European
Payments Council

SEPA Credit Transfer Rulebook

Change Proposal Submission Document Following the 2022 Public Consultation on SCT Change Requests

SEPA
Single Euro Payments Area

Change Proposal Submission Document on 2022 SCT Change Requests

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Table of Contents

1 Foreword: the Principles of SEPA Payment Scheme Development

1.1 Introduction

This document contains the results and comments received on the change requests submitted for public consultation on possible modifications to be introduced into the SCT rulebook. It provides feedback to all stakeholders on the results of the 2022 public consultation.

The Single Euro Payments Area (SEPA) payment schemes, as set out in the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) rulebooks, evolve based on a transparent change management process adhered to by the European Payments Council (EPC).

This evolution reflects changes in market needs and updates of technical standards developed by international standardisation bodies, such as the International Organization for Standardization (ISO).

The principles governing the evolution of the SEPA payment schemes are set out in section four of the SEPA Payment Scheme Management Rules.

1.2 EPC SEPA payment scheme rulebook release management - important notice to all SEPA stakeholders

The EPC publishes updated versions of the rulebooks at a minimum every two years in the month of November. In accordance with industry best practice, payment service providers (PSPs) and their suppliers therefore have sufficient lead time to address rulebook updates prior to such changes taking effect.

The 2023 versions of the SCT and SDD rulebooks will be published exceptionally on 25 May 2022. Based on the established release management cycle, these versions will take effect on 19 November 2023.

1.3 SEPA payment scheme development: EPC scheme change management

The first step in the EPC SEPA payment scheme change management cycle is the **introduction of change requests** to the schemes by any interested party.

In consideration of the change requests received, the EPC Scheme Evolution and Maintenance Working Group (SEMWG) develops a **public consultation document**, containing the change requests and the related SEMWG recommendations, per EPC SEPA payment scheme rulebook.

The preparation of the public consultation documents involves the analysis of the change requests received which may include, as appropriate, an impact analysis. Based on this analysis, the SEMWG issues a recommendation on how each change request should be handled.

All submitted change requests to modify the rulebooks received by the EPC are published through the public consultation documents on the EPC Website, permitting such a list to be openly viewed by all stakeholders. The public consultation documents are released for a **three-month public consultation** in the second quarter of the year. For the 2022 change management cycle, this was exceptionally done in the third quarter of 2021.

From the moment the three-month public consultation has ended, the SEMWG shall collect and consolidate the comments received from all EPC SEPA payment scheme participants and stakeholders during the public consultation. The SEMWG then analyses the expressed support and the comments received for each change request. After that, it develops **change proposals** based on the level of support and comments received from the public consultation.

A change proposal as developed by the SEMWG may bring together more than one change, developed from one or more change requests.

The SEMWG consolidates the change proposals, along with each change request and the related comments received from the contributors during the public consultation, in the **change proposal submission document**.

The change proposal submission document is then submitted to the **EPC Scheme Management Board (SMB)**, the **EPC Scheme End-User Multi-Stakeholder Group (SEU MSG)** and the **EPC Scheme Technical Player Multi-Stakeholder Group (STP MSG)**.

The roles of the SEU MSG and the STP MSG are described in section 4.4 of the SEPA Payment Scheme Management Rules. The SEU MSG and the STP MSG formulate their respective positions and address them to the SMB. The SMB will have its final decision-making deliberations in accordance with section 4.2.5 of the SEPA Payment Scheme Management Rules.

2 Executive Summary

This Change Proposal Submission Document (EPC005-22) describes that each stage of the 2022 SCT rulebook change management cycle, from the initiation to the public consultation, has been properly completed in respect of each change request submitted.

The first step in the change management cycle has been the **introduction of change requests** to the SCT scheme by any interested party. The deadline for receipt of such suggestions was 30 June 2021. The EPC received **13** change requests for major changes to be introduced into the SCT rulebook.

The **public consultation** on possible modifications to be introduced into the SCT rulebook, was held between 13 September and 11 December 2021. The EPC received input from 23 (communities of) PSPs and other stakeholders. Please refer to the Annex I for the full list of contributors.

The documents circulated for the public consultation were the document SCT rulebook 2022 Change Request Public Consultation Document (EPC156-21) and the Response Template (EPC160-21). Both documents have been made available on the EPC Website.

This Change Proposal Submission Document contains for each change request:

a) A summary of the change request;

b) The SEMWG analysis and the recommendation given for the public consultation;

c) The comments received during the public consultation;

d) The SEMWG change proposal submitted to the SMB, the SEU MSG and the STP MSG for their consideration;

e) The SMB decision on each SEMWG change proposal.

The SMB took into account the position documents **EPC 038-22** and **EPC 039-22** from the SEU MSG and the STP MSG respectively when making its decision on each change request and the related SEMWG change proposal.

As a result of the 2022 SCT rulebook change management process, the SCT rulebook has been updated to include the following changes:

A. 2022 change requests entering into force on 25 April 2023

On 25 April 2023, a new composition of the SMB will take up its mandate.

With respect to the SEPA Payment Scheme Management Rules being Annex II of each SEPA payment scheme rulebook, a new composition formula will be applied for allocating the seats of scheme participant-related SMB members. Also, more seats will be reserved for the scheme participant-related SMB members. As of 25 April 2023, the SMB will be renamed into the PSMB (Payment Scheme Management Board).

B. 2022 change requests entering into force on 19 November 2023

- To formally enable the SEPA payment schemes to cater for both retail and Financial Institution-to-Financial Institution payment use cases, the term 'Customer' is replaced by the term 'Payment Service User' (PSU) including an appropriate definition for this new term.

  The definitions of the terms 'Originator' and 'Beneficiary' are amended whereby also PSPs can take up these roles. Related to this, the definition of the term 'Payment Account' is changed

indicating that such account can be held by a PSP as well. Also, some obligations of the Originator PSP and of the Beneficiary PSP in the concerned rulebook sections 5.7 and 5.8 are amended.

- Provision of the structured address of the payment end-user:

    As of 19 November 2023, payment end users are <u>allowed</u> to send a structured address of the payer and/or the payee in <u>electronic Customer-to-PSP files</u> based on at least the relevant EPC Customer-to-PSP Implementation Guidelines (IGs) for SEPA payments. From that same date, also scheme participants are <u>allowed</u> to provide structured addresses in their inter-PSP SEPA payment messages and r-transactions.

    In view of the above, all scheme participants <u>must be able to support</u> the delivery of structured addresses when payment end users and scheme participants want a structured address in their outgoing and incoming SEPA payments. Scheme participants cannot reject SEPA payments 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.

- Extra clarifications about the charging principles.

- Inclusion of the Proxy/Alias of the payment account of the Originator and/or of the payment account of the Beneficiary as an optional attribute in certain datasets. This attribute is an element supplied by the Originator and cannot substitute the IBAN as unique identifier for a payment account.

- Amendments to the SCT inquiry procedure and datasets which formalise clarifications published by the EPC throughout the year 2021.

Important reminder: back in 2020, the SMB already decided upon the following changes for all four 2023 SEPA payment scheme rulebooks:

- Migrate all ISO 20022 standard-based XML payment messages used under the schemes, to the 2019 version of the ISO 20022 standard; and

- Align all attribute numbers in the scheme rulebooks as of the 2023 rulebooks.

C. <u>2022 change requests entering into force in November 2025</u>

With respect to the provision of the structured address of the payment end-user, 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 <u>electronic Customer-to-PSP files</u> based on at least the relevant EPC Customer-to-PSP IGs. The use of an unstructured address will no longer be allowed and will hence lead to rejects.

Overview of the 2022 SCT change requests and the final SMB decision

item	Change request title	SMB decision
03	Change of the term 'Customer'	For inclusion in the 2023 SCT rulebook.
06	Provision of the structured address of the payment end-user	For inclusion in the 2023 and 2025 SCT rulebooks.
07	Amendments to the SCT inquiry procedure and datasets	For inclusion in the 2023 SCT rulebook.
08	Clarification on charges	For inclusion in the 2023 SCT rulebook.
11	Inclusion of Alias and Proxy as optional attributes	For inclusion in the 2023 SCT rulebook.
12	Inclusion of hyperlinks or external sources	Not to be included in the 2023 SCT rulebook.
14	Pain.002 message to be compliant with SWIFT CGI-MP standard	Not to be included in the 2023 SCT rulebook.
15	Returned amount under Recall or RFRO can be different to the initial amount	Not to be included in the 2023 SCT rulebook.
16	New functionalities for the SCT inquiry procedure	Not to be included in the 2023 SCT rulebook.
17	Optional use of Unique End-to-end Transaction Reference (UETR)	Not to be included in the 2023 SCT rulebook.
19	Allow all child elements of structured remittance information	Not to be included in the 2023 SCT rulebook but instead incorporate this suggestion into the implementation guidelines entering into effect as of November 2023.
20	Change in the definition of structured remittance information in payment messages	Not to be included in the 2023 SCT rulebook but instead incorporate this suggestion into the implementation guidelines entering into effect as of November 2023.
25	Changes to the SEPA Payment Scheme Management Rules	Such decision is not within the remit of the SMB. The EPC Board has taken the following decision: for inclusion in the SCT scheme as of April 2023.

3   Overview of Change Requests Submitted for the 2022 Public Consultation

All change requests to the SCT rulebook were reviewed by the SEMWG.

This section lists the change requests which were presented for public consultation along with the recommendation given by the SEMWG for each change request.

3.1   Possible recommendations for a change request

Each recommendation reflects one of the options detailed in points 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 participant[1] 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 Regulation[2] 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:
  - o   The benefits of the new scheme for payment end users are demonstrated prior to the launch of the development phase;
  - o   It is demonstrated that enough stakeholders will make use of the new scheme;
  - o   A cost-benefit analysis is provided;
  - o   It complies with the SEPA Regulation or any other relevant Regulation.

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[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

3.2   Summary of change requests and the expressed support following the public consultation

The two tables below express the level of support from the contributors to the EPC SEMWG recommendations presented during the public consultation. The list of contributors can be found in Annex I at the end of this document.

The tables summarise the responses from the (national communities of) scheme participants and the other contributors respectively for each change request. The contributors were requested to indicate in the response template if they support the SEMWG recommendation ("Yes") or not ("No"). They also had the choice to express no position on the change request or on the SEMWG recommendation ("No Opinion"). **The number of "No Opinion" positions have not been taken into account when determining the level of support for each change request.**

Please note that contributors may have expressed a "Yes", a "No" or a "No Opinion" position without having provided further comments. The section "Explicit public consultation comments received" for each change request under section 4 will only report the explicit comments received from each contributor but not a simple "Yes", a "No" or a "No Opinion" position itself without any other comment of that contributor.

Table 1 **Scheme participants**: summary of change requests and the support expressed during the public consultation

Item	Change request title	Topic	EPC SEMWG recommendation	Count "Yes"	Count "No"	Count "No Opinion"	Total	Percentage "Yes" in total responses
3	Change of the term 'Customer'	Terminology	Inclusion into the scheme (**option b**) as of Nov 2023	18	0	2	20	100%
6	Provision of the structured address of the payment end-user	Use of structured data	Inclusion into the scheme (**option b**) as of Nov 2023	17	2	1	20	89%
7	Amendments to the SCT inquiry procedure and datasets	Inquiries	Inclusion into the scheme (**option b**) as of Nov 2023	17	1	2	20	94%
8	Clarification on charges	Charging	Inclusion into the scheme (**option b**) as of Nov 2023	18	0	2	20	100%
11	Inclusion of Alias and Proxy as optional attributes	Alias/Proxy details	Inclusion into the scheme (**option b**) as of Nov 2023	14	4	2	20	78%
12	Inclusion of hyperlinks or external sources	External sources	Cannot be part of the existing scheme (**option e**)	16	0	4	20	100%
14	Pain.002 message to be compliant with SWIFT CGI-MP standard	Use of standards	Cannot be part of the existing scheme (**option e**)	16	0	4	20	100%
15	Returned amount under Recall or RFRO can be different to the initial amount	R-transactions	Cannot be part of the existing scheme (**option e**)	17	0	3	20	100%
16	New functionalities for the SCT inquiry procedure	Inquiries	Cannot be part of the existing scheme (**option e**)	15	2	3	20	88%
17	Optional use of Unique End-to-end Transaction Reference (UETR)	New attributes	Cannot be part of the existing scheme (**option e**)	14	3	3	20	82%
19	Allow all child elements of structured remittance information	Use of structured data	Cannot be part of the existing scheme (**option e**)	15	2	3	20	88%
20	Change in the definition of structured remittance information in payment messages	Use of structured data	Cannot be part of the existing scheme (**option e**)	16	1	3	20	94%
25	Changes to the SEPA Payment Scheme Management Rules	Internal Rules	Inclusion into the scheme (**option b**) as of **April 2023**	19	1	0	20	95%

Table 2 **Other contributors:** summary of change requests and the support expressed during the public consultation

Item	Change request title	Topic	EPC SEMWG recommendation	Count "Yes"	Count "No"	Count "No Opinion"	Total	Percentage "Yes" in total responses
3	Change of the term 'Customer'	Terminology	Inclusion into the scheme (**option b**) as of Nov 2023	2	0	1	3	100%
6	Provision of the structured address of the payment end-user	Use of structured data	Inclusion into the scheme (**option b**) as of Nov 2023	3	0	0	3	100%
7	Amendments to the SCT inquiry procedure and datasets	Inquiries	Inclusion into the scheme (**option b**) as of Nov 2023	2	0	1	3	100%
8	Clarification on charges	Charging	Inclusion into the scheme (**option b**) as of Nov 2023	2	0	1	3	100%
11	Inclusion of Alias and Proxy as optional attributes	Alias/Proxy details	Inclusion into the scheme (**option b**) as of Nov 2023	3	0	0	3	100%
12	Inclusion of hyperlinks or external sources	External sources	Cannot be part of the existing scheme (**option e**)	3	0	0	3	100%
14	Pain.002 message to be compliant with SWIFT CGI-MP standard	Use of standards	Cannot be part of the existing scheme (**option e**)	2	0	1	3	100%
15	Returned amount under Recall or RFRO can be different to the initial amount	R-transactions	Cannot be part of the existing scheme (**option e**)	1	0	2	3	100%
16	New functionalities for the SCT inquiry procedure	Inquiries	Cannot be part of the existing scheme (**option e**)	2	0	1	3	100%
17	Optional use of Unique End-to-end Transaction Reference (UETR)	New attributes	Cannot be part of the existing scheme (**option e**)	2	1	0	3	67%
19	Allow all child elements of structured remittance information	Use of structured data	Cannot be part of the existing scheme (**option e**)	3	0	0	3	100%
20	Change in the definition of structured remittance information in payment messages	Use of structured data	Cannot be part of the existing scheme (**option e**)	1	1	1	3	50%
25	Changes to the SEPA Payment Scheme Management Rules	Internal Rules	Inclusion into the scheme (**option b**) as of **April 2023**	2	0	1	3	100%

3.3 Summary of changes for inclusion in the next version of the SCT rulebook to be aligned with the SEPA Regulation or with any other relevant EU legislation

No change item was identified at the time of the start of the public consultation that required a change to the SCT rulebook due to a particular EU legislation.

No items have been identified that require a change to the SCT scheme rulebook due to any EU legislation.

4 Major Change Request Details, the Related Public Consultation Comments and the SEMWG Change Proposal

4.1 # 03: Change of the term 'Customer'

4.1.1 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 a PSP may act in the capacity of an Originator or Beneficiary under the rules of the scheme. A good example are the payments an PSP makes with respect to salary payments, office rent etc.

Furthermore, reflections have been made on whether the scheme should cater also for use cases in which PSPs are making use of the payment scheme as Originator and/or as Beneficiary in the context of Financial Institution – to – Financial Institution (Fi2Fi) payments, and whether the term 'Customer' is appropriate in such context.

In order to adapt the rulebook to support the case of a PSP acting as Originator/Beneficiary in both, retail and Fi2Fi use cases, while complying with applicable law, the suggestion is to:

i)   replace the term 'Customer' with the term 'Payment Service User' ('PSU'), and define it on the basis of the definition of 'PSU' provided under the Payment Services Directive (PSD2). This will clearly identify who can take up the role of PSU and the relevant legal framework applicable to them;

ii)   amend the terms 'Originator' and 'Beneficiary' to cover use-cases in which a PSP is making use of the scheme in an Fi2Fi context;

iii)   amend the term 'Payment Account' to clarify that a payment account should be used also in the context of an Fi2Fi payment, and

iv)   amend Sections 5.7 and 5.8 to ensure that that PSPs wishing to make use of the scheme for Fi2Fi transactions as Originator/Beneficiary do so in full compliance with the rules of the scheme, while being subject to applicable law.

4.1.2 SEMWG analysis and recommendation

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

4.1.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
French Banking Federation	Yes. We agree with the proposed change request as it is mentioned that the new definition will allow to cover the financial to financial (Fi2Fi) use case in which two PSPs make payment as an originator or a beneficiary on behalf of their ultimate customers.
	Such definition will be appropriate to cover upcoming solution aiming to address the customer to merchant use cases. A PSP should be allowed to use the scheme as it acts in the role of customer.

4.1.4   SMB decision

For inclusion in the 2023 SCT rulebook.

4.2   # 06: Provision of the structured address of the payment end-user

4.2.1   Description

This change request was made by the SEMWG.

The <u>first part</u> 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 <u>electronic Customer-to-PSP files</u> based on at least 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 <u>second part</u> 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 <u>third part</u> 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 <u>electronic Customer-to-PSP files</u> 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.

4.2.2   SEMWG analysis and recommendation

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

- <u>As of November 2023:</u> SEPA payment scheme participants must be able to support structured addresses when provided by the payment end user and/or the scheme participant; **and**
- <u>As of November 2025:</u> payment end users can only provide structured addresses in their <u>electronic Customer-to-PSP files</u> 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.

4.2.3   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request for inclusion in the:

- 2023 rulebook version 1.0: SEPA payment scheme participants must be able to support structured addresses when provided by the payment end user and/or the scheme participant.
- 2025 rulebook version 1.0: 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.

Explicit public consultation comments received

Contributor	Comments received
French Banking Federation	No. No consensus has been found among French PSPs on this matter.
Italian Banking Association	Yes. The ongoing work on the guidelines/clarifications is important to drive the migration from non-structured addresses to Structured ones, in order to mitigate the customer impacts during the transition period. The possibility to handle the structured and the non-structured addresses together until 2025 (mostly for bulk payments) should be deeply analysed in order to assess properly the IT impacts. Furthermore, during the transition period, it should be clearly defined which address is relevant if both (structured and non-structured) are filled in (if this circumstance is possible). From 2025 on, it should be clarified at which point of the payment chain the reject will be initiated (e.g., by the CSMs?). The impact on the client reporting should also be evaluated.
Oracle Software	Yes. We support the use of structured addresses, for the following reasons: - It will benefit the bank statement reconciliation process. Additional structured data will result in higher automatic

Contributor	Comments received
	reconciliation rates between payments and invoices, that will eventually lead to lower manual work.
	- It will reduce the risk of incorrect payments. Structured address data ensures a higher level of payee identification and validation, resulting in lower risk of companies performing payments to the wrong payee.
Spanish Banking Community	No. We think that it is not necessary to implement this measure, it would have a great impact on customers.

4.2.4   SMB decision

For inclusion in the 2023 and 2025 SCT rulebooks.

4.3 # 07: Amendments to the SCT inquiry procedure and datasets

4.3.1 Description

This change request was made by the SEMWG.

In the run-up to the 21 November 2021 go-live date of the 2021 SCT scheme rulebook, the EPC received several clarification requests about the new dataset DS-11 '*Inter-PSP Fee and/or Compensation Payment Dataset'* which the Originator PSP can use as of November 2021 to pay the Beneficiary PSP a fee and any interest compensation to finally resolve a SCT inquiry.

In response to these clarification requests, in May 2021 the EPC published errata to the 2021 Version 1.0 SCT IGs (EPC080-21) and in June 2021 the version 1.7 of the Clarification Paper on SEPA Credit Transfer and SEPA Instant Credit Transfer Scheme Rulebooks (EPC131-17).

Both documents provide the SCT scheme participants with (among others) further clarifications on the implementation of the underlying pacs message for DS-11, on specific business rules in the SCT scheme rulebook and on usage rules in the implementation guidelines (IGs).

With this change request, the EPC proposes to include the clarifications from EPC 080-21 and EPC 131-17 about DS-11 in the 2023 scheme rulebook version.

4.3.2 SEMWG analysis and recommendation

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

4.3.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Bank Association of Slovenia	No. Amendments are not necessary.

4.3.4 SMB decision

For inclusion in the 2023 SCT rulebook.

4.4 # 08: Clarification on charges

4.4.1 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.

4.4.2 SEMWG analysis and recommendation

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

4.4.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Portuguese Banking Association	Yes. Please note that Regulation (EC) 924/2009 was replaced by Regulation (EU) 2021/1230 of 14 July 2021.

4.4.4 SMB decision

For inclusion in the 2023 SCT rulebook.

4.5   # 11: Inclusion of Alias and Proxy as optional attributes

4.5.1   Description

This change request was made by the Nordic Payments Council.

The contributor suggests including an Alias and a Proxy as **optional** attributes in the SCT scheme in

- The Customer-to-PSP space via the dataset DS-01 Customer-to-PSP SEPA Credit Transfer Information;
- The inter-PSP space via the datasets DS-02 Inter-PSP Payment Dataset and DS-03 Reject or Return SEPA Credit Transfer;
- The PSP-to-Customer space via the dataset DS-04 PSP-to-Customer SEPA Credit Transfer Information.

The Alias and Proxy do not replace the IBAN but are an addition to the IBAN, at least for the inter-PSP payment dataset.

An Alias or Proxy can be used on the Originator side when the Originator uses an Alias or Proxy in relation to the Originator's account in the payment initiation, and on the Beneficiary's side using an Alias or Proxy to identify the Beneficiary's account instead of using an IBAN.

The change request describes in detail e.g., the current use of such Aliases and Proxies in the Nordic countries, the potential business benefits, and the impact for the Customer-to-PSP and the inter-PSP space.

4.5.2   SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of November 2023 on the condition that the Originator is given the possibility to validate the IBAN linked to that Alias/Proxy, prior to the formal approval of the instruction unless the Originator and the Originator PSP agreed upfront on another arrangement (e.g., through an amendment of the general terms and conditions). Under the SEPA Regulation, the Funds Transfer Regulation (FTR) and PSD2, the IBAN is the only relevant unique identifier of a payment account.

Furthermore, the PSPs should have an agreement with their customers in relation to the treatment and the use of the data provided under such Alias/Proxy i.e. if it is to be used for the purpose to initiate the payment and/or to forward it to the Beneficiary PSP and/or the Beneficiary concerned.

The combined analysis of the SEPA Regulation (Article 5) and of the FTR (Article 4), clarifies that the basis for a payment transfer within the EEA remains the IBAN. An Alias/Proxy would constitute additional information to the unique identifier.

Nevertheless, pursuant to the provisions of Article 88 (5) PSD2, and as clarified by the EU Court of Justice, if a payment order is executed in accordance with an IBAN, provided by a payment service user (PSU), that does not correspond to the payee's name (or, in this case, Alias/Proxy) indicated by that PSU, the PSPs involved in the transaction will still only remain liable for the execution of a payment made in accordance with the IBAN.

Accordingly, the law generally does not prevent the possibility that an IBAN is accompanied by/paired with an Alias/Proxy, as long as the Alias/Proxy does not substitute the IBAN as unique

identifier for the payment transfer and provided that the possibility to use such Alias/Proxy is given in a way that does not create liability shifts under Article 88, PSD2.

4.5.3   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Dutch Payments Association	No. We can only support the optional use of an alias and/or proxy in case the Rules applied to DS-04 will be adapted in such a way that a Beneficiary PSP may drop the received optional attributes related to alias and/or proxy, and not make them available to a Beneficiary who uses an interface which does not comply with the ISO 20022 XML standard.
Febelfin Belgium	No. - The ordering party doesn't necessarily know the beneficiaries Alias/Proxy AND legal name. - The feature is optional. What in case of beneficiary bank?
French Banking Federation	Yes. Can bring added value to both parties (originator and beneficiary). For the originator and their PSP, it will allow a smooth initiation of a SCT INST. For the beneficiary it can be a useful extra-information to mention in account or transactions reporting especially in countries whereby originator IBAN is not allowed to be communicated to the beneficiary. Anyhow requires beforehand to check the compliance with GDPR.
Italian Banking Association	Yes. A majority of our member banks support this change request. However, some banks highlight that the usage of aliases/proxies should remain outside the scope of the scheme or should be developed as an Additional Optional Service. Anyhow, it should be considered that the added value of this proposal is linked to the take-off of innovative services (such as solutions based on the new SRTP scheme).

Contributor	Comments received
Liechtenstein Bankers Association	No. We only support the change request under the following condition: Alias /Proxy may only be optional /supplementary field contents but must not be used as a substitute for an IBAN.
Oracle Software	Yes. We support the inclusion of alias / proxy bank option in the Rulebooks, to avoid country-specific approaches. We have identified a growing number of countries implementing alias / proxies (Australia, India and Brazil) taking their own approach. Country-specific variations are challenging for ERP software vendors and their customers to provide and maintain. Therefore, we promote standardization.
Spanish Banking Community	No. The use of an alias or proxy instead of the IBAN would add new validations and complexity to the operation in certain circumstances.

4.5.4 SMB decision

For inclusion in the 2023 SCT rulebook.

4.6   # 12: Inclusion of hyperlinks or external sources

4.6.1   Description

This change request was made by the Nordic Payments Council.

The contributor suggests allowing pointers/references (e.g., URLs) to external sources, in the remittance information attribute of a single standard SCT instruction and of an SCT instruction supporting the Extended Remittance Information (ERI) option.

Adding a reference to an external source avoids having a large payment message. Currently, in addition to the information covered in the payment message itself, the Beneficiary often receives further details about the payment through yet another channel (e.g., e-mail).

The contributor reports use-cases and scenarios in which such pointers/references can add value.

With respect to the legal and security aspects of such pointer/reference, the contributor points out that the liability is on the Originator/Originator PSP but this needs further legal investigation.

On the other hand, to guarantee that such reference points to a trustworthy and secure environment that can be accessed by the Beneficiary via the Beneficiary PSP, a proper agreement must be in place between the Originator and the Originator PSP before the Originator can add pointers/references in the remittance information.

The current SCT Customer-to-PSP and Inter-PSP implementation guidelines set restrictions for the character set i.e. the contents must not start or end with a'/' and must not contain '//'. The current character set specifications would then have to be changed to include such pointers/references in the payment message.

4.6.2   SEMWG analysis and recommendation

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

It is concerned about legal, liability and security issues and the costs associated to it. Since the payment message would only carry the information about the location at which further information related to the payment is stored, the content and form of this extra information is beyond any checking procedures of the involved scheme participants.

Therefore, scheme participants should not be held responsible for any compliance-or liability sensitive contents stored in such locations.

Furthermore, the EPC itself proposed a similar change request in a previous scheme rulebook change management cycle with respect to extended remittance information. That change request received insufficient support from various stakeholders.

On the other hand, the SEMWG sees no issue if such pointer/reference information is transported **as plain text** (not an active hyperlink) in the Remittance Information attribute.

4.6.3   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Finance Finland (on behalf of the Finnish banking community)	Yes. Should be investigated more in the SEMWG.
Italian Banking Association	Yes. The usage of the hyperlinks must remain outside the perimeter of the scheme, mainly for security reasons.
Oracle Software	Yes. Relying on external sources for bank statement processing and payment reconciliation is an unacceptable risk for companies. Therefore, we do not support the inclusion of hyperlinks or external sources, for the following reasons: - During the bank statement reconciliation process, external sources must be available in real-time. Not being able to access those sources instantaneously will lead to reconciliation errors or will jeopardize their entire reconciliation process running into fatal errors. - Bank statements can contain multiple payments that might direct to multiple external sources. Accessing multiple external sources will lead to performance issues and longer processing times, given all transactions must be loaded and communication lines must be secured. - There is a risk of different and unstructured formats, that not can be read without specific configuration. Companies are forced to ongoing maintenance of formats, leading into higher operational costs. - There is a risk of hyperlinks leading to malicious websites or fishing hyperlinks that will execute spyware or ransomware software or steel data from source systems. Besides, the ISO20022 payment framework provides enough data elements to store structured data to improve the bank statement auto reconciliation rate.

4.6.4   SMB decision

Not to be included in the 2023 SCT rulebook.

4.7 # 14: Pain.002 message to be compliant with SWIFT CGI-MP standard

4.7.1 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.

4.7.2 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 Originator. 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.

4.7.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Oracle Software	Yes. We do not support this change request, for the following reasons:
	- 'Reject' messages in its current form provide enough information to make the required changes and being able to re-submit the payment initiation request.
	- We do not see added value in supporting the 'Accept' messages. Many systems consider submitted payment initiation request as being approved and settled, unless rejected via a pain.002 message. 'Accept' messages will be ignored. However, allowing 'Accept' messages, will lead to

Contributor	Comments received
	more payment messages to be processed, resulting in additional payment message processing time.

4.7.4   SMB decision

Not to be included in the 2023 SCT rulebook.

4.8   # 15: Returned amount under Recall or RFRO can be different to the initial amount

4.8.1   Description

This change request was made by Bits Norway on behalf of the Norwegian banking community.

The SCT scheme foresees the Recall and the Request For Recall by the Originator (RFRO) procedures to request the transfer back of funds of an earlier made SCT transaction.

Under a Recall, the amount transferred back can differ from the original amount of the SCT transaction. The Beneficiary PSP may decide to charge a fee to the Originator PSP for this action.

Under an RFRO, the Beneficiary PSP debits the account of the Beneficiary with the original amount of the SCT transaction. In this case, The Beneficiary PSP may decide to charge a fee to the Originator PSP.

If the account of the Beneficiary is denominated in a currency other than euro, the amount in euro transferred back may differ from the original transaction amount in euro just due to a change in the currency exchange rate between the time of crediting the account of the Beneficiary and the point in time of transferring back the requested funds. The timespan between these two points in time can be up to 15 inter-PSP Business Days and even 13 months in case of a fraud claim.

The contributor's suggestion is to allow the Beneficiary PSP to transfer back a different euro amount under a Recall or an RFRO than the original euro amount due to currency exchange rate changes.

This change request does **not** take into consideration the current possibility for the Beneficiary PSP to charge a fee for having responded positively to the Recall/RFRO.

The contributor is of the view that this will increase the number of positive responses to a Recall/RFRO from scheme participants based in non-euro SEPA countries.

4.8.2   SEMWG analysis and recommendation

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

The section 2.4 of the rulebook stipulates that the process of any currency conversion by the Originator PSP or the Beneficiary PSP is not governed by the scheme.

4.8.3   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Italian Banking Association	Yes. This change request is not supported for the following reasons: 1) the exchange rate risk would be borne by the customers (payer and payee):

Contributor	Comments received
	- the payer could bear the exchange rate fluctuation without having any visibility/responsibility for the type of currency of the payee's account - the payee could be debited with a different amount depending from the exchange rate fluctuation 2) this change would pave the way for partial refunds making the reconciliation process more complex. The same negative response was given in the 2020 change management cycle for a similar change request.

4.8.4   SMB decision

Not to be included in the 2023 SCT rulebook.

4.9   # 16: New functionalities for the SCT inquiry procedure

4.9.1   Description

This change request was made by Bits Norway on behalf of the Norwegian banking community..

Currently, the SCT inquiry procedure can be used <u>by the Originator PSP</u> for the following reasons only (defined in attribute AT-80):

- Claim of Non-Receipt
- Claim of Value Date Correction
- Request for Status Update (Tracer)

The contributor proposes adding functionalities to the inquiry procedure <u>for the Beneficiary PSP</u> so that it can inquire the Originator PSP about certain payment details related to e.g., regulatory screening, false hits or wrong names.

The change request describes some concrete payment situations that would benefit from such new functionalities.

4.9.2   SEMWG analysis and recommendation

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

The SEMWG cannot determine the concrete scale of the issues which the change request would try to resolve, the need/demand among PSPs to handle such issues via a SCT scheme rulebook procedure, and the implementation resources needed for such additional functionalities for all SCT scheme participants concerned. The SEMWG also doubts whether the Beneficiary PSP would really get a response from the Originator PSP within the execution time cycle of the SCT scheme.

Furthermore, the PSD2 Articles 88 (1) and (2) and Article 4 (33) define that the account identifier cannot be the name of the payment account holder, but only the account number (i.e. the IBAN) being a combination of letters, numbers or symbols specified to the payment service user by the PSP.

4.9.3   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Bits on behalf of the Norwegian Banking Community	No. EPC should work closely with SWIFT in their CBPR+ work in order to coordinate input that will be relevant for SEPA wide use. We also want to add that in the EU 2015/847 (Funds Transfer Regulation) it is a requirement to assist the Beneficiary PSP if they ask for additional input regarding the payment. This can

Contributor	Comments received
	be of relevance when a PSP inside the Union is required to send more details to a Beneficiary PSP outside (e.g.UK). Check Article 5. ""By way of derogation from Article 4(1) and (2), where all payment service providers involved in the payment chain are established in the Union, transfers of funds shall be accompanied by at least the payment account number of both the payer and the payee or, where Article 4(3) applies, the unique transaction identifier, without prejudice to the information requirements laid down in Regulation (EU) No 260/2012, where applicable. 2. Notwithstanding paragraph 1, the payment service provider of the payer shall, within three working days of receiving a request for information from the payment service provider of the payee or from the intermediary payment service provider, make available the following....."" In order to comply with this Article it is not correct that such an Inquiry request cannot be part of the scheme.
Italian Banking Association	Yes. We do not believe there is a real need to introduce such specific reason codes within the scheme. In addition, the impacts should be better analyzed considering also that it would not be possible for the Payer's PSP to give back all this information to the Payee's PSP. Other instruments could be used for this purpose (e.g. MT199 SWIFT messages).
National Westminster Bank Plc	No. We can see the benefits of including these new functionalities. It may bring efficiencies, quicker turnaround time for responses, and also MT messages which are currently used will be replaced in the coming years anyway.

4.9.4   SMB decision

Not to be included in the 2023 SCT rulebook.

4.10 # 17: Optional use of Unique End-to-end Transaction Reference (UETR)

4.10.1 Description

This change request was made by SIX on behalf of the Swiss banking community.

The contributor suggests **the option** for scheme participants to transmit the Unique End-to-end Transaction Reference (UETR) for an SCT transaction. The use of the UETR simplifies backend processes.

The SCT scheme migrates to the 2019 version of the ISO 20022 standard by November 2023 whereby this ISO version supports the UETR.

4.10.2 SEMWG analysis and recommendation

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

The information about the payment status cannot be limited to just the use of a field. It also requires governance on how to use and to interpret such a field. Furthermore, there may be no need for such payment tracker for SEPA transactions as strict execution timelines for such payment transactions are defined by EU law and/or the SEPA payment schemes themselves.

4.10.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Bits on behalf of the Norwegian Banking Community	No. We suggest using option d) since UETR could be handled as an AOS. UETR will become a new data element - something similar to the Alias/Proxy in the ISO 2019 version.
	In addition we think that connected to this CR it is relevant to point at what the European Commission has said: "The EC calls for the adoption of global international messaging standards such as ISO 20022 at the latest by end 2022, and encourages the use of SWIFT's Global Payment Initiative (GPI), which facilitates the tracking of cross-border payments in real time for participating institutions."
Form3, Back Office Technology Limited	No. This field is part of the ISO 20022 XML 2019 version and it will be used for TARGET Consolidation - RTGS - as well as for GPI, Cross-border payments. As such, participants could reuse it for SEPA schemes, optionally, as well.
Italian Banking Association	Yes. From our perspective there is no real need to introduce this new identifier in the SCT scheme. The introduction of a

Contributor	Comments received
	new reference, compared to the already used Transaction Identifier, would be expensive and redundant.
Liechtenstein Bankers Association	No. We support the adjustments proposed by SIX as part of the SCT scheme migration to the 2019 version of the ISO 20022 standard by November 2023.
Oracle Software	Yes. We do not support this change request, for the following reasons: - The current ISO20022 scheme contains enough end-to-end identifiers which will identify the payment and is being supported by all parties within the payment scheme. - Enabling the UETR data element will not result in higher automatic bank statement reconciliation rates.
SIX BBS on behalf of the Swiss Banking Community	No. The UETR in itself is only a unique reference that, if created correctly, enables end-to-end identification of a transaction. Whether this reference is used for tracking or for research is not yet defined. With the increasing use of the UETR in other systems, it makes sense in our view to open this field also for SEPA transactions. Even if this would not require an adjustment in the rule book, the UETR should be included in the IG as an optional field. Nevertheless, an inclusion in the rule book might be beneficial in order to define or limit the usage.

4.10.4   SMB decision

Not to be included in the 2023 SCT rulebook.

4.11   # 19: Allow all child elements of structured remittance information

4.11.1 Description

This change request was made by SIX on behalf of the Swiss banking community.

The contributor proposes that all child elements of "Structured Remittance Information" are allowed. These new elements should have the "white shading" as part of SEPA but not part of the SEPA core service.

4.11.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**) and suggests instead incorporating the suggestion into the implementation guidelines entering into effect as of November 2023.

The SEMWG assumes that the request is related to new elements under 'Remittance information/Structured' as included in the 2019 version of the ISO 20022 standard.

The EPC always shows all elements which are at the same level as an element used under the concerned EPC SEPA payment scheme.

The 2019 version of the ISO 20022 standard has two new elements: Tax Remittance and Garnishment Remittance. These will become white elements. If the EPC assumption is correct, then this change request will be covered in the implementation guidelines.

4.11.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0 and proposes instead incorporating this suggestion into the implementation guidelines entering into effect as of November 2023.

Explicit public consultation comments received

Contributor	Comments received
Italian Banking Association	Yes. We do not believe there is a real need to introduce these new elements of the Structured Remittance Information in the scheme. Our member banks did not receive specific requests from their customers about these new elements in order to include more info in the remittance information.
Liechtenstein Bankers Association	No. We support the adjustments proposed by SIX as part of the SCT scheme migration to the 2019 version of the ISO 20022 standard by November 2023.
Oracle Software	Yes. We do not support this change request, for the following reasons: - Companies require a low level of manual intervention during the bank statement reconciliation process, as this is a

Contributor	Comments received
	laborious and costly process. Structured Remittance Information improves the automatic bank statement reconciliation rate. However, more Structured Remittance data elements will not automatically lead to higher auto reconciliation rates. Often less, but commonly used, data elements lead to an optimized level of reconciliation information.
	- More child structured data elements have a negative impact on performance and maintenance, especially for customers with medium or high volume of incoming payments.
	- Performance: More potential structured data elements lead to large reconciliation identification matrixes which need to identify the type of structured data element and link the value to the appropriate invoice value.
	- Maintenance: A large list of potential, non-commonly used, structured data elements lead to the implementation and maintenance of complex reconciliation matrixes, as these structured data elements need to be allocated to the appropriate values in the transactions.
PSA Payment Services Austria GmbH	Yes. The SEMWG should stipulate the counting of the structured remittance information to the contained business data instead of the counting of necessary structure tags to enable the same content length as in unstructured remittance information.
SIX BBS on behalf of the Swiss Banking Community	No. We still believe, that at least a general remark is needed in the rulebook. The CR suggest to add the new blocks as yellow elements. As in other market practices the limitation should be based on the business data without tag. The details can covered in the IG.

4.11.4   SMB decision

Not to be included in the 2023 SCT rulebook but instead incorporate this suggestion into the implementation guidelines entering into effect as of November 2023.

4.12 # 20: Change in the definition of structured remittance information in payment messages

4.12.1 Description

This change request was made by SIX on behalf of the Swiss banking community.

The contributor proposes the following changes in the definition of the structured remittance information for the Customer-to-PSP and inter-PSP messages:

- Element "Issuer" filled with "ISO": then the element "Reference" must be filled with the ISO 11649 reference;
- Element "Issuer" filled with any other information than "ISO": the element "Reference" can include any reference;
- Element "Issuer" not used: current definition.

4.12.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**) and suggests instead incorporating the suggestion into the implementation guidelines entering into effect as of November 2023.

The SEMWG assumes that the request aims to include an additional condition, which links the usage of the element "Issuer" with the element "Reference".

From a technical point of view this is possible. Additional usage rules would be required. The SEMWG can propose the following usage rule: *"Mandatory if 'Reference' is populated with an identifier issued or ruled by a known institution. E.g., "ISO" should be mentioned here if 'Reference' is populated with a RF Creditor Reference (ISO 11649)."*

4.12.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT rulebook version 1.0 and proposes instead incorporating the suggestion into the implementation guidelines entering into effect as of November 2023.

Explicit public consultation comments received

Contributor	Comments received
French Banking Federation	Yes. It is to be noted that the suggestion of incorporating this change into the IGs may require a slight change in the RB (ERI option section 2.7) to mention this possibility.
Italian Banking Association	Yes. It should be clarified if this is a change of the definition only with no other functional/technical impacts.
Liechtenstein Bankers Association	No. We support the adjustments proposed by SIX as part of the SCT scheme migration to the 2019 version of the ISO 20022 standard by November 2023.
Oracle Software	No. We support this change request, for the following reasons:

Contributor	Comments received
	- Structured Remittance Codes improve the overall bank statement reconciliation process. Manual reconciliation is a laborious and costly process. Therefore, customers with high volumes of incoming transactions are aiming on 90% automatic reconciliation rates, to minimize the manual intervention. Higher automatic reconciliation rates can be achieved by utilizing artificial intelligence and the use of structured data. - Structured Remittance Codes are unchanged whilst they pass-through the entire payment chain. Incorrect codes will lead to reconciliation errors, where laborious manual intervention is required. Therefore, it is important that Structured Remittance Codes are validated during entry of the payment chain. - Software providers might validate Structured Remittance Codes during entry or generation. However, it cannot be assumed that this validation is 100% correct or that all software solution provide this functionality. In such a case, there is a risk that incorrect Structured Remittance Codes are passed-through the payment chain. - In the case of manual payment transactions submitted via bank or PSP applications, it cannot be assumed that these applications will validate the ISO11649 RF Structured Remittance Code and therefore, as a result incorrect Structured Remittance Codes would be passed-through the payment chain.
SIX BBS on behalf of the Swiss Banking Community	Yes. If the change request is covered in the IG, we are fine with the SEMWG recommendation.

4.12.4   SMB decision

Not to be included in the 2023 SCT rulebook but instead incorporate this suggestion into the implementation guidelines entering into effect as of November 2023.

4.13   # 25: Changes to the SEPA Payment Scheme Management Rules

4.13.1 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.

4.13.2 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**.

4.13.3 SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national communities or via individual comments) and other contributors to the 2022 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the scheme **as of April 2023**.

Explicit public consultation comments received

Contributor	Comments received
Electronic Money Association	Yes. We strongly support the proposed changes to the Internal Rules to create an individual seat on the SMB for electronic money issuers. Thus ensuring that the SMB composition evolves to reflect all PSPs operating in the market.
French Banking Federation	Yes. French Banking community is not against the proposed amendment of the PSMB composition rules. Anyhow we would like to stress that at some point in time all members of the future PSMB (included Payment Institutions and Electronic Money Institutions) should be submitted to the same rules

Contributor	Comments received
	regarding the representation in term of seats on the basis of the volume of SCT and SDD transactions.
National Westminster Bank Plc	No. We agree with the renaming of the SMB to PSMB and that it is composed of up to 22 representatives, subject to reaching individually or on a consolidated basis 3.5% as outlined in the proposal. We also would agree with at least 1 seat being reserved for Payment Institutions and 1 seat for Electronic Money Institutions. **We do not agree with increasing the cap to 4 seats per National Community from the euro area. The rationale and benefits have not been outlined.** We agree with the SEMWG being renamed to PSEMWG.
Satispay Europe SA	Yes. The change would allow more diversification and representation for new players such as Payment Institution and Electronic Money Institution.

4.13.4   SMB decision

Such decision is not within the remit of the SMB. The EPC Board has taken the following decision: for inclusion in the SCT scheme as of **April** 2023.

5   Changes Pertaining to the Impact of the SEPA Regulation or any Other EU Legislation ("Regulatory Change Proposal Submission Document"[3])

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 a public consultation. They are included in this document for information.

At the start of the public consultation

No change item was identified that required a change to the rulebook due to a particular EU legislation.

During or after the public consultation

No new regulatory and payment scheme oversight matters were brought to the attention of the EPC.

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[3] This section 5 contains the so-called Regulatory Change Proposal Submission Document as referred to in Section 4.2.9 of the SEPA Payment Scheme Management Rules.

6   Change Management Process in Respect of Minor Changes

The SEMWG is required under the SEPA Payment Scheme Management Rules to publish a list of minor changes on the EPC website and to ensure that the list may be viewed by all stakeholders.

This obligation had been met by the publication of the SCT Rulebook 2022 Change Request Public Consultation Document (EPC156-21) on 13 September 2021.

For this release management cycle, no minor changes had been raised at the start of or during the public consultation.

7   Annex I

Comments were received from the following contributors during the public consultation.

Input from:	List of contributors
Individual PSPs and (national) communities of PSPs	1. Bank Association of Slovenia 2. Banking and Payments Federation Ireland 3. Bits on behalf of the Norwegian Banking Community 4. Citi 5. Dutch Payments Association 6. Electronic Money Association 7. Febelfin Belgium 8. Finance Finland (on behalf of the Finnish banking community) 9. French Banking Federation 10. German Banking Industry Committee (GBIC) on behalf of the German banking community and Deutsche Bundesbank 11. Italian Banking Association 12. Liechtenstein Bankers Association 13. Lloyds Banking Group 14. National Westminster Bank Plc 15. Portuguese Banking Association 16. PSA Payment Services Austria GmbH 17. Satispay Europe SA 18. SIX BBS on behalf of the Swiss Banking Community 19. Spanish Banking Community 20. Swedish Banker´s Association
Other stakeholders	1. equensWorldline 2. Form3, Back Office Technology Limited 3. Oracle Software