the Originator PSP or the Beneficiary PSP is based in a SEPA country that is not part of the European Economic Area (EEA).



As an illustration, the screenshots below from the SCT Inter-PSP Implementation Guidelines (IGs) define the usage rules for the data element 2.48 (“Postal Address”) selected for AT-03 (Address of the Originator) and its sub-data elements 2.57 (“Country”) and 2.58 (“Address Line”)¹:

2.48	0..1	FIto FICustomer Credit Transfer V02 +Credit Transfer Transaction Information ++Debtor +++ Postal Address	SEPA Rulebook <i>AT-03 Address of the Originator (only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory).</i> ISO Name Postal Address ISO Definition Information that locates and identifies a specific address, as defined by postal services. XML Tag PstIAdr
2.49	0..1	FIto FICustomer Credit Transfer V02 +Credit Transfer Transaction Information	ISO Name Address Type ISO Definition Identifies the nature of the postal address.
2.57	0..1	FIto FICustomer Credit Transfer V02 +Credit Transfer Transaction Information ++Debtor +++Postal Address ++++Country	ISO Name Country ISO Definition Nation with its own government. XML Tag Ctry Type CountryCode Pattern [A-Z]{2,2}
2.58	0..2	FIto FICustomer Credit Transfer V02 +Credit Transfer Transaction Information ++Debtor +++Postal Address ++++ Address Line	SEPA Usage Rule(s) <i>Only two occurrences are allowed.</i> ISO Name Address Line ISO Definition Information that locates and identifies a specific address, as defined by postal services, presented in free format text. XML Tag AdrLine Type Max70Text ISO Length 1 .. 70 SEPA Length 1 .. 70

Interpretations among SCT and SCT Inst scheme participants differ about whether both the elements “Address Line” and “Country” must be completed in case the address of the Originator has to be provided in the element “Postal Address”.

One interpretation is that the data element “Postal Address” consists of two optional elements as the data element “Country” is not stated as mandatory. Under this view, the provision of the Country Code or other country-related information as free format data in

¹ The green coloured fields are highlighted to draw the reader’s attention and are thus not coloured as such in the concerned IGs.



the data element “Address Line” - together with the other address information (e.g., street, location) - is sufficient as provided information.

Another interpretation though is that the elements “Address Line” and “Country” are mandatory. The logic behind this viewpoint is that if the element “Country” exists, one should not use the unstructured address line to put the country code or other country-related information. Any other interpretation would complicate an accurate and automated check on the country information at the Beneficiary PSP.

Such difference in interpretations leads to Rejects or Returns of SCT and SCT Inst transactions only because the data element “Country” is not filled in, even though the country-related information is given in the data element “Address Line”.

Under the current applicable SCT and SCT Inst Inter-PSP IGs, the SCT and SCT Inst scheme participants have the possibility to report the country-related information either in “Address Line” or “Country”. If that information sits in the “Address Line”, the SCT and SCT Inst transaction should not be rejected.

The EPC nevertheless recommends that all SCT and SCT Inst scheme participants

1. Adapt their systems to complete the data element ‘Country’ for outgoing SCT and SCT Inst transactions in which a scheme participant from a non-EEA SEPA country is involved; and/or
2. Determine workarounds to avoid that SCT and SCT Inst transactions in which a scheme participant from a non-EEA SEPA country is involved, are rejected only due to the missing element ‘Country Code’.

2.8 Differences between Recall and Request for Recall by the Originator

The SCT and SCT Inst scheme rulebooks contain dedicated sections explaining the procedures for Recall and Request for Recall by the Originator (RFRO). Some SCT (Inst) scheme participants and payment end-users misunderstand the concrete objectives of both r-transactions, in which cases and how they can be used.

The table below compares the two r-transaction types and highlights the differences:

	<u>Recall</u>	<u>RFRO</u>
Phase 1: initiation of the r-transaction		
Concrete Customer-to-PSP (C2PSP) means for an Originator to initiate the r-transaction	By any C2PSP means	
Inter-PSP message to initiate the r-transaction	Camt.056	
Party that can initiate or request the initiation of the r-transaction	1. Originator; 2. Originator PSP.	Originator
Time criterion to respect to initiate the r-transaction	Until 21 November 2021: Originator PSP to initiate the Recall within 10 Banking Business Days after the execution date of the related SCT (Inst) transaction	The debit date of the original SCT (Inst) transaction falls within the 13 months preceding the date at which Originator PSP receives the RFRO.



	<u>Recall</u>	<u>RFRO</u>
<p>Clarification to the new rules as of 21 November 2021 being the implementation date of the 2021 SCT and SCT Inst rulebooks: the period of 13 months within which a Recall for 'Fraudulent originated SEPA Credit Transfer/SCT Inst' can be initiated, only applies for SCT transactions with a debit date as of 21 November 2021, and for SCT Inst transactions as of 08h00 CET of that same debit date.</p>	<p>As of 21 November 2021: The Originator PSP must initiate the Recall within the period of</p> <ul style="list-style-type: none"> • 10 Banking Business Days for the reasons 'Duplicate sending' and 'Technical problems resulting in an erroneous SCT (Inst)'; • 13 months for the reason 'Fraudulent originated SEPA Credit Transfer/SCT Inst' following the execution date of the initial SCT or SCT Inst transaction subject to the Recall. 	
<p>Possible reasons for which the r-transaction can be used</p>	<ol style="list-style-type: none"> 1. Duplicate; 2. Technical problem leading to an erroneous SCT (Inst) transaction; 3. Fraud. 	<ol style="list-style-type: none"> 1. Wrong IBAN; 2. Wrong amount; 3. By request of the Originator without any reason specified.
<p>Timespan for the Beneficiary PSP to answer to the r-transaction</p>	<p>Within 15 Banking Business Days after the Beneficiary PSP received the r-transaction. The Beneficiary PSP is in breach with the SCT (Inst) scheme rulebook if it has not responded to the r-transaction within this specific timespan. If the Beneficiary PSP has received no response from the Beneficiary to this r-transaction within this timespan, the Beneficiary PSP must send a negative answer with the reason "No response from the Beneficiary" to the Originator PSP.</p>	
<p>Phase 2a: negative answer/response to the r-transaction</p>		
<p>Inter-PSP negative answer/response message</p>	<p>Camt.029</p>	
<p>Party instructing the negative answer/response</p>	<ol style="list-style-type: none"> 1. Beneficiary in case it refuses the r-transaction, claims to have never received the initial SCT (Inst) transaction, disputes the monetary amount requested by the Originator or the Originator PSP, or has already transferred back the funds; 2. Beneficiary PSP if the claimed amount cannot be debited from the account of the Beneficiary, the 	



	<u>Recall</u>	<u>RFRO</u>
	Beneficiary did not respond or the initial SCT (Inst) transaction has never been received.	
Phase 2b: positive answer/response to the r-transaction		
Inter-PSP positive answer/response message	Pacs.004	
Party instructing the positive answer/response	1. Beneficiary; 2. Beneficiary PSP if legally possible (or on the basis of an agreement with the Beneficiary).	Beneficiary
Phase 2c: no answer/response from the Beneficiary PSP		
Request for status update	Pacs.028	
Timespan for the Beneficiary PSP to answer to the request for status update	See <i>"Timespan for the Beneficiary PSP to answer to the r-transaction"</i> under Phase 1.	
Inter-PSP negative answer/response message to the request for status update	See phase 2a.	
Inter-PSP positive answer/response message to the request for status update	See phase 2b.	

2.9 Possibility to credit a technical account following a positive response to a (SCT Inst) Recall

When the Beneficiary PSP reports to the Originator PSP a positive answer to a (SCT Inst) Recall, the Originator PSP credits the account of the Originator with the amount of the positive answer to the (SCT Inst) Recall (see process step CT-02.06 in both SCT rulebooks).

However, the Originator PSP may have already transferred back the recalled amount to the account of the Originator in accordance with article 73 (1) of PSD2 stipulating that *"...In the case of an unauthorised payment transaction, the payer's payment service provider refunds the payer the amount of the unauthorised payment transaction immediately, and in any event no later by the end of the following business day..."*.

Each Originator PSP can decide to re-credit another account than the account of the Originator (i.e. a technical account of the Originator PSP) in case it has already re-credited the Originator for that (SCT Inst) Recall request.

2.10 Request for Recall by the Originator

The aim of this clarification is to highlight to SCT and SCT Inst scheme participants

- a) the possibility of a Request for Status Update under RFRO;
- b) how to set up an inter-PSP response to the RFRO.

Clarification for a):

Even though the list of RFRO reason codes (see the SCT and SCT Inst attributes AT-50 and AT-52) includes 'The Request for Status Update' as a reason code, the ISO 20022 message **pacs.028** is used to initiate 'The Request for Status Update'.



The ISO 20022 message **camt.056** is used for the other RFRO reason codes (i.e. ‘Wrong unique identifier of the Beneficiary account’; ‘Wrong amount’ and ‘By request of the Originator without any reason specified’).

Clarification for b):

The dataset for the positive inter-PSP answer to a **Recall** (i.e. DS-06 for SCT and SCT Inst) foresees in the element “originator” (3.25) the attribute *AT-R2 “The identification of the type of party initiating the “R” message”*. The AT-R2 will either mention the BIC of the Beneficiary PSP (the Beneficiary PSP is allowed to debit the Beneficiary without his consent), or the name of the Beneficiary (Beneficiary agrees to reimburse).

In case of a negative inter-PSP answer to a **Recall**, the element “originator” (4.16) can either be completed with AT-21 “Beneficiary name” or AT-23 “Bic Beneficiary PSP”.

However, the attribute AT-R2 is **not** foreseen for the rulebook dataset for the inter-PSP response to a **RFRO** (i.e. DS-08 for SCT, DS-09 for SCT Inst) in the 2019 Inter-PSP IGs. In case of a positive response, the element “originator” (3.25) can only be completed with AT-21 “Beneficiary name” (not with AT-R2 as for Recall).

For a negative response, the element “originator” (4.16) can either be completed with AT-21 “Beneficiary name” or AT-23 “BIC Beneficiary PSP” (i.e. the same process as for Recall).

An accepted EPC change request submitted during the 2020 rulebook change management cycle will formally integrate AT-R2 in the inter-PSP responses to the RFRO, as of the 2021 SCT and SCT Inst scheme rulebooks.

2.11 Transfer back of funds to the Originator

When the Beneficiary’s account has been credited through an SCT (Inst) transaction and the Beneficiary wishes to transfer back funds to the Originator, the Beneficiary can do this by initiating a new SCT (Inst) transaction indicating the IBAN of the payment account of the Originator as the account to be credited through this transaction. The Beneficiary may provide the purpose code “RRCT” (Reimbursement Received Credit Transfer). The Beneficiary can use the Remittance Information attribute (AT-05) to include the reference which the Originator mentioned him/herself in his/her initial SCT (Inst) instruction, in the SCT (Inst) transaction to transfer back funds to the Originator.

This forms no issue for Beneficiaries having a payment account with a SCT (Inst) scheme participant which is allowed to pass on the IBAN of the payment account of the Originator to the Beneficiary through the transaction reporting tools in the PSP-to-Customer space (e.g., account statements).

However, the Beneficiary may have a payment account with a SCT (Inst) scheme participant which is not allowed to pass on the IBAN of the payment account of the Originator to the Beneficiary (e.g., due to national data protection legislation).

In such cases, a transfer back of funds is still possible on the condition that the Beneficiary PSP and the Beneficiary have made a specific arrangement. The Beneficiary submits an alternative identifier to the IBAN of the Originator in the original SCT (Inst) transaction, for the new SCT (Inst) instruction.

The C2PSP SCT and SCT Inst Implementation Guidelines (IGs) in force since November 2019 include specific usage rules how to submit such alternative identifier for electronically bundled SCT/SCT Inst transactions in ISO 20022 XML format.



In this scenario, the element "IBAN" under "Creditor Account/ID" (pain.001 message) cannot be used and is shaded red and instead "Other/ID" under "Creditor Account/ID" should be used. A number of conditions must be met to use "Other/ID":

- The following two usage rules are to be respected:
 - There is a bilateral agreement between the Beneficiary and the Beneficiary PSP of the original transaction; **and**
 - The delivery of a reference as agreed with and given by the Beneficiary PSP of the original transaction (e.g., the 'Account Servicer Reference' of the camt.052/053/054), which is now the Originator PSP of the Transfer Back transaction.
- To be used only if the category purpose code is RRCT.

Since November 2019, the code RRCT is a new (inter-PSP) category purpose code (i.e. AT-45) and a new (end-to-end) purpose code (i.e. AT-44) to tag the pain.001 message as an SCT (Inst) transaction to transfer back funds of an earlier settled SCT (Inst) transaction.

In case the Beneficiary PSP wants to offer such facility to its Beneficiaries, the field for the new category purpose code RRCT in the pain message is a mandatory field (i.e. AT-45).

Moreover, in order to allow the Originator of the original SCT (Inst) transaction to understand that the received SCT (Inst) transaction is related to a transfer back of earlier transferred funds, the (end-to-end) purpose code in the customer-to-PSP pain.001 message (i.e. AT-44) is made mandatory. It needs to be completed with either the new purpose code RRCT or another code meaningful for identifying the SCT (Inst) transaction as a transfer back of funds. This code being mandatorily present in the pain.001 message also must be present in the related inter-PSP pacs.008 message.

2.12 Amended timeline to publish the 2023 SEPA payment scheme rulebooks in connection with the migration to the 2019 version of the ISO 20022 message standard

One change request from the 2020 EPC SEPA payment scheme rulebook change management cycle suggested the migration of all ISO 20022 XML-based messages used in the four EPC SEPA payment scheme rulebooks to the 2019 version of the ISO 20022 messaging standard. Another change request proposed the alignment of all attribute numbers across all four EPC SEPA payment scheme rulebooks.

The EPC decided to include these two change requests in all **2023** SEPA payment scheme rulebooks and the related customer-to-PSP and inter-PSP IGs entering into force on 19 November 2023.

These 2023 SEPA payment scheme rulebooks and related IGs will also include possible **business and/or functional rule changes** that the EPC may approve at the end of the 2022 SEPA payment scheme rulebook change management cycle.

The implementation of a major version change of the used ISO 20022 messages in combination with the implementation of possible new/amended business and/or functional rules in a single rulebook release, may form a challenge for some SEPA payment scheme participants.

To ease this potential challenge, the EPC will publish the 2023 SEPA payment scheme rulebooks and related IGs in **May 2022** instead of November 2022. This gives the SEPA payment scheme participants and all other relevant stakeholders 18 months instead of the standard 12 months to do these changes.



This also means that the 2022 SEPA payment scheme rulebook change management cycle will start six months earlier i.e. the deadline for any stakeholder to submit change requests will be 30 June 2021 instead of 31 December 2021.

This timeline change to the regular SEPA payment scheme rulebook change management cycle is considered as an exception, and is not planned to be repeated for any future change management cycle.

2.13 SCT and SCT Inst R-transaction reason codes

Originators and Originator PSPs can consult the documents EPC135-18 '[Guidance on reason codes for SCT R-transactions](#)' and EPC059-18 '[Guidance on reason codes for SCT Inst R-transactions](#)' to correctly interpret the reason codes given in the R-transaction related to their unsuccessful initial SCT/SCT Inst transaction. This document also provides the Originators and the Originator PSPs with suggested actions for each SCT/SCT Inst R-transaction reason code.



3 Specific points for the SCT scheme rulebook

3.1 Clarification about the Return reason “By order of the Beneficiary”

Section 4.4 of the SCT scheme rulebook for Returns specifies that the Return procedure must not be used in cases where the Beneficiary’s account has already been credited and the Beneficiary wishes to return the funds. Instead, the procedure of initiating a new Credit Transfer applies.

On the other hand, the attribute AT-R3 ‘Reason code for non-acceptance of the SEPA Credit Transfer’ in section 4.7.1 lists as possible Return reason “By order of the Beneficiary”.

Comparing this part of section 4.4 with the permitted Return reason, this may be interpreted as a contradiction in the SCT scheme rulebook.

However, the use of this specific Return reason is justified when the Beneficiary PSP acts on behalf of the Beneficiary following an instruction from the Beneficiary whereby the Funds have not yet been credited on the payment account of the Beneficiary but the inter-PSP settlement for this Credit Transfer has already taken place.

3.2 Clarification about the SCT inquiry process

The table below provides the SCT scheme participant with clarifications on several topics which the SCT scheme participant may be confronted with.

An accepted EPC change request submitted during the 2020 SCT scheme rulebook change management cycle will lead to the inclusion of some of these clarifications and/or of amendments to some other clarifications, as formal rules in the 2021 SCT scheme rulebook.

Concrete process questions		
1)	Is the SCT scheme participant obliged to use the ISO 20022 XML message based SCT inquiry process in case the Beneficiary PSP can be reached through another channel (e.g., via MT 19x message, a message format or channel agreed at national level)?	<p>All SCT scheme participants must support the ISO 20022 XML messages as defined in the SCT inter-PSP IGs both in the role of an Originator PSP and a Beneficiary PSP.</p> <p>If the Originator PSP has an agreement to send an SCT inquiry message about a SCT transaction through another channel or message standard with the Beneficiary PSP, it can use that alternative channel.</p> <p>Once a given SCT inquiry has been launched via an ISO 20022 XML message based on the SCT scheme inter-PSP IG specifications, any future response message related to that SCT inquiry must also be sent as an ISO 20022 XML message following the SCT scheme inter-PSP IG specifications. There cannot be a mixture of ISO 20022 XML messages and other message standards to handle a SCT inquiry. This would hinder certain automated process steps and complicate the audit trail.</p>
2)	Can a single SCT Inquiry cover an entire bulk file of SCT transactions?	<p>Until 21 November 2021:</p> <p>No, the section 4.4.1 of the SCT rulebook lists the main characteristics of a SCT inquiry irrespective</p>



Concrete process questions		
		<p>of the type of SCT inquiry. The inquiry message covers only a single initial SCT transaction or a reminder to a single earlier issued SCT inquiry.</p> <p>As of 21 November 2021: The inquiry message for the reasons 'Claim of Non-Receipt' and 'Claim for Value Date Correction' concerns a single initial SEPA Credit Transfer only. If several initial SEPA Credit Transfers are concerned, then several SCT inquiry messages must be sent. The inquiry message for the reason 'Request for Status Update' can refer to one single SCT inquiry, or to several SCT inquiries.</p>
3)	How must an Originator PSP interpret the inter-PSP positive response to a claim of non-receipt inquiry from the Beneficiary PSP?	The Beneficiary PSP confirms that it has credited the initial SCT transaction on the account of the Beneficiary and also provides the Originator PSP with the date on which this SCT transaction has been credited.
4)	As of when the Originator PSP can send a request for a status update about an original SCT inquiry to the Beneficiary PSP? Is there a maximum number of requests for a status update that can be sent?	<p>The Beneficiary PSP is obliged to respond to the original SCT inquiry within the 10 Banking Business Days after it has received this SCT inquiry. Not respecting this deadline is a breach against the SCT rulebook.</p> <p>It is at the discretion of the Originator PSP to send such (multiple) request(s) for a status update after 10 Banking Business Days after the receipt of the SCT inquiry.</p> <p>Nevertheless, the use of the request for a status update should be minimized as it creates workload for the Beneficiary PSP to handle each request.</p>
5)	Does the Beneficiary PSP have to respond to a request for a status update if it has already responded to the original inquiry?	<p>No, the Beneficiary PSP does not have to respond to such request as it has already responded to the initial inquiry.</p> <p>The inter-PSP response from the Beneficiary PSP and the request for a status update from the Originator PSP may have crossed each other.</p>
6)	The Beneficiary PSP is obliged to respond to the original SCT inquiry within the 10 Banking Business Days after it has received this SCT inquiry. Does this mean that any charge and/or interest compensation that the Beneficiary PSP may ask, should also be settled within this deadline?	<p>The aim of the SCT inquiry is to get information about the concrete fate of the original SCT transaction, i.e. has the Beneficiary PSP well received it and/or has it applied the correct value date.</p> <p>All subsequent actions to correct the current status of the SCT transaction should be done as soon as possible to reduce further friction for the Originator and the Beneficiary.</p>



Concrete process questions	
	<p>However, these subsequent actions may not be realized within this period of 10 Banking Business Days depending on the complexity of the concrete correction itself, the number of inter-PSP parties to be involved and the internal approvals that each SCT scheme participant may require to authorise this correction.</p>
Interest compensation and fees for SCT inquiries	
7)	<p>In which situations can a Beneficiary PSP charge a fee for handling the SCT inquiry?</p> <p>The published inter-PSP IGs for the SCT scheme rulebook point out that only for positive inter-PSP responses to an SCT inquiry, the Beneficiary PSP can charge a fee from the Originator PSP.</p>
8)	<p>In which situations is a Beneficiary PSP allowed to ask for an interest compensation for the SCT inquiry?</p> <p>Only in case a positive €STR rate is applied to correct the value date.</p>
9)	<p>How should the Originator PSP settle the interest compensation and/or any other fees requested by the Beneficiary PSP?</p> <p>Until 21 November 2021: Reference is made to the document EPC 115-19 Addenda and Errata to the 2019 Version 1.0 SCT Inter-PSP IGs. It explains how through the ISO 20022 XML message, the Beneficiary PSP can provide the Originator PSP with the concrete account of the Beneficiary PSP to be credited, and with the amount of the interest compensation and/or SCT inquiry fees.</p> <p>As of 21 November 2021: The 2021 SCT scheme rulebook includes the new dataset DS-11 <i>Inter-PSP Fee and/or Compensation Payment Dataset</i> (see the sections 4.4.4 and 4.5.11 of the 2021 rulebook). Further important clarifications about the implementation of the DS-11 are provided in section 3.5 below.</p>
10)	<p>In case of an SCT inquiry “Claim for Value Date Correction”, the Beneficiary PSP is allowed to claim first the receipt of an interest compensation and possibly also a fee for handling the SCT inquiry, before it will execute the value date correction.</p> <p>When the Beneficiary PSP communicates back to the Originator PSP that it has well received the interest</p> <p>The Beneficiary PSP reports at just one occasion the total amount in fees for handling such SCT inquiry: either at the moment it communicates the claim to receive first the interest compensation before executing the value date correction, or at the moment it communicates that the value date correction has been done.</p>

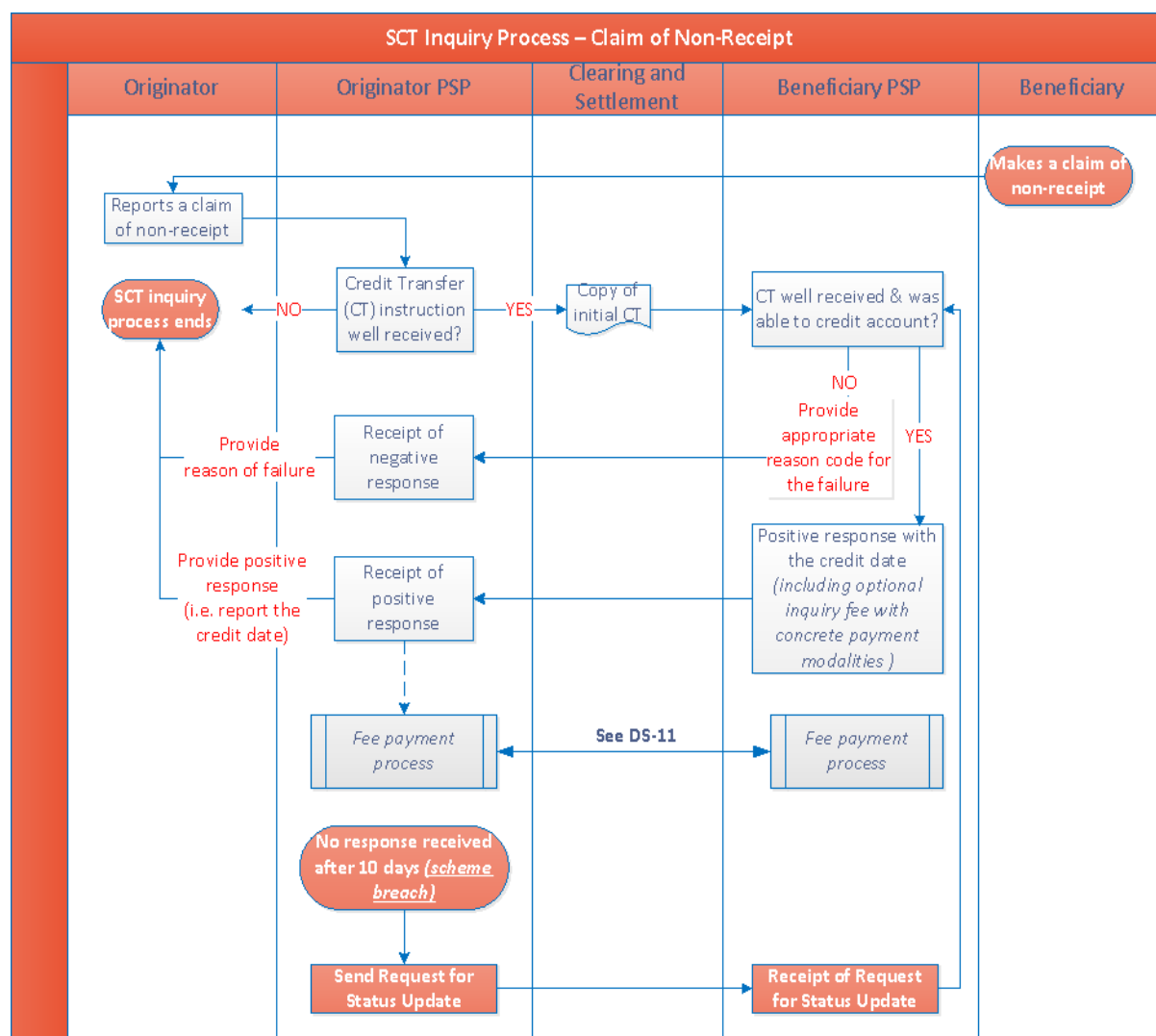


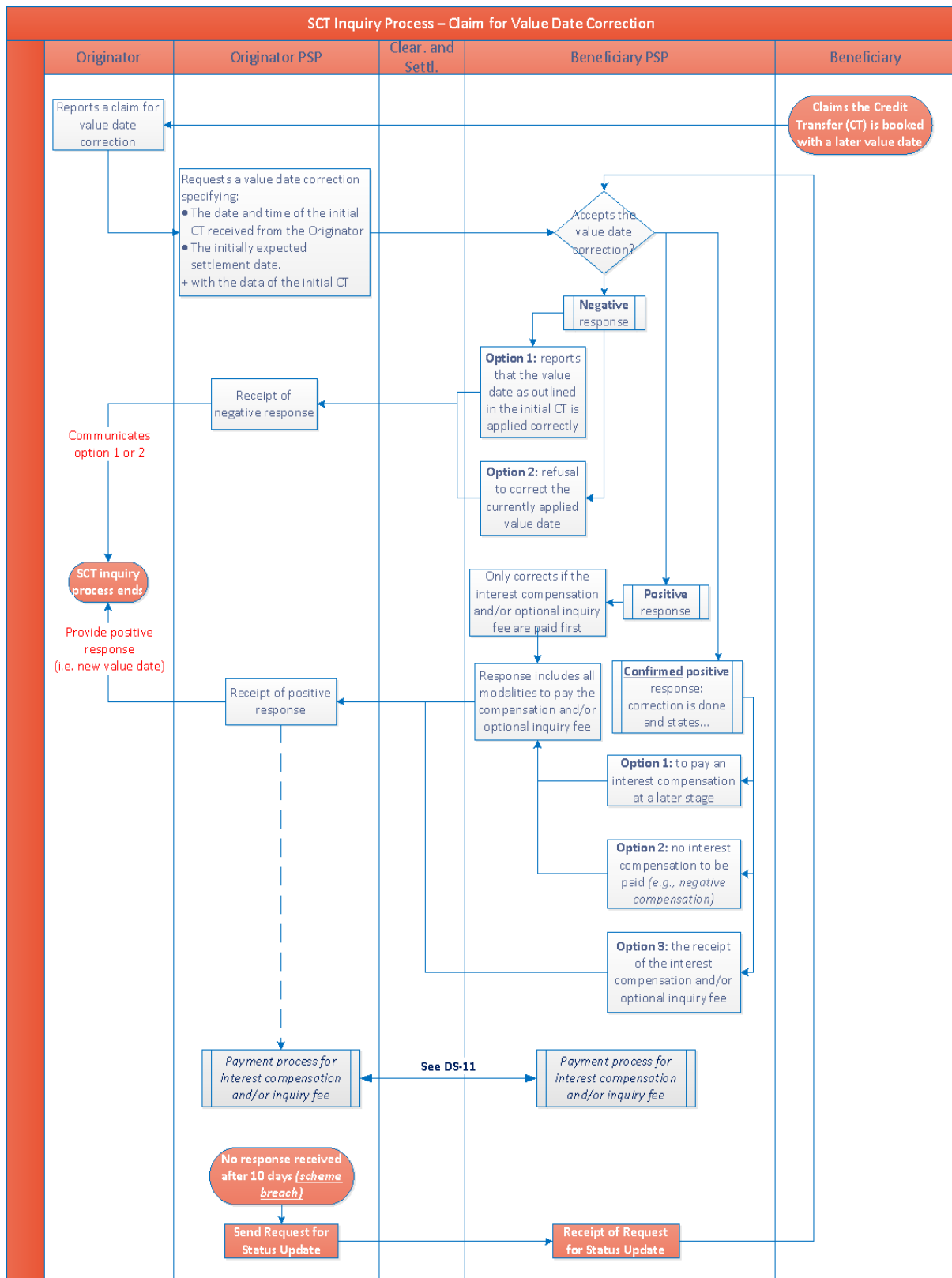
Concrete process questions	
compensation and the new value date of the SCT transaction, can the Beneficiary PSP ask a second fee for handling this specific SCT inquiry?	

3.3 Schematic workflows of the SCT inquiry process

The workflows below can assist the SCT scheme participants in their implementation of the SCT inquiry process and in the day-to-day handling of SCT inquiries for a Claim of Non-Receipt, a Claim for Value Date Correction and the related responses.

An accepted EPC change request submitted during the 2020 SCT scheme rulebook change management cycle will lead to the inclusion of these workflows in the 2021 SCT scheme rulebook as formal workflows to be complied with.







3.4 SCT inquiry procedure 'Claim for Value Date Correction': how the Beneficiary PSP can charge administrative fees prior to the value date correction

SCT scheme participants have reported that for a **positive** response to a 'Claim for Value Date Correction', it is impossible for a Beneficiary PSP to claim its administrative fees for a value date correction **prior** to the correction of the value date.

The 2019 SCT inter-PSP IGs specify that the option of charging such fees prior to the correction, is **only possible in combination with** the Beneficiary PSP also claiming an interest compensation amount at the same time. When the Beneficiary PSP does not want or cannot² demand such interest compensation amount, the Beneficiary PSP technically cannot claim its administrative fees prior to the correction of the value date.

The Beneficiary PSPs can do the following in such case to temporarily address this limitation: since the data element 'Charges/Amount' can only be populated if the data element 'Compensation/Amount' has been populated as well, the Beneficiary PSP will populate the value '0.01 EUR' in data element 'Compensation/Amount' (element 9.5) in the camt.029 message.

The possibility to apply the above fixed amount (which cannot be increased by the Beneficiary PSP) will end with the entry into force of the 2021 SCT scheme rulebook in November 2021. This new SCT scheme rulebook version introduces a formal business rule to make the data element 'Compensation/Amount' **optional** in the camt.029 message. This means that as of 21 November 2021 onwards, the Beneficiary PSP will be allowed to charge only administrative fees if it wishes so, for a value date correction prior to the correction of the value date.

3.5 Implementation of the dataset DS-11 'Inter-PSP Fee and/or Compensation Payment Dataset'

The 2021 SCT scheme rulebook includes the new dataset DS-11 'Inter-PSP Fee and/or Compensation Payment Dataset' (see the sections 4.4.4 and 4.5.11 of the 2021 rulebook). As of 21 November 2021, the Originator PSP can use this dataset to pay the Beneficiary PSP a fee (in case of a positive response to an SCT inquiry for the reasons 'Claim of Non-Receipt' and 'Claim for Value Date Correction') and/or interest compensation (resulting from a positive response to an SCT inquiry for the reason 'Claim for Value Date Correction') to finally resolve a SCT inquiry.

In the run-up to the go-live date of the 2021 SCT scheme rulebook, several SCT scheme participants had clarification requests and considerable implementation concerns about DS-11.

As a response to these comments, on 31 May 2021 the EPC published [errata to the 2021 Version 1.0 SCT IGs \(EPC080-21\)](#).

The Clarification Paper also provides the SCT scheme participant with the following main specifications:

- SCT scheme participants may agree (e.g., on a bilateral or community/country basis) to use another practice outside the SCT scheme to settle such payments. But to ensure a minimal standard at SEPA level, all scheme participants must implement the DS-11

² Given the current negative inter-PSP interest rates, this will rarely happen.



pac.008 message (i.e. at least the DS-11 ‘Credit Transfer Transaction Information’ block in case of a DS-02/DS-11 mix) as described in section 2.19 of the SCT IGs.

- The Originator PSP can send a mix of SCT transactions based on the dataset DS-02 ‘The Inter-PSP Payment Dataset’ and DS-11 in a single pac.008 message.
- The Beneficiary PSPs may agree on a bilateral basis with their CSM on how the DS-02/DS-11 transactions will be sent to them (e.g., via dedicated DS-02/DS-11 files or mixed files).
- DS-11 is used to settle the SCT inquiry fee and/or interest compensation payments for a single SCT inquiry case or for multiple SCT inquiry cases unlike to what is specified in the ‘Rules applied’ section of DS-11 in the 2021 SCT scheme rulebook.

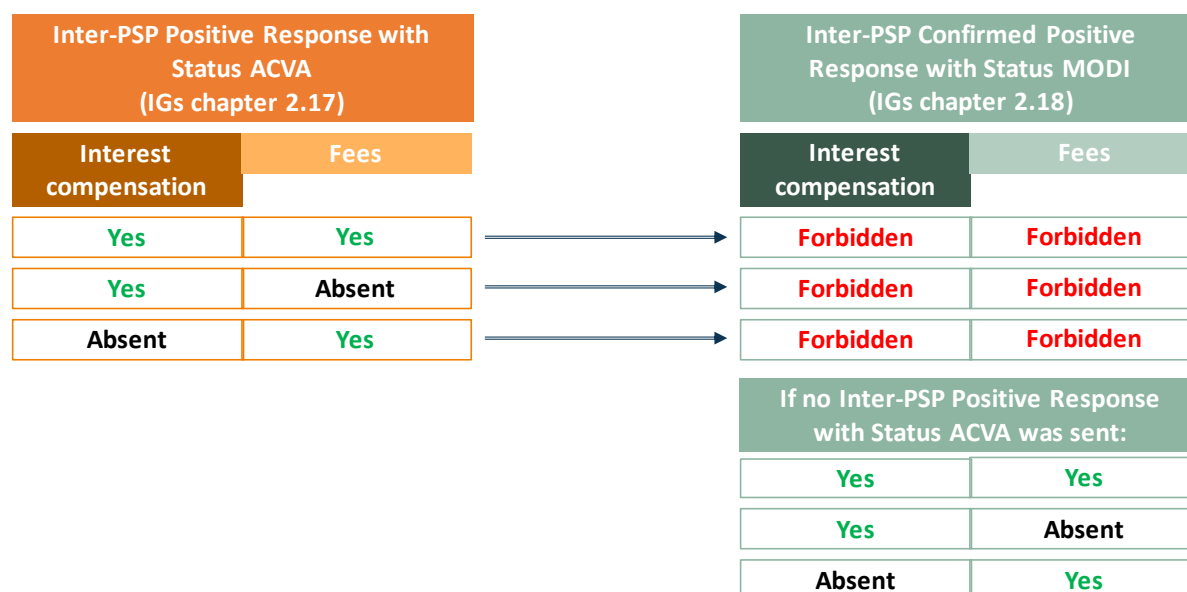
An EPC change request will be submitted for the 2022 SCT scheme rulebook change management cycle suggesting some amendments in relation to the errata to the 2021 Version 1.0 SCT IGs (EPC080-21), for the 2023 SCT scheme rulebook.

3.6 Clarifications on how to claim and to pay the interest compensation and/or the Inter-PSP fee under the SCT inquiry procedure

The section 4.4.2 of the 2021 SCT scheme rulebook stipulates that the Beneficiary PSP reports at just one occasion the total amount in interest compensation and/or fees for handling an SCT inquiry for the reason ‘Claim for Value Date Correction’: either at the moment it communicates the claim to receive first the interest compensation and/or the fee before executing the value date correction, or at the moment it communicates that the value date correction has been done.

This business rule has been translated in the technical message specifications of the sections [2.17 Inter-PSP Positive Response to Claim for Value Date Correction \(DS-10\)](#) and [2.18 Inter-PSP Confirmed Positive Response to Claim for Value Date Correction \(DS-10\)](#) of the SCT Inter-PSP IGs.

The following diagram shows how the Beneficiary PSP can use the camt.029 message to claim an interest compensation and/or Inter-PSP fee when responding positively to the relevant SCT inquiry:





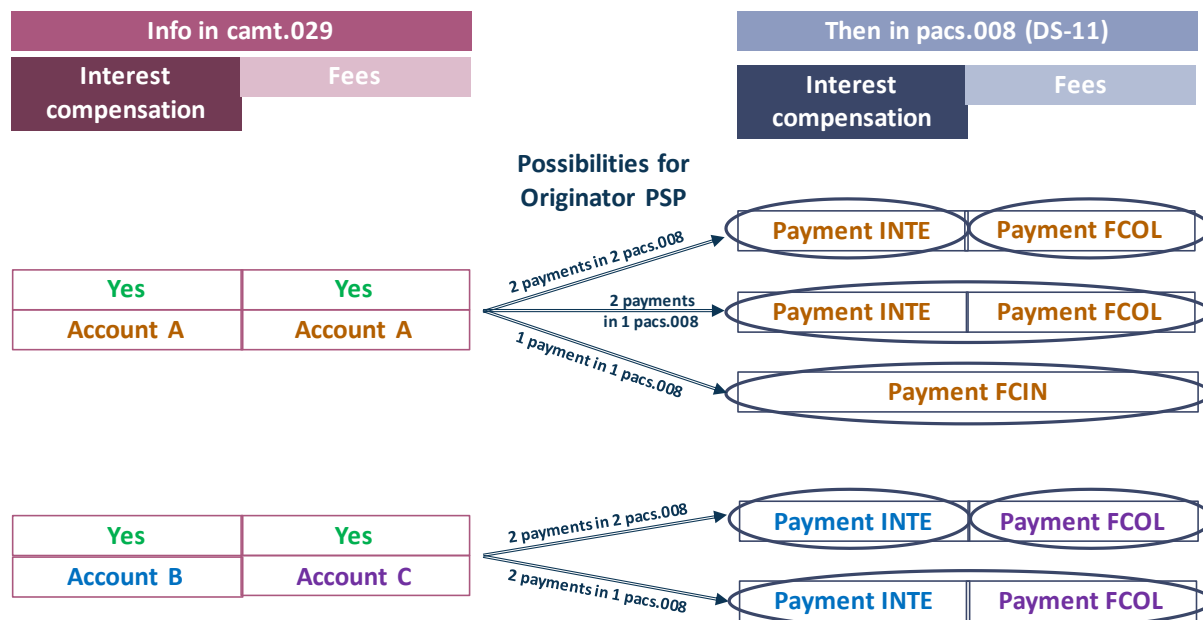
Some SCT scheme participants question how the Beneficiary PSP can indicate in the camt.029 message that the inquiry fees and the interest compensation are to be paid in two separate payments or in just one payment, and in case of two payments, how to indicate these payments are to be paid to two different accounts.

The Originator PSP will make two payments only when the Beneficiary PSP mentions two different accounts in its camt.029 message.

It is the decision of the Originator PSP to make just one payment, even if the Beneficiary PSP mentions in its camt.029 message the same account number for both the inquiry fee and the interest compensation.

When the Beneficiary PSP wants to receive two payments, it also must realise that the Originator PSP may send these two payments in just one pacs.008 message or in two different pacs.008 messages.

The following diagram shows the possibilities for the Originator PSP allowed under the SCT Inter-PSP IGs, to send SCT inquiry fee and interest compensation payments via pacs.008 messages:





4 Specific points for SCT Inst scheme rulebook

4.1 Payment account reachability for SCT Inst transactions

Each SCT Inst scheme participant maintains the commercial freedom i) to determine which accounts can be used as payment accounts in accordance with the law applicable to them, and ii) for which of these payment accounts to offer SCT Inst payment services.

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. One key business benefit of the scheme is that the Beneficiary Payment Accounts of participating PSPs are reachable within SEPA.

The SCT Inst scheme participants are strongly encouraged to ensure – at least in their capacity as Beneficiary PSPs – that their customers’ euro or national-currency-denominated payment accounts already open to SCT transactions are also open to incoming SCT Inst transactions. Otherwise, this results in unnecessary rejects and frictions for the customers involved and hampers the attractiveness and full reachability of the SCT Inst scheme.