



SEPA Direct Debit B2B Scheme Rulebook

Public Consultation on 2022 Change Requests

EPC159-21 / Version 1.0 / Date issued: 13 September 2021

Public Consultation on 2022 Change Requests for SDD B2B Scheme Rulebook

EPC159-21

Version 1.0

Date issued: 13 September 2021



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Payments Council**

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The Single Euro Payments Area (SEPA) payment schemes, as set out in the SEPA Credit Transfer (SCT), the SEPA Instant Credit Transfer (SCT Inst), the SEPA Direct Debit Core (SDD Core) and the SEPA Direct Debit Business to Business (SDD B2B) scheme rulebooks, evolve based on a transparent change management process adhered to by the European Payments Council (EPC). For details on the principles governing the EPC scheme change management process, we refer to sections 5, 6 and 7 in this document and the sources listed at the end of this page.

This SDD B2B 2022 Change Request Public Consultation Document (document EPC159-21) details change requests for possible modifications to be introduced into the next version of the SDD B2B scheme rulebook. This public consultation document builds on change requests submitted by stakeholder representatives, banking communities and by EPC Working and Support Groups. The SDD B2B 2022 Change Request Public Consultation Document offers the analyses and recommendations of the EPC Scheme Evolution and Maintenance Working Group (SEMWG) on the way forward regarding individual change requests. A summary overview of the change requests and related recommendations by the SEMWG is provided in section 1 of this Change Request Public Consultation Document.

The EPC submits the SDD B2B 2022 Change Request Public Consultation Document for public consultation. The public consultation takes place between 13 September and 11 December 2021.

All scheme participants and stakeholders are encouraged to provide feedback on the possible changes to be introduced into the next version of the SDD B2B scheme rulebook by completing the response template EPC163-21 and send it to change-request.EPC-scheme@epc-cep.eu by 11 December 2021 at 17h00 CET at the latest. The EPC will not consider any feedback received after this deadline.

Proposed changes detailed in this SDD B2B 2022 Change Request Public Consultation Document, which are broadly accepted by all scheme participants and stakeholders, and that are technically and legally feasible, will be taken forward, after approval by the Scheme Management Board (the EPC decision-making body in charge of the schemes' administration and evolution). Others will not be retained. The updated version of the SDD B2B scheme rulebook will be published in May 2022 for implementation in November 2023. In accordance with industry best practice, payment service providers and their suppliers have exceptionally in this cycle an 18 months lead time to address scheme rulebook updates prior to such updates taking effect.

More information about the maintenance and the evolution of the SDD B2B scheme is available in Chapter 4 of the [SEPA Payment Scheme Management Rules \(the Internal Rules\)](#) being a binding Annex to the current applicable SDD B2B scheme rulebook.

It should be noted that the EPC is under the legal obligation to ensure compliance of the SDD B2B scheme rulebook with existing EU legislations or to any new EU legislation impacting the SDD B2B scheme rulebook.



Therefore, the EPC reserves the right to make necessary changes to the SDD B2B scheme rulebook at all times in order to ensure that the SDD B2B scheme rulebook does comply with changes to existing EU legislation or with the entry into force of any new EU legislation.

Please refer to Annex 1 for the original detailed change requests. This document contains only a summary of each individual change request.



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1 Executive Summary: Major Change Requests to the SDD B2B Scheme Rulebook

1.1 EPC Approach

The principles governing the evolution of the Single Euro Payments Area (SEPA) payment schemes as set out in the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) scheme rulebooks are detailed in the SEPA Payment Scheme Management Rules (the Internal Rules). These Internal Rules are available for download on the European Payments Council ([EPC Website](#)). Sections 5, 6 and 7 in this SDD B2B 2022 Change Request Public Consultation Document detail the application of the Internal Rules in the EPC SEPA payment scheme change management process.

The Internal Rules make a difference between so called major and minor changes to the EPC scheme rulebooks. A major change is a change that affects or proposes to alter the substance of the rulebooks and the schemes. Any change to chapters 5 and 6 of the scheme rulebooks is always considered a major change. A minor change is a change of an uncontroversial and usually technical nature that facilitates the comprehension and use of the scheme rulebooks.

This executive summary of the SDD B2B 2022 Change Request Public Consultation Document highlights change requests for major changes to the SDD B2B scheme rulebook received in this scheme change management cycle. Change requests for minor changes to the SDD B2B scheme rulebook are set out in section 4 of this Change Request Public Consultation Document. All change requests to the SDD B2B scheme rulebook are submitted for public consultation between 13 September and 11 December 2021. Information on how to share feedback with the EPC is included on the cover page of this Change Request Public Consultation Document.

The EPC received **9** change requests for major changes to be introduced into the SDD B2B scheme rulebook. The change requests submitted to the EPC are included in Annex 1 to this document.

The first suggestion is to allow only a structured address of the payment end-users as of a certain date. Another change request points out the need to reconsider the rulebook term 'Customer'. Another proposal suggests further clarifications about the charging principles.

Other change requests demand to reduce the SDD processing cycle from up to D-1 to Due Date (day D) and to extend the period for submitting a SDD Reversal.

Another item proposes the mandatory use of the Legal Entity Identifier (LEI) in the Inter-PSP space. There is also the suggestion to make the Customer-to-PSP pain.002 message compliant with the SWIFT CGI-MP standard.

One change request proposes changes to the composition criteria of the Scheme Management Board (SMB) as of the end of April 2023. One contributor suggests a new r-transaction reason code related to SDD B2B collection blocking options that Debtors may set up.

All change requests to the SDD B2B scheme rulebook received were reviewed by the EPC Scheme Evolution and Maintenance Working Group (SEMWG). These change requests include the recommendation of the SEMWG regarding each of these change requests unless the SEMWG is not able to provide a recommendation for the public consultation. Each recommendation reflects one of the options detailed in items a) through f) below:

- a) The change request is **already provided for** in the scheme: no action is necessary for the EPC.
- b) The change request **should be incorporated into the scheme**: the change request would become part of the scheme and the rulebook would be amended accordingly.
- c) The change request should be included in the scheme as an **optional feature**:



- The new feature is optional and the rulebook would be amended accordingly;
 - Each scheme participant¹ may decide to offer the feature to its customers, or not.
- d) The change request is **not considered fit for SEPA wide use** and could be handled as an additional optional service (AOS) by interested communities:
- The proposed new feature would not be 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 its website for information;
 - The EPC may consider the inclusion of AOS arrangements, if supported by enough communities, in a future version of the rulebook.
- e) The change request **cannot** be part of the existing scheme for one of the following reasons:
- It is technically impossible;
 - It is not feasible (explained on a case by case basis);
 - It is out of scope of the EPC;
 - It does not comply with the SEPA Regulation² or any other relevant EU legislation.
- f) The change request may be considered for the development of a **new scheme**:
- The change request reflects major changes which cannot be integrated into an existing scheme;
 - To develop the change request further, i.e. to develop a new scheme, the following requirements must be met:
 - The benefits of the new scheme for payment end users are demonstrated prior to the launch of the development phase;
 - It is demonstrated that enough stakeholders will make use of the new scheme;
 - A cost-benefit analysis is provided;
 - It complies with the SEPA Regulation or any other relevant Regulation.

1.2 Overview of Change Requests and Proposed Way Forward for Consideration by Respondents to the Public Consultation

The below table lists all the received change requests which are submitted for public consultation. The SEMWG has issued a recommendation on the way forward about each change request. The reasons underlying each recommendation are detailed in section 2. The final decision whether a change request will be incorporated into the rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the SEMWG on the way forward.

In case the contributors do not agree with the SEMWG recommendation, they are requested to indicate in the comments section of the response template EPC163-21 their preferred way forward (e.g., support of the original change request, selecting another option).

¹ A scheme participant is a payment service provider which has formally adhered to an EPC SEPA payment scheme.

² 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



Furthermore, any additional comments are welcome in the comments section.

Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
03	Change of the term 'Customer'	EPC secretariat	Should be incorporated into the scheme - option b
06	Provision of the structured address of the payment end-user	EPC SEMWG	Should be incorporated into the scheme - option b
08	Clarification on charges	EPC LSG	Should be incorporated into the scheme - option b
10	Extension of the period for submitting a Reversal	French Banking Federation	Cannot be part of the existing scheme - option e
13	Reduction of SDD processing cycle from up to D-1 to Due Date	Satispay Europe	Cannot be part of the existing scheme - option e
14	Pain.002 message to be compliant with SWIFT CGI-MP standard	UniCredit Bank Germany	Cannot be part of the existing scheme - option e
23	Mandate the use of the Legal Entity Identifier (LEI) for scheme participants	GLEIF	Cannot be part of the existing scheme - option e
24	More specific codes instead of reason code SL01	Verenigde Groot Incassanten (VGI)	Cannot be part of the existing scheme - option e
25	Changes to the SEPA Payment Scheme Management Rules	EPC	Should be incorporated into the scheme - option b

1.3 Overview of Changes to Align the Next Version of the SDD B2B Scheme Rulebook with any Existing EU Legislation and with the Entry into Force of New EU Legislation

The contributors to this public consultation are welcome to comment on these changes.

Ref.	Topic	Contributor	Way forward
At this point in time, no items have been identified that require a change to the SDD B2B scheme rulebook due to any EU legislation.			



2 Detailed Analysis of Major Change Requests to the SDD B2B Scheme Rulebook

2.1 Important Information

Reminder:

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 2020 change request proposed the alignment of all attribute numbers across all four EPC SEPA payment scheme rulebooks.

Back in 2020, the EPC already decided to include these two change requests in all 2023 SEPA payment scheme rulebooks and the related Customer-to-PSP and inter-PSP Implementation Guidelines.



2.2 # 03: Change of the term 'Customer'

2.2.1 Description

This change request was made by the EPC secretariat.

As of the 2021 rulebook, the term 'Customer' is currently defined as *"A physical or legal entity that is not active in the business of providing payment accounts used for the execution of payments and that is therefore not eligible for scheme participation"*.

The definition in the 2021 rulebook and its limitation does not make sufficiently clear that also an PSP is entitled and may act in the capacity of a Debtor or Creditor. A good example are the payments an PSP makes with respect to salary payments, office rent etc.

Furthermore, reflections have been made whether the term 'Customer' is appropriate to cover use cases in which PSPs are making a payment as Debtor and/or as Creditor on behalf of their ultimate customers.

The suggestion is to i) drop the notion of 'Customer' as a single defined term under the scheme and to replace it across the rulebook with 'Debtor' or 'Creditor' where appropriate, ii) to amend the terms 'Debtor' and 'Creditor', and iii) to introduce/amend the term 'Payment Account'.

2.2.2 SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2023**.

2.2.3 Rulebook impact

If this change request is supported, this will impact only the rulebook.



2.3 # 06: Provision of the structured address of the payment end-user

2.3.1 Description

This change request was made by the SEMWG.

The first part of the suggestion is **to allow** payment end users to send a **structured** address of

- The payer (i.e. the Originator in SCT and SCT Inst transactions, and the Debtor in SDD Core and SDD B2B transactions); and/or
- The payee (i.e. the Beneficiary in SCT and SCT Inst transactions, and the Creditor in SDD Core and SDD B2B transactions)

in electronic Customer-to-PSP files based at least on the relevant EPC Customer-to-PSP Implementation Guidelines for SCT, SCT Inst, SDD Core and SDD B2B transactions **as of November 2023**. From that same date, also SEPA payment scheme participants are allowed to provide structured addresses in their inter-PSP SEPA payment messages and r-transactions.

In view of the above, the second part of the suggestion is that as of the November 2023 SEPA payment scheme rulebooks, all scheme participants must be able to support the delivery of structured addresses when payment end users and scheme participants want a structured address in their outgoing and incoming SEPA payment transactions. From November 2023 onwards, scheme participants cannot reject SEPA payment transactions only due to the inclusion of a structured address.

The use of an unstructured address will still be possible and supported by the SEPA payment schemes until November 2025.

The period between November 2023 and November 2025 should be used by payment end users to upgrade their payment-related systems/applications and to organise the migration from the use of unstructured to structured addresses in their databases to avoid a big bang migration in November 2025 and possible rejects of SEPA payment transactions.

The third part of the suggestion is that as of the **November 2025** entry-into-force date of all SEPA payment scheme rulebooks, the use of the structured address will become **mandatory** for Inter-PSP SEPA payment messages where applicable, and for payment end users when they send electronic Customer-to-PSP files based at least on the relevant EPC Customer-to-PSP Implementation Guidelines. The use of an **unstructured** address will **no longer be allowed and will hence lead to rejects**.

With the exclusive use of structured addresses as of November 2025, the SEPA payment schemes will be aligned with the deadline set for the use of the structured address under the CBPR+ specifications. These specifications define how ISO 20022 should be used for cross-border payments and cash reporting on the SWIFT network. The SWIFT community decided to move cross-border and correspondent banking from SWIFT MT messages to ISO 20022 standard-based XML messages by November 2025.

The use of structured addresses in SEPA payment transactions, gives the potential to reduce errors in payment processing, regulatory screening, and reconciliation, thereby increasing the straight-through-processing of SEPA payment transactions.



2.3.2 SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) as follows:

- As of November 2023: SEPA payment scheme participants must be able to support structured addresses when provided by the payment end user and/or the scheme participant; **and**
- As of November 2025: payment end users can only provide structured addresses in their electronic Customer-to-PSP files based at least on the relevant EPC Customer-to-PSP Implementation Guidelines; and all Inter-PSP SEPA payment messages must contain a structured address where applicable.

2.3.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.



2.4 # 08: Clarification on charges

2.4.1 Description

This change request was made by the EPC Legal Support Group (LSG).

The contributor points out that charges are entirely out of the scope of the SEPA payment scheme rulebooks. They are subject to the PSPs' commercial charging policies, which depending on where the PSP(s) involved in the transaction is/are located, are subject to applicable law.

For intra-EEA SEPA transactions occurring between PSPs located in different EEA countries, these policies are subject to the Regulation (EC) 924/2009 requiring that charges for cross-border payments within the EEA are the same as those for payments of the same value and in the same currency within a (EEA) Member State.

This is not the case for transactions to/from a PSP located in a non-EEA SEPA country, which being third countries from the European law perspective are not subject to the provisions of the Regulation (EC) 924/2009. Accordingly, charges within and to/from a non-EEA SEPA country remain only subject to applicable national law and the relevant transparency and information requirements between scheme participants and their customers under the SEPA payment scheme rulebooks.

The contributor suggests a few changes to the rulebook for transparency and clarification purposes.

2.4.2 SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of **November 2023**.

2.4.3 Rulebook impact

If this change request is supported, this will only impact the rulebook.



2.5 # 10: Extension of the period for submitting a Reversal

2.5.1 Description

This change request was made by the French Banking Federation.

The Creditor PSP has currently 5 Inter-PSP Business Days following the settlement date of a SDD collection to initiate a Reversal.

The contributor suggests extending this Reversal period to 10 Inter-PSP Business Days, as erroneous SDD collections can still be detected by the Creditor or the Creditor PSP after the current maximum period of 5 days.

The contributor is of the opinion that extending the current timespan would avoid:

- Conflicts with other r-transactions types, especially Returns, which must also take place within a maximum period of 5 Inter-PSP Business Days after the settlement date;
- Asking the Debtor Bank to initiate a Refund;
- Making a reconciliation, if a credit transfer is agreed upon by both Creditor and Debtor to recover the funds.

With 10 Inter-PSP Business Days, more erroneous SDD collections could be processed autonomously by the Creditor PSP without the need to seek intervention from the Debtor PSP.

2.5.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

The need to do a Reversal is due to an error by the Creditor. Extending the timespan to 10 days in which a Reversal can be done will cause increasing conflicts with other r-transaction types (e.g., a Return).

It is expected that the Creditor rectifies its error as soon as possible. The Creditor may agree with the Debtor to recover the funds outside of the scheme (e.g., by credit transfer).

2.5.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.



2.6 # 13: Reduction of SDD processing cycle from up to D-1 to Due Date (D)

2.6.1 Description

This change request was made by Satispay Europe SA.

Since November 2016 onwards, all SDD collections can be presented up to D-1 Inter-Bank Business Day (D-1). Given the current technological developments, the contributor's view is that it should be possible to present a SDD collection on the same day as the Settlement Date. Therefore, the contributor suggests reducing the SDD collection processing cycle from up to D-1 to the Due Date (D).

This change would result in a faster availability of the funds for the Creditors. A faster r-transaction handling would also be achieved as the timeframe of the SDD R-transaction would start earlier.

2.6.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

A reduction could increase the rate of SDD r-transactions. Several Debtor PSPs may conduct some validation checks on D-1.

The 'pre-notification' feature would become useless as the intention to provide the Debtor with upfront debiting information (on D-1) to provide sufficient cover (at the latest on D) would no longer work.

2.6.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.



2.7 # 14: Pain.002 message to be compliant with SWIFT CGI-MP standard

2.7.1 Description

This change request was made by UniCredit AG Germany.

The contributor suggests that the pain.002.001.10 message should be compliant with the SWIFT Common Global Implementation (CGI)-MP standard, published in MyStandards.

The change request contains further technical details that apply only to the Customer-to-PSP implementation guidelines.

2.7.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

For the suggestion to also allow PART as a valid status message, this is possible from a technical point of view. Code PART (PartiallyAccepted) already exists in ISO.

As for the suggestion to allow also additional info (on all statuses) for the status RJCT and ACWC to express more details to the Reject or changes, the rulebook currently foresees only RJCT. There is no need to add additional information for Reject reasons as stated in the rulebook.

As to also allow as an option – in addition to Reject – a positive pain.002 with the statuses ACTC, ACCP, ACWC, ACSC and ACCC, the scheme currently only describes Rejects and the implementation guidelines use pain.002 for indicating this Reject to the Creditor. The actual suggestion is to use pain.002 as a processing status report with all the possibilities of a processing status report, i.e. also positive reports. This means that the rulebook should foresee this and give guidance. The SEMWG sees such status reports being a part of the internal processes developed by each PSP concerned.

2.7.3 Rulebook impact

If this change request is supported, this will only impact the Customer-to-PSP implementation guidelines.



2.8 # 23: Mandate the use of the Legal Entity Identifier (LEI) for scheme participants

2.8.1 Description

This change request was made by the GLEIF.

The contributor suggests that the use of the Legal Entity Identifier (LEI) is mandatory for scheme participants as an addition to the BIC code. This would harmonize the identification standards and practices within the scheme and thereby reduce frictions, manual intervention and reconciliation costs. The use of the LEI would bring significantly enhanced efficiency to the payment message exchange.

The contributor considers including the LEI as a mandatory field for scheme participants as a minor change to the scheme from a technical implementation perspective.

The change request provides more details about the added value of the LEI for the scheme, the scheme participants and the scheme end-users.

2.8.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

The adherence and the processing based on BICs is well established and causes no problem, i.e. the scheme participants communicate the concrete BIC(s) through which they are reachable for SCT Inst/SDD B2B transactions, to their respective CSMs. Once taken up in the routing tables of these CSMs, these scheme participants are clearly identifiable to the other scheme participants.

2.8.3 Rulebook impact

If this change request is supported, this will impact the rulebook and the inter-PSP implementation guidelines.



2.9 # 24: More specific codes instead of reason code SL01

2.9.1 Description

This change request was made by the Verenigde Groot Incassanten (VGI) (association of large SDD users in the Netherlands).

The contributor requests more specific r-transaction reason codes in addition to the reason code SL01 “Specific Service Offered By Debtor Agent”. Currently, the Creditor only receives the code SL01 but cannot determine the **precise** issue. Meanwhile, the collection processes of the Creditor will continue based on a valid SDD mandate.

If the Creditor receives a more precise reason code, it can swiftly communicate to the Debtor the reason that is causing the collection failure at the Debtor’s end. This will prevent the Debtor from being sent “pillar to post” in order to resolve the issue as quickly as possible. The below proposed code, to be used by Debtor PSPs, identifies the following reason:

Code	Name	Definition
SL14	Maximum Direct Debit Transaction Amount exceeded	<p>Due to Maximum allowed Direct Debit Transaction amount service offered by the Debtor Agent.</p> <p>Note: It could be possible that in certain SEPA countries national law prohibits the use for reasons of data protection. SL01 can still be used.</p>

The change request also describes several day-to-day situations which Creditors are faced with and how the proposed more precise reason code can assist the Creditor in resolving the SDD collection failure with the Debtor.

2.9.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**).

This change request had already been submitted in the 2020 scheme rulebook change management cycle. At that time, the vast majority of SDD scheme participants (via national communities or via individual comments) indicated that this change request could not be part of the scheme.

2.9.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.



2.10 # 25: Changes to the SEPA Payment Scheme Management Rules

2.10.1 Description

This change request was made by the EPC.

Each SEPA payment scheme rulebook contains an Annex II covering the SEPA Payment Scheme Management Rules ('Internal Rules'). The Internal Rules contain among others the Scheme Management Board (SMB) composition rules.

The EPC suggests renaming the SMB into the PSMB (Payment Scheme Management Board) and the SEMWG into the PSEMWG (Payment Scheme Evolution and Maintenance Working Group), in light of the creation of new payment-related schemes managed by the EPC.

Furthermore, the PSMB would be composed of up to 22 (instead of 20) representatives of SEPA payment scheme participants, subject to reaching individually or on a consolidated basis 3.5% (instead of 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 payment schemes.

At least 1 seat would be reserved for Payment Institutions and 1 seat for Electronic Money Institutions (even if they fail to reach the 3.5% threshold) (instead of 1 common seat for Payment Institutions and Electronic Money Institutions).

A cap of 4 (instead of 3) seats per national community from the euro area and 1 (unchanged) seat per national community from outside the euro area would apply.

2.10.2 SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of the entry-into-force date of the new composition of the PSMB scheduled **at the end of April 2023**.

2.10.3 Rulebook impact

If this change request is supported, this will impact only Annex II of the rulebook.



3 Changes Pertaining to the Impact of the SEPA Regulation or any Other EU Legislation

As the EPC is under the legal obligation to ensure compliance of the rulebooks with the SEPA Regulation or of any other EU legislation, proposed changes to the rulebooks under this section are not subject to public consultation. They are included in this document for information but the contributors to this public consultation can comment on these changes.

For this release management cycle, no such changes have been deemed required at this point in time.



4 Detailed Analysis of Minor Changes to the SDD B2B Scheme Rulebook

For this release management cycle, no minor changes have been raised at this point in time.



5 Principles Governing the Change Management Cycle

5.1 Change Request Public Consultation Document

This Change Request Public Consultation Document is submitted by the SEMWG in accordance with the procedures set out in the Internal Rules in respect of changes to the SDD B2B scheme rulebook.

5.2 Structure of the Change Request Public Consultation Document

Sections 2, 3 and 4 describe the changes to the SDD B2B scheme rulebook which are proposed in this Change Request Public Consultation Document.

These change requests fall into three categories:

- Section 2 covers innovative change requests to technical operations in chapters 3 and 4 of the SDD B2B scheme rulebook and other significant non-technical changes which fall within the definition of major changes;
- Section 3 covers change requests to align the SDD B2B scheme rulebook with the SEPA Regulation and any other EU legislation;
- Section 4 proposes changes to correct typing errors and provide additional clarification to the SDD B2B scheme rulebook. These changes consist of minor changes to the SDD B2B scheme rulebook which are uncontroversial in nature and do not affect technical operations.

Annex 1 contains all received original change requests for the 2022 SDD B2B scheme rulebook change management cycle.



6 Change Management Cycle in respect of Major Change Requests

6.1 Consideration of Change Requests

In accordance with chapter 4.1.4 of the Internal Rules, a number of change requests with respect to the scheme rulebooks have been submitted for consideration to the SEMWG. 9 of these are applicable to the SDD B2B scheme.

Following consideration of these change requests as required under chapter 4.1.6 of the Internal Rules, the SEMWG has determined: (a) that the change requests set out in section 2 and 3 meet the criteria for acceptance into the 2022 SDD B2B scheme rulebook change management cycle; and (b) that the change requests set out in section 4 constitute minor change requests invoking the procedures set out in Chapter 4.3 of the Internal Rules.

6.2 Change Request Public Consultation Document

The SEMWG is responsible for the preparation and development of a Change Request Public Consultation Document in respect of the major change requests referred to in section 2 above, and guiding the change requests through the scheme rulebook change management cycle.

The SEMWG has therefore formulated this Change Request Public Consultation Document under chapter 4.2 of the Internal Rules. This Change Request Public Consultation Document analyses the major changes which have been proposed and contains in Annex 1 the original change requests.

6.3 SEMWG Recommendations

The SEMWG is required under chapter 4.2.1 of the Internal Rules to issue a recommendation on the way forward with regard to each change request; the reasons underlying each recommendation are detailed in section 2. The final decision whether a change request will be incorporated into the SDD B2B scheme rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the SEMWG on the way forward. In case the contributors do not agree with the SEMWG recommendation, they are requested to indicate their preferred way forward.

6.4 Public Consultation on the Change Requests

The EPC encourages all SEPA stakeholders to provide feedback during the public consultation. PSP communities are asked to consult all their members who are involved in the SDD B2B scheme to ensure that the views of the payment services constituency are considered in the public consultation process. The SEMWG encourages the PSP communities to consult as wide a range of stakeholders as possible, including participants, end users and service suppliers. All stakeholders should provide feedback to the EPC on the Change Request Public Consultation Document by **11 December 2021 at 17h00 CET at the latest. The EPC will not consider any feedback received after this deadline.**

6.5 Next Steps

Considering the comments received during the public consultation, the SEMWG will produce a Change Proposal Submission Document to the SMB for decision-making purposes in accordance with section 4.2.5 of the Internal Rules, and to the EPC Stakeholder Fora (see section 4.4 of the Internal Rules) for their respective positions on the SEMWG Change Proposals.

Approved change requests will be incorporated into the version 1.0 of the 2023 SDD B2B scheme rulebook and published in May 2022 with the intention that they become effective in November 2023.



6.6 Further Information

The above is a summary of the change management process. If you would like further information, please refer to the Internal Rules or contact the EPC Secretariat.



7 Change Management Cycle in respect of Minor Change Requests

7.1 Publication of List of Minor Change Requests

The SEMWG has identified certain minor change requests which they consider necessary for the SDD B2B scheme rulebook.

The SEMWG is required under the Internal Rules to publish a list of minor change requests on the EPC website and to ensure that the list may be viewed by all stakeholders. This obligation shall be met by the publication of this Change Request Public Consultation Document, and in particular through the provision of section 4 noting certain change requests as 'minor'.

7.2 Comments on the Minor Change Requests

All stakeholders may submit comments on the list of minor change requests in this Change Request Public Consultation Document.

7.3 Submission of the List of Minor Change Requests to the SMB

The list of minor change requests shall be submitted to the SMB via the Change Proposal Submission Document in accordance with section 4.2.5 of the Internal Rules.



Annex 1 - Original Change Requests

Template for Proposing a Change Request in a SEPA Payment Scheme



European
Payments Council

EPC 058-20
Version 2.0
14 September 2020

#03

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Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

Name of contributor:	EPC Secretariat
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#03 -All schemes-EPC-change of the term Customer
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	16 June 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 – effectiveness date of all 2023 SEPA payment scheme rulebooks.

1.2. Description of the change request:

As of the 2021 rulebooks, the term 'Customer' is defined as *"A physical or legal entity that is not active in the business of providing payment accounts used for the execution of payments and that is therefore not eligible for scheme participation"*.

The Scheme Evolution and Maintenance Working Group (SEMWG) of the EPC remarked that also a payment services provider (PSP) may act as a Customer in the capacity of an Originator/ Debtor or Beneficiary/ Creditor. A good example are the payments an PSP makes with respect to salary payments, office rent etc. A new definition should also consider the various roles of an PSP: either in the role of providing payment services to its customers or acting as a customer when sending or receiving a SEPA payment for the purposes/needs of its own institution.

Following the receipt of Change Request #22, the EPC Secretariat has further analysed whether the updated definition of Customer would also be appropriate to cover a financial-institution to financial-institution (Fi2Fi) use case, in which two PSPs are making a payment as Originator and/or Beneficiary on behalf of their ultimate customers. To cater for such use case, the EPC suggests the following changes to all Rulebooks:

- 1) Drop the notion of *"Customer"* as single defined term under all SCT (Inst) and SDD (B2B) Schemes and replace it across the Rulebooks with *"Originator"/ "Debtor" or "Beneficiary"/ "Creditor"*, as appropriate.

(NB: all PSPs will be able to use the commercial term customer within their respective terms and conditions as they see fit).

- 2) Define Originator and Beneficiary as follows:

"Originator": *a natural or legal person who holds a payment account and allows a payment order from that payment account.*

"Beneficiary": *a natural or legal person who holds a payment account and is the intended recipient of funds which have been the subject of a payment transaction.*

Define Creditor and Debtor as follows:

"Creditor": *a natural or legal person that receives and stores the Mandate from the Debtor to initiate Collections. On the basis of this Mandate, the Creditor collects the direct debits.*

"Debtor": *a natural or legal person that gives the Mandate to the Creditor to initiate Collections. The Debtor's account is debited in accordance with the Collections initiated by the Creditor. By definition, the Debtor is always the holder of the account to be debited.*

- 3) **Payment Account**: *An account held in the name of one or more payment service users or by a payment service provider which is used for the execution of payment transactions and having an IBAN as Payment Account identifier.*



4) Amend Section 5 of all SCT (Inst) and SDD (B2B) Rulebooks as follows:

Section 5.7 / 5.8 – Obligations of an Originator PSP/ Debtor PSP (all Rulebooks)

The following provision to be added: *“In case an Originator PSP/ Debtor PSP is also Originator/ Debtor of the transaction, the provisions of the present section apply subject to applicable law”*

Section 5.8 / 5.7 – Obligations of a Beneficiary PSP/ Creditor PSP (all Rulebooks)

The following provision to be added: *“In case a Beneficiary PSP/ Creditor PSP is also Beneficiary/ Creditor of the transaction, the provisions of the present section apply subject to applicable law”*

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Redefinition of Originator/ Debtor and Beneficiary/ Creditor to cover any possible use-case including the inter-PSP one. The change would not impact the Implementation Guidelines for the customer-to-PSP space, to be applied to the ISO 20022 XML message standards for the implementation of the SEPA Credit Transfers/Direct Debits in the customer-to-PSP space.

2. Impact on the inter-PSP space:

No impact.

3. Impact on other payment stakeholders:

No impact.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

Adjustment of the Obligation of an Originator/ Debtor PSP and/or Beneficiary PSP/ Creditor PSP for the case in which the Originator/ Debtor and/or the Beneficiary/ Creditor are also the Originator PSP/ Debtor PSP and/or the Beneficiary PSP/ Creditor PSP.

6. The nature of the change request:

a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

Yes.

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No.



2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES.
Is the change request underpinned by a cost-benefit analysis?	NO. Not necessary.
Does the change fit into the strategic objectives for SEPA?	YES. It harmonises the SEPA Payment Schemes for all use-cases.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

Template for Proposing a Change Request in a SEPA Payment Scheme



European
Payments Council

EPC 058-20
Version 2.0
14 September 2020

#06

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Public

Approved

**Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021**

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#06 -All schemes-EPC-provision of structured address of the payment end-user
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	16 June 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 - effectiveness date of all **2023** SEPA payment scheme rulebooks: SEPA payment scheme participants must be able to support structured addresses when provided by the payment end user and/ or the scheme participant; **and**

16 November 2025 - effectiveness date of all **2025** SEPA payment scheme rulebooks: payment end users can only provide structured addresses in their electronic Customer-to-PSP files at least based on the relevant EPC Customer-to-PSP Implementation Guidelines; and all Inter-PSP SEPA payment messages must contain a structured address (where applicable).

1.2. Description of the change request:

The global payment market evolves towards more transparency, and this applies also to addresses. Consequently, customer and reference party addresses will get structured in high value as well as in international payments, on an optional basis from November 2022 and mandatorily from end 2025.

The first part of the suggestion is **to allow** payment end users to send a **structured** address of

- The payer (i.e. the Originator in SCT and SCT Inst transactions, and the Debtor in SDD Core and SDD B2B transactions); and/or
- The payee (i.e. the Beneficiary in SCT and SCT Inst transactions, and the Creditor in SDD Core and SDD B2B transactions)

in electronic Customer-to-PSP files at least based on the relevant EPC Customer-to-PSP Implementation Guidelines for SCT, SCT Inst, SDD Core and SDD B2B transactions **as of November 2023**. From that same date, also SEPA payment scheme participants are allowed to provide structured addresses in their inter-PSP SEPA payment messages and r-transactions.

In view of the above, the second part of the suggestion is that as of the November 2023 SEPA payment scheme rulebooks, all scheme participants must be able to support the delivery of structured addresses when payment end users and scheme participants want a structured address in their outgoing and incoming SEPA payment transactions. From November 2023 onwards, scheme participants cannot reject SEPA payment transactions only due to the inclusion of a structured address. The use of an unstructured address will still be possible and supported by the SEPA payment schemes until November 2025.

The period between November 2023 and November 2025 should be used by payment end users to upgrade their payment-related systems/applications and to organise the migration from the use of unstructured to structured addresses in their databases to avoid a big bang migration in November 2025 and possible rejects of SEPA payment transactions.

The third part of the suggestion is that **as of the November 2025 entry-into-force date** of all SEPA payment scheme rulebooks, the use of the structured address will become **mandatory** for Inter-PSP SEPA payment messages where applicable, and for payment end users when they send electronic Customer-to-PSP files based at least on the relevant EPC Customer-to-PSP Implementation Guidelines. The use of an **unstructured** address will **no longer be allowed and will hence lead to rejects**.



The EPC will issue guidelines and other communication material where relevant for scheme participants, payers and payees on how to submit a correct structured address in a SEPA payment transaction as of November 2025.

The provision of structured addresses in the SEPA payments is based on the ISO 20022 “Postal Address” and must comply with following requirements:

- Data element “Address Line” **must not be used**
- Data elements “Country” and “Town Name” **must be used**
- All other 12 data elements may be used depending on the components of the address.

Guidance for the provision of the ISO 20022 “Postal Address” based on the community practices is provided by the PMPG (SWIFT Payment Market Practice Group) that maintains a “SWIFT ISO20022 Structure Postal Address” to be found on its [website](#).

During the transition period up to November 2025 in which payment end users and scheme participants can start to move to the use of structured addresses, the current input of addresses with 2 occurrences of the unstructured address element “Address Line” associated with the structured address element “Country” will continue to be accepted.

The phased approach for payment end users to move to the exclusive use of structured addresses as of November 2025 is based on the following grounds:

- Such change requires analyses of and implementation preparations for multiple SEPA payment and non-payment related applications and databases at the (corporate) SEPA payment end-users.
- To allow the (corporate) payment end-users to align the implementation of this change for SEPA payments with the changes they must do for the migration of the SWIFT MT messages to ISO 20022 standard-based XML messages following the Cross-border Payments and Reporting Plus (CBPR+) specifications, at the latest by November 2025.
- The possible supportive EPC decision on this change request to be taken and publicly announced in April-May 2022 gives all payment end users up to three-and-a-half years’ lead-time to assess the impact of this change and to conduct the necessary implementations.

With the exclusive use of structured addresses as of November 2025, the SEPA payment schemes will be aligned with the deadline set for the use of the structured address under the CBPR+ specifications. These specifications define how ISO 20022 should be used for cross-border payments and cash reporting on the SWIFT network. The SWIFT community decided to move cross-border and correspondent banking from SWIFT MT messages to ISO 20022 standard-based XML messages by November 2025.

The use of structured addresses in SEPA payment transactions, gives the potential to reduce errors in payment processing, regulatory screening, and reconciliation, thereby increasing the straight-through-processing of SEPA payment transactions.

Proposed changes to the 2023 SEPA payment scheme rulebooks:

Important: amended specifications to the optional provision of a structured address of the Payer and of the Payee will also be reflected in the mandatory 2023 Customer-to-PSP and Inter-PSP Implementation Guidelines of each concerned SEPA payment scheme rulebook.



A. SCT rulebook

4.6 Business Requirements for Attributes

Identification:	AT-03
Name:	The address of the Originator
Description:	<p>The information should reflect the address of the account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><i><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></i></p>

Identification:	AT-22
Name:	The address of the Beneficiary
Description:	<p>The address of the Beneficiary as supplied by the Originator. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><i><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></i></p>

B. SCT Inst rulebook

4.6 Business Requirements for Attributes

Identification:	AT-03
Name:	The address of the Originator
Description:	<p>The information should reflect the address of the Payment Account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><i><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></i></p>

Identification:	AT-22
Name:	The address of the Beneficiary
Description:	<p>The address of the Beneficiary as supplied by the Originator. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><i><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></i></p>



C. SDD Core rulebook

4.8.6 AT-05 – The Address of the Creditor

Description:	<p>The address of the Creditor as forwarded to the Debtor. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></p>
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4.8.10 AT-09 - The Address of the Debtor

Description:	<p>The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory.</p> <p><u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></p>
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D. SDD B2B rulebook

4.8.8.6 AT-05 – The Address of the Creditor

Description:	<p>The address of the Creditor as forwarded to the Debtor. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></p>
---------------------	--

4.8.10 AT-09 - The Address of the Debtor

Description:	<p>The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. <u>This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1.</u></p> <p><u>Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.</u></p>
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Proposed changes to the **2025** SEPA payment scheme rulebooks:

Important: amended specifications to the provision of the address of the Payer and of the Payee will also be reflected in the mandatory **2025** Customer-to-PSP and Inter-PSP Implementation Guidelines of each concerned SEPA payment scheme rulebook.

A. **SCT rulebook**

4.6 Business Requirements for Attributes

Identification:	AT-03
Name:	The address of the Originator
Description:	The information should reflect the address of the account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

Identification:	AT-22
Name:	The address of the Beneficiary
Description:	The address of the Beneficiary as supplied by the Originator. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

B. **SCT Inst rulebook**

4.6 Business Requirements for Attributes

Identification:	AT-03
Name:	The address of the Originator
Description:	The information should reflect the address of the Payment Account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

Identification:	AT-22
Name:	The address of the Beneficiary
Description:	The address of the Beneficiary as supplied by the Originator. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

C. **SDD Core rulebook**

4.8.6 AT-05 – The Address of the Creditor

Description:	The address of the Creditor as forwarded to the Debtor. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>
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4.8.10 AT-09 - The Address of the Debtor

Description:	The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>
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In the Annex VII of the SDD Core rulebook, the description of the attributes AT-05 and AT-09 will include an extension “This attribute must be in a structured format.”.

D. SDD B2B rulebook

4.8.8.6 AT-05 – The Address of the Creditor

Description:	The address of the Creditor as forwarded to the Debtor. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>
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4.8.10 AT-09 - The Address of the Debtor

Description:	The address of the Debtor as registered by the Creditor. Only mandatory -when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>
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In the Annex VII of the SDD B2B rulebook, the description of the attributes AT-05 and AT-09 will include an extension “This attribute must be in a structured format.”.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change will impact all SEPA payment scheme participants and payment end-users.

2. Impact on the inter-PSP space:

Yes. Such change requires analyses of and implementation preparations for multiple SEPA payment and non-payment related applications and databases at the SEPA payment scheme participants.

3. Impact on other payment stakeholders:

Yes. Such change requires analyses of and implementation preparations for multiple SEPA payment and non-payment related applications and databases at the (corporate) payment end-users.

In their payment files, they will have to provide their SEPA payment scheme participants with structured addresses about payers and payees.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:



No impact.

6. The nature of the change request:

- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

Yes.

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES. It aligns the specifications of a structured address about the payer in SEPA payment transactions with the CBPR+ transactions. One single structured address format will be used for SEPA and CBPR+ transactions.
Is the change request underpinned by a cost-benefit analysis?	NO. But it is in line with international standardization efforts to structure ordering customer data in payments.
Does the change fit into the strategic objectives for SEPA?	YES. The use of structured addresses in SEPA payment transactions can further reduce errors in payment processing, regulatory screening, and reconciliation. This should increase the straight-through-processing of SEPA payment transactions.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES. SEPA payment scheme participants and (corporate) end-users already using SWIFT MT messages must move to the delivery of structured addresses for international payments by November 2025 at the latest. The implementation period of up to 3,5 years should give payment end-users sufficient time to determine the resources needed to accomplish this change.
Do you consider that the change request does not impede SEPA-wide interoperability?	NO.
Do you consider that the change request is in the scope of the scheme involved?	YES.

Template for Proposing a Change Request in a SEPA Payment Scheme



EPC 058-20
Version 2.0
14 September 2020

#08

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Public
Approved

**Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021**

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#08 -All schemes-EPC- Clarifications on charges
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	16 June 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 – effectiveness date of all 2023 SEPA payment scheme rulebooks.

1.2. Description of the change request:

Following the situation created by Brexit as of 1 January 2021, the EPC Secretariat proposes some clarifications regarding the charging policies applied by Scheme Participants on SEPA credit transfer and direct debit transactions to/from non-EEA SEPA countries (now including the UK).

The basis and level of charges are entirely out of the scope of the SCT(Inst) and SDD(B2B) payment schemes' Rulebooks, and they are subject to PSPs' commercial charging policies, which depending on where the PSP(s) involved in the transaction is/are located, are subject to applicable law.

For intra-EEA SEPA transactions occurring between PSPs located in different EEA countries, these policies are subject to Regulation (EC) 924/2009 (i.e., the cross-border regulation) requiring that charges for cross-border payments within the EEA are the same as those for payments of the same value and in the same currency within a (EEA) Member State.

This is not the case for transactions to/from a PSP located in a non-EEA SEPA country (the full list of which is available on the [EPC website](#)), which being third countries from the European law perspective are not subject to the provisions of the cross-border regulation. Accordingly, charges within and to/from a non-EEA SEPA country remain only subject to applicable national law and the relevant transparency and information requirements between scheme Participants and their customers under the SCT(Inst) and SDD(B2B) payment schemes' Rulebooks.

For clarification purposes, the following changes to all Rulebooks are suggested:

1) SCT rulebook

Section 4.2.4 – Charging Principles

Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers **are determined by each Participant in accordance with applicable law and** are entirely a matter for individual Participants and their Customers.

2) SCT Inst rulebook

Section 4.2.4 – Charging Principles

Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers **are determined by each Participant in accordance with applicable law and** are entirely a matter for individual Participants and their Customers.



3) SDD Core rulebook

Section 4.3.5 – Charging Principles

Charges to Customers will be based on the shared principle such that the Creditor and Debtor are charged separately and individually by the Creditor Bank and Debtor Bank respectively. The basis and level of charges to Customers **are determined by each Participant in accordance with applicable law and** are entirely a matter for individual Participants and their Customers.

4) SDD B2B rulebook

Section 4.3.5 – Charging Principles

Charges to Business Customers will be based on the shared principle such that the Creditor and Debtor are charged separately and individually by the Creditor Bank and Debtor Bank respectively. The basis and level of charges to Business Customers **are determined by each Participant in accordance with applicable law and** are entirely a matter for individual Participants and their Business Customers.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

No. The charging principles as such do not change. This change request is a clarification.

2. Impact on the inter-PSP space:

No impact.

3. Impact on other payment stakeholders:

No impact.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact.

6. The nature of the change request:

a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

Yes.

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No.



2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES.
Is the change request underpinned by a cost-benefit analysis?	NO. Not necessary.
Does the change fit into the strategic objectives for SEPA?	YES.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES. This change request is a clarification.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

Template for Proposing a Change Request in a SEPA Payment Scheme



EPC 058-20
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#10

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**Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021**

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Your reference:	SDD CORE & SDD B2B schemes - EPC - extension of the period to submit a Reversal
Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	8 June 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023

1.2. Description of the change request:

The Creditor PSP has currently 5 Inter PSP Business Days following the settlement date of a SDD transaction to initiate a Reversal.

The Change Request aims to lengthen up to 10 Inter PSP Business Days the delay in which to submit a Reversal, as erroneous SDD transactions can be detected by the Creditor or the Creditor PSP after this period of 5 days.

Extending the timespan would avoid :

- conflicts with other r-transactions types, especially Returns, which must take place also within a maximum period of 5 Inter PSP Business Days after the settlement date (5 days for SDD CORE Returns, 3 days for SDD B2B Returns)
- asking the Debtor Bank for initiation of a refund
- making a reconciliation, if a credit transfer is agreed upon by both Creditor and Debtor to recover the funds

In 10 Inter PSP Business Days, more erroneous SDD collections could be processed autonomously by the Creditor Bank without the need to seek intervention from the Debtor Bank.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Light.

2. Impact on the inter-PSP space:

Yes.

3. Impact on other payment stakeholders:

Yes.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact.



6. The nature of the change request:

- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

Yes.

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES.
Is the change request underpinned by a cost-benefit analysis?	YES.
Does the change fit into the strategic objectives for SEPA?	YES.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

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#13

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Your reference:	Postponing the latest day to present a collection
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	21/06/2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

With one of the next releases of the SEPA Direct Debit Rulebooks.

1.2. Description of the change request:

Under the SDD Core and B2B schemes, from the end of November 2016 onwards, all Direct Debit collections can be presented up to D-1 Inter-Bank Business Day (D-1). Given the current technological environment of the Scheme Participants, it should be possible to present a collection on the same day of the Settlement Date. Therefore it is proposed to further increment the current processing cycle from up to D-1 to the Due Date (D).

Direct debits use cases are increasing in recent years and they are becoming also widely accepted in the e-commerce environment. A further modification of the processing cycle would result in a quicker availability of the funds for the creditors. Faster management of exception handlings related to r-transactions would also be achieved because the timeframe of the returns will start earlier.

In addition, the confirmation of the availability of the funds on the same Inter-Bank Business Day, within a proper cut-off, will increase the use cases of the direct debit collections that are not currently available due to the limitation of D-1, reducing the risk borne by the Creditor. For example, it can guarantee in most cases an immediate presence of funds avoiding any use of cash pooling.

The debtors of the SDD Core scheme will be anyway covered by the ordinary refund rights described in the Rulebook and as of today, the direct debit would be sent only if there is already a mandate signed by the Debtor in place.

The proposed change would also uniform SDDs to SCTs, which could be already credited on the same day when a Credit Transfer Instruction is requested.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

The direct debit instructions could be presented the same day as the settlement date. Cut-off Times at specific times of the day must be agreed upon between the CSM and the Participants.

2. Impact on the inter-PSP space:

The Creditor PSP must send a Collection to the Debtor PSP so that the Debtor PSP receives the Collection from the Creditor PSP via the CSM at the latest the same Inter-Bank Business Day (D) of the Due Date and not earlier than 14 Calendar Days before the Due Date.

3. Impact on other payment stakeholders:



No impact assumed.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact assumed.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact assumed.

6. The nature of the change request:

- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

Yes, the change should be mandatory for all the Participants.

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	Yes. It increases the use cases of direct debits.
Is the change request underpinned by a cost-benefit analysis?	No.
Does the change fit into the strategic objectives for SEPA?	No.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes, it should be technically feasible.
Do you consider that the change request does not impede SEPA-wide interoperability?	Yes.
Do you consider that the change request is in the scope of the scheme involved?	Yes. It would increase the efficiency of the processing cycle related to the direct debit collections.

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#14

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Your reference:	2021-EPC-cgi-pain.002
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	22.6.2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

Nov 2023 together with the ISO change and switch on pain.002.001.10

1.2. Description of the change request:

Pain.002.001.10 should be compliant with Swift cgi-MP standard, published in MyStandards [CGI-MP CustomerPaymentStatusReportV10 pain.002.001.10 \(swift.com\)](https://www.swift.com/standards/cgi-MP_CustomerPaymentStatusReportV10_pain.002.001.10)

Therefore following adaption should be made for all pain.002 (SCT, SDD and SCT-Inst) together with the ISO change:

1. For the Reject pain.002: allow also PART as a valid Status on PaymentInf-Level and on Group-Level. At the moment only RJCT is possible according to the IG

2.6	0..1	Customer Payment Status Report V03 +Original Group Information And Status ++Group Status	SEPA Rulebook AT-RI Type of R-message. SEPA Usage Rule(s) 'Group Status', 'Payment Information Status' or 'Transaction Status' must be present with the code 'RJCT'. ISO Name Group Status ISO Definition Specifies the status of a group of transactions. XML Tag GrpSts Type TransactionGroupStatus3Code SEPA Code Restrictions RJCT Rejected Payment initiation or individual transaction included in the payment initiation has been rejected.
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2. Allow also Additional Info (on all statuses) for Status RJCT and ACWC to express more details to the Reject or changes (in ISO for example the Additional Info is mandatory for the ReasonCode NARR). At the moment the Additional Info is only a white marked field

3.22	0..n	Customer Payment Status Report V03 +Original Payment Information And Status ++Transaction Information And Status +++Status Reason Information ++++Additional Information	ISO Name Additional Information ISO Definition Further details on the status reason. Usage: Additional information can be used for several purposes such as the reporting of repaired information. XML Tag AddtlInf Type Max105Text ISO Length 1 .. 105 SEPA Length 1 .. 105
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3. Allow also as an option – in addition to Reject – a positive pain.002 with following statuses
 - ACTC technical acceptance
 - ACCP Acceptance customer profile
 - ACWC Acceptance with changes
 - ACSC Acceptance Settlement creditor completed
 - ACCC Creditor credited – final Status – only for SCT-Instant



CGI-MP pain.002
V10 status code mat

The level of status see Swift cgi market practice:



4. Change for IG SCT Instant the final status in the pain.002 from ACCP into ACCC to be compliant with ISO extended code list

ExternalPaymentTransactionStatus1Code							
Identification				Status			
Code	Name	Definition	Origin/Requester	Status	Status Date	Introduced Date	
1 ACCC	AcceptedSettlementCompletedCreditorAccount	Settlement on the creditor's account has been completed.	CR0654/SWIFT	Updated	May 2020	March 2018	
2 ACCP	AcceptedCustomerProfile	Preceding check of technical validation was successful. Customer profile check was also successful.	CR0574/SWIFT	New	January 2017	8 February 2017	
3 ACFC	AcceptedFundsChecked	Preceding check of technical validation and customer profile was successful and an automatic funds check was positive.	CR0768/Berlin Group	New	February 2019	February 2019	
4 ACIS	AcceptedandChequeIssued	Payment instruction to issue a cheque has been accepted, and the cheque has been issued but not yet been deposited or cleared.	CR0975/SWIFT	New	May 2021	May 2021	
5 ACSC	AcceptedSettlementCompletedDebitorAccount	Settlement completed. Usage : this can be used by a Market Infrastructure reporting to Infrastructure Participant or an Account Servicer to Account Owner to report that the transaction account entry has been completed. Warning : this status is provided for transaction status reasons, not for financial information. It can only be used after bilateral agreement	CR0574/SWIFT CR0849/SWIFT	Updated	August 2020	8 February 2017	
6 ACSP	AcceptedSettlementInProgress	All preceding checks such as technical validation and customer profile were successful and therefore the payment instruction has been accepted for	CR0574/SWIFT CR0849/SWIFT	Updated	August 2020	8 February 2017	
7 ACTC	AcceptedTechnicalValidation	Authentication and syntactical and semantical validation are successful	CR0574/SWIFT	New	January 2017	8 February 2017	
8 ACWC	AcceptedWithChange	Instruction is accepted but a change will be made, such as date or remittance not sent.	CR0574/SWIFT	New	January 2017	8 February 2017	
9 ACWP	AcceptedWithoutPosting	Payment instruction included in the credit transfer is accepted without being posted to the creditor customer's account.	CR0653/TCH	New	May 2017	May 2017	

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Low – only additional option with positive pain.002

2. Impact on the inter-PSP space:

No, only Customer-Bank

3. Impact on other payment stakeholders:

With a new ISO version all stakeholders need to make technical adaptations, so no further Impact. More options will be available

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes adaption to all IG pain.002

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No

6. The nature of the change request:

- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)



- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

Only small impact on IG Customer-Bank

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	yes
Is the change request underpinned by a cost-benefit analysis?	New added value to send positive payment status
Does the change fit into the strategic objectives for SEPA?	Be compliant with international Swift-cgi Market practice
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	yes
Do you consider that the change request does not impede SEPA-wide interoperability?	yes
Do you consider that the change request is in the scope of the scheme involved?	yes

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
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Scheme and document and version number:	<u>Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to:</u> EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	30.06.21
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

The launch date will be consistent with the timeline of the publishing of the updated rulebooks of SEPA Instant Credit Transfer (SCT Instant) Scheme and SEPA Direct Debit (SDD) B2B Scheme considering the change requests received from stakeholder groups, which are envisaged to be released in May 2022.

1.2. Description of the change request:

The Global Legal Entity Identifier Foundation (GLEIF) would like to make a change request to the SDD B2B Scheme and SCT Instant Credit Transfer Scheme. In line with the objectives of the European Payments Council (EPC) to automate SCT Inst based on open standards, GLEIF suggests that the EPC considers mandating the LEI in both SDD B2B Scheme and SCT Instant Credit Transfer Scheme for scheme participants to harmonize the identification standards and practices within these schemas and thereby reduce frictions, manual intervention and reconciliation costs.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Including the LEI as a mandatory field for scheme participants in SDD B2B and SCT Instant schemes would be a minor change to the schemes from a technical implementation perspective for scheme participants; however, including the LEI will bring significantly enhanced efficiency to the payment message exchange and reconciliation. Thanks to the LEI, the Originator PSP and Beneficiary PSP identities under the SCT Inst; and Debtor PSP and Creditor PSP under the SDD B2B Scheme, respectively, will be precise in the payment transactions. The LEI will enable an automated way of entity identification of scheme participants, substantially reduce human intervention and improve cost efficiency for all participants in the payment process. GLEIF will elaborate on the reasoning in the following sections.

2. Impact on the inter-PSP space:

GLEIF suggests that mandatory inclusion of the LEI will positively impact the inter-PSP space as the LEI will improve the efficiency of inter-PSP payment message exchange.

GLEIF would like to point out that both the International Bank Account Number (IBAN) of the originator/beneficiary/creditor/debtor and Business Identifier Code (BIC) of the PSP in SCT Instant are not sufficient to provide accurate and unambiguous information for verifying the payment participants in a payment chain. GLEIF would like to remind EPC that BICs are not a source of unique legal entity identification like the LEI. BICs also are assigned to sub-divisions within a legal entity, such as departments, branches, and trading desks. For example, a financial institution might have hundreds of subsidiaries worldwide, and the subsidiaries might also have many sub-divisions. However, the BIC assigned to the sub-divisions does not enable the identification of the affiliated legal entities.

On the contrary, a specific legal entity can only have one LEI. Therefore, the current situation does not facilitate straight-through processing of payment messages exchange, often leads to recalls, canceling and human intervention, especially for cross-border transactions. Therefore, it is crucial



to add the LEI of the Originator/Beneficiary/Debtor/Creditor PSP in payment messages in addition to the BIC code.

Furthermore, over time, as the population of LEIs of non-financial companies increases as [recommended by the European Systemic Risk Board](#), the LEI could be mandated for the originator/beneficiary/creditor/debtor to track precisely the identity of the exact entities who participate in the payment transactions.

GLEIF would like to comment on the PT-02.02 – Mandate Amendment Procedures under the SDD B2B schema. According to the "Mandate Amendment Procedures", the Creditor has an obligation to inform the amendments of the Mandate that are of concern for the Creditor PSP or the Debtor PSP, including the changes in the Creditor Identifier or the Creditor name. GLEIF suggests that this notification process could be straightforward and seamless if the LEI is required from the Creditor. With the Creditor's LEI, the Creditor PSP/Debtor PSP can easily verify and validate the changes on the Creditor with a single call to the GLEIF API, which is open and free to use. Since the LEI reference data includes a "Change History", Creditor PSP/Debtor PSP can track the reference data changes regarding this Creditor in an automated and quick way.

The addition of the LEI primarily for Creditor/Debtor PSPs and then for Creditor/Debtor in the SDD B2B schema can enhance the efficiency of message exchange and reduce manual intervention and costs for inter-PSP message exchange and reconciliation.

3. Impact on other payment stakeholders:

GLEIF would like to highlight that the Global LEI System is free to use, open, and easily accessible database that users would be able to connect with 24/7 operating hours. The LEI connects to key reference data that provides the information on a legal entity identifiable with an LEI: the official name of the legal entity as recorded in the official registers, the registered address of that legal entity, the country of formation. The Global LEI System links with the local business registries that might be proprietary and in different character sets. Instead of navigating through various access points and languages, the Global LEI System allows consumers to conduct quick due diligence in a trusted way. With the Global LEI System, consumers could also easily know and verify with whom they are transacting.

The importance of easy and quick due diligence across borders is crucial for the debtors/creditors/originators/beneficiaries who utilise the SDD B2B scheme to transfer funds. For example, Dr. Franz Kaiser, Head of Treasury Reporting & Middle Office, Finance FTR at Airbus [commented](#) that *"Corporates need to be able to transparently identify counterparties when making and processing payments. This is challenging when dealing with legal entities in different jurisdictions. Airbus payment and KYC processes could be eased if transaction counterparties could easily be uniquely identified, alongside their ultimate beneficiary owners. LEI usage in cross-border payments would bring significant benefits to corporates globally."*

The inclusion of the LEI in SDD B2B and SCT Instant schemes would positively impact all payment stakeholders and the payments ecosystem.



4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

GLEIF welcomes the inclusion of the LEI as an optional data field in the 'Financial Institution Identification' within the Customer Credit Transfer Initiation dataset in the SCT Instant scheme. From the perspective of technical implementation, including the LEI as a mandatory data element in the SDD B2B scheme and SCT Instant scheme would be a minor technical update to the message standards being used by participants. The GLEIF API enables users to automate access to the LEI and its reference data and is a globally accepted protocol for accessing identity information for legal entities, including the basic business card (level 1) data and corporate hierarchy (level 2) data. Moreover, the LEI is already mapped with identifiers such as BIC and International Securities Identification Number (ISIN) codes. It gives developers access to the full LEI Data search engine functionality, including filters, full-text and single-field searches of legal entities and ownership data.

In addition, the interoperability of the Global LEI System would add extra value to the implementation of SEPA schemes in line with the migration to ISO 20022. The LEI has already been included in the ISO 20022 messaging standard and made mandatory by several ISO 20022 market infrastructures in the process of migration. For example, the Bank of England will require all financial institutions to report their LEI for transactions in the Enhancement Phase of incorporating ISO 20022 to the Clearing House Automated Payment System (CHAPS) by 2024. By mandating the use of the LEI, the market participants will see a smoother transition and efficient implementation of ISO 20022 incorporation to the domestic payment systems in all SEPA countries. Therefore, GLEIF invites the EPC to contribute to this revolutionary change in the payments landscape and support the creation of a more effective payments ecosystem by requiring the LEI for the SDD B2B scheme and SCT Instant scheme participants.

For ensuring a smooth transition, the EPC could consider a phased approach, where (Stage 1) the LEI is added into the schema and coexist with other identifiers that are being used today, (Stage 2) phase-out process for other identifiers gets launched, and (Stage 3) the LEI becomes mandatory and is assigned as the identifier for unique identification of payment participants. The last Stage (Stage 4) could be that the participants without the LEI are rejected from participating in the schema. Assigning reasonable timeframes for each Stage could facilitate the adoption of the LEI.

Lastly, GLEIF would like to remind that the LEI is no stranger to the SEPA scheme participants. GLEIF found out that 90% of SEPA Credit Transfer, 95% of SEPA Credit Transfer Instant, and 93% of SEPA Direct Debit Core scheme participants already have an LEI.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

Including the LEI as mandatory in the SDD B2B scheme and SCT Instant scheme would not have an impact on the legal rules as defined in chapter 5 of the EPC SDD B2B Scheme and SCT Instant Rulebooks.

6. The nature of the change request:

- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)



The change request of including the LEI as mandatory in the SDD B2B scheme and SCT Instant scheme would be adding the LEI, the only global standard for legal entity identification based on an open data regime, to be applied for identifying firstly Creditor/Debtor/Originator/Beneficiary PSPs and then creditor/debtor/originator/beneficiary through a reasonable phased approach.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	Yes.
Is the change request underpinned by a cost-benefit analysis?	Yes. The above change request would require minimum technical updates from SDD B2B and SCT Instant scheme participants. Under the GLEIF's Validation Agent model, debtors/creditors/originators/beneficiaries have the opportunity to get an LEI free of charge from the Validation Agent financial institutions that they have a banking relationship. As the number of Validation Agents increases, all these parties will have the opportunity to get an LEI free of charge and through a seamless experience.
Does the change fit into the strategic objectives for SEPA?	Yes. The above change request would help to achieve the strategic objectives of SEPA in having a harmonised, easily accessible, cost-efficient and secure electronic euro payments across Europe.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes.
Do you consider that the change request does not impede SEPA-wide interoperability?	The inclusion of the LEI would not impede SEPA-wide interoperability, but rather enhance the interoperability by leveraging the linkage of the Global LEI System with national business registers and mapped identification systems such as the BIC code.
Do you consider that the change request is in the scope of the scheme involved?	Yes.

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Contact details:	info@de-vgi.nl
Your reference:	VGI-2101
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	30-06-2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

2022

1.2. Description of the change request:

More specific codes instead of reason code SL01 “Specific Service Offered By Debtor Agent”

Currently the Creditor only receives the code SL01, but cannot determine the precise issue. Meanwhile the Collection processes of the Creditor will continue, based on a valid SDD mandate. If the Creditor receives a more precise reason code, it can swiftly communicate to the Debtor in order to explain what reason is causing the collection failure at the Debtor’s end. This will prevent the Debtor from being sent “pillar to post” in order to resolve the issue as quickly as possible. The below proposed codes, to be used by Debtor Banks, identify the following four reasons (note: these codes are specifically for the SDD Core rulebook, SL14 only for the SDD B2B rulebook):

Code	Name	Definition
SL11	Creditor not on Whitelist of Debtor	Whitelisting service offered by the Debtor Agent; Debtor has not included the Creditor on its “Whitelist” (yet). In the Whitelist the Debtor may list all allowed Creditors to debit Debtor bank account. Note: It could be possible that in certain SEPA countries national law prohibits the use for reasons of data protection. SL01 can still be used.
SL12	Creditor on Blacklist of Debtor	Blacklisting service offered by the Debtor Agent; Debtor included the Creditor on his “Blacklist”. In the Blacklist the Debtor may list all Creditors not allowed to debit Debtor bank account. Note: It could be possible that in certain SEPA countries national law prohibits the use for reasons of data protection. SL01 can still be used.
SL13	Maximum number of Direct Debit Transactions exceeded	Due to Maximum allowed Direct Debit Transactions per period service offered by the Debtor Agent. Note: It could be possible that in certain SEPA countries national law prohibits the use for reasons of data protection. SL01 can still be used.
SL14	Maximum Direct Debit Transaction Amount exceeded	Due to Maximum allowed Direct Debit Transaction amount service offered by the Debtor Agent. Note: It could be possible that in certain SEPA countries national law prohibits the use for reasons of data protection. SL01 can still be used.

Additional explanation and use cases:

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



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

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:
2. Impact on the inter-PSP space:
3. Impact on other payment stakeholders:
4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):
5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:
6. The nature of the change request:



- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)
- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	Yes
Is the change request underpinned by a cost-benefit analysis?	no
Does the change fit into the strategic objectives for SEPA?	yes
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	yes
Do you consider that the change request does not impede SEPA-wide interoperability?	It will not impede.
Do you consider that the change request is in the scope of the scheme involved?	yes

Template for Proposing a Change Request in a SEPA Payment Scheme



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#25

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Public
Approved

**Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021**

Name of contributor:	Scheme Evolution and Maintenance Working Group (SEMWG)
Organisation:	EPC
Address:	
Contact details:	
Your reference:	#25 -All Schemes-EPC-Changes to the SEPA Payment Scheme Management Rules
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	30 June 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules



1. General Description of the Change Request

1.1. Suggested launch date (if any):

End April 2023 with the entry into force of the new composition of the Payment Scheme Management Board (PSMB).

1.2. Description of the change request:

Each SEPA payment scheme rulebook contains an Annex II covering the SEPA Payment Scheme Management Rules ('Internal Rules'). The Internal Rules contain among others the Scheme Management Board (SMB) composition rules.

The EPC suggests the following changes to the Internal Rules:

- The SMB (to be renamed into PSMB – 'Payment Scheme Management Board', in light of the creation of new payment-related schemes managed by the EPC) shall be composed of up to **22** (instead of 20) representatives of Payment Scheme Participants (nominated by an individual National Community of Payment Scheme Participants or a "coalition" of National Communities of Payment Scheme Participants)¹, subject to reaching individually or on a consolidated basis **3.5%** (instead of 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).

Any "excess of share" above (a multiple of) 3.5% cannot be contributed to a (another) "coalition".
- At least 1 seat shall be reserved for Payment Institutions **and** 1 seat shall be reserved for Electronic Money Institutions (even if they fail to reach the 3.5% threshold) (instead of 1 common seat for Payment Institutions and Electronic Money Institutions);
- A cap of **4** (instead of 3) seats per National Community from the euro area and 1 (unchanged) seat per National Community from outside the euro area shall apply;
- The Scheme Evolution and Maintenance Working Group (SEMWG) will be renamed into Payment Scheme Evolution and Maintenance Working Group (PSEMWG).

These proposed changes would enter into effect as of the entry-into-force date of the new composition of the Payment Scheme Management Board (PSMB) scheduled at the **end of April 2023**.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change will impact the composition of the future Payment Scheme Management Board (PSMB).

2. Impact on the inter-PSP space:

No.

¹ Note: The maximum composition of 25 members remains unchanged, i.e., up to 22 members representing Payment Scheme Participants and 3 Independent Members, including the Chair.



3. Impact on other payment stakeholders:

No.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No.

6. The nature of the change request:

- a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

Yes.

- b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES. It does not affect the day-to-day processing of SEPA transactions nor the business and technical rules of each scheme.
Is the change request underpinned by a cost-benefit analysis?	NO. Not necessary.
Does the change fit into the strategic objectives for SEPA?	YES. It enables a balanced and inclusive representation in the PSMB of all types of PSPs.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	NO.
Do you consider that the change request is in the scope of the scheme involved?	YES.