



European
Payments Council

SEPA Instant Credit Transfer Rulebook

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

EPC006-22 / Version 1.0 / Date issued: 25 May 2022

Public



Change Proposal Submission Document on 2022 SCT Inst Change Requests



European
Payments Council

European Payments Council AISBL
Cours Saint-Michel, 30 - B - 1040 Brussels
T +32 2 733 35 33
Entreprise N°0873.268.927
secretariat@epc-cep.eu

EPC006-22

Version 1.0

Date issued: 25 May 2022

Table of Contents

1	FOREWORD: THE PRINCIPLES OF SEPA PAYMENT SCHEME DEVELOPMENT	4
1.1	INTRODUCTION	4
1.2	EPC SEPA PAYMENT SCHEME RULEBOOK RELEASE MANAGEMENT - IMPORTANT NOTICE TO ALL SEPA STAKEHOLDERS	4
1.3	SEPA PAYMENT SCHEME DEVELOPMENT: EPC SCHEME CHANGE MANAGEMENT	4
2	EXECUTIVE SUMMARY	6
3	OVERVIEW OF CHANGE REQUESTS SUBMITTED FOR THE 2022 PUBLIC CONSULTATION	9
3.1	POSSIBLE RECOMMENDATIONS FOR A CHANGE REQUEST	9
3.2	SUMMARY OF CHANGE REQUESTS AND THE EXPRESSED SUPPORT FOLLOWING THE PUBLIC CONSULTATION	10
3.3	SUMMARY OF CHANGES FOR INCLUSION IN THE NEXT VERSION OF THE SCT INST RULEBOOK TO BE ALIGNED WITH THE SEPA REGULATION OR WITH ANY OTHER RELEVANT EU LEGISLATION	12
4	MAJOR CHANGE REQUEST DETAILS, THE RELATED PUBLIC CONSULTATION COMMENTS AND THE SEMWG CHANGE PROPOSAL	13
4.1	# 01: ACCEPT SCT INST TRANSACTIONS WITHOUT POSTING THE FUNDS	13
4.1.1	Description	13
4.1.2	SEMWG analysis and recommendation	13
4.1.3	SEMWG change proposal and explicit public consultation comments received	13
4.1.4	SMB decision	14
4.2	# 02: REDUCTION OF TARGET MAXIMUM EXECUTION TIME AND TIME-OUT DEADLINE	15
4.2.1	Description	15
4.2.2	SEMWG analysis and recommendation	15
4.2.3	SEMWG change proposal and explicit public consultation comments received	15
4.2.4	SMB decision	17
4.3	# 03: CHANGE OF THE TERM 'CUSTOMER'	18
4.3.1	Description	18
4.3.2	SEMWG analysis and recommendation	18
4.3.3	SEMWG change proposal and explicit public consultation comments received	18
4.3.4	SMB decision	19
4.4	# 04: INTRODUCTION OF A NEW ADDITIONAL SETTLEMENT MODEL SINGLE INSTRUCTING PARTY (SIP)	20
4.4.1	Description	20
4.4.2	SEMWG analysis and recommendation	20
4.4.3	SEMWG change proposal and explicit public consultation comments received	20
4.4.4	SMB decision	21
4.5	# 06: PROVISION OF THE STRUCTURED ADDRESS OF THE PAYMENT END-USER	22
4.5.1	Description	22
4.5.2	SEMWG analysis and recommendation	23
4.5.3	SEMWG change proposal and explicit public consultation comments received	23
4.5.4	SMB decision	24
4.6	# 08: CLARIFICATION ON CHARGES	25
4.6.1	Description	25
4.6.2	SEMWG analysis and recommendation	25
4.6.3	SEMWG change proposal and explicit public consultation comments received	25
4.6.4	SMB decision	25



4.7	# 11: INCLUSION OF ALIAS AND PROXY AS OPTIONAL ATTRIBUTES	26
4.7.1	Description	26
4.7.2	SEMWG analysis and recommendation	26
4.7.3	SEMWG change proposal and explicit public consultation comments received	27
4.7.4	SMB decision	28
4.8	# 12: INCLUSION OF HYPERLINKS OR EXTERNAL SOURCES	29
4.8.1	Description	29
4.8.2	SEMWG analysis and recommendation	29
4.8.3	SEMWG change proposal and explicit public consultation comments received	29
4.8.4	SMB decision	30
4.9	# 14: PAIN.002 MESSAGE TO BE COMPLIANT WITH SWIFT CGI-MP STANDARD	31
4.9.1	Description	31
4.9.2	SEMWG analysis and recommendation	31
4.9.3	SEMWG change proposal and explicit public consultation comments received	31
4.9.4	SMB decision	32
4.10	# 15: RETURNED AMOUNT UNDER RECALL OR RFRO CAN BE DIFFERENT TO THE INITIAL AMOUNT	33
4.10.1	SEMWG analysis and recommendation	33
4.10.2	SEMWG change proposal and explicit public consultation comments received	33
4.10.3	SMB decision	34
4.11	# 17: OPTIONAL USE OF UNIQUE END-TO-END TRANSACTION REFERENCE (UETR)	35
4.11.1	Description	35
4.11.2	SEMWG analysis and recommendation	35
4.11.3	SEMWG change proposal and explicit public consultation comments received	35
4.11.4	SMB decision	37
4.12	# 18: REROUTE AN UNSUCCESSFUL SCT INST TRANSACTION AS AN SCT TRANSACTION	38
4.12.1	Description	38
4.12.2	SEMWG analysis and recommendation	38
4.12.3	SEMWG change proposal and explicit public consultation comments received	38
4.12.4	SMB decision	39
4.13	# 20: CHANGE IN THE DEFINITION OF STRUCTURED REMITTANCE INFORMATION IN PAYMENT MESSAGES	40
4.13.1	Description	40
4.13.2	SEMWG analysis and recommendation	40
4.13.3	SEMWG change proposal and explicit public consultation comments received	40
4.13.4	SMB decision	41
4.14	# 22: DEFINITION AMENDMENT OF THE TERM 'CUSTOMER'	42
4.14.1	Description	42
4.14.2	SEMWG analysis and recommendation	42
4.14.3	SEMWG change proposal and explicit public consultation comments received	42
4.14.4	SMB decision	42
4.15	# 23: MANDATE THE USE OF THE LEGAL ENTITY IDENTIFIER (LEI) FOR SCHEME PARTICIPANTS	43
4.15.1	Description	43
4.15.2	SEMWG analysis and recommendation	43
4.15.3	SEMWG change proposal and explicit public consultation comments received	43
4.15.4	SMB decision	46
4.16	# 25: CHANGES TO THE SEPA PAYMENT SCHEME MANAGEMENT RULES	47
4.16.1	Description	47
4.16.2	SEMWG analysis and recommendation	47
4.16.3	SEMWG change proposal and explicit public consultation comments received	47
4.16.4	SMB decision	48
5	CHANGES PERTAINING TO THE IMPACT OF THE SEPA REGULATION OR ANY OTHER EU LEGISLATION (“REGULATORY CHANGE PROPOSAL SUBMISSION DOCUMENT”)	49
6	CHANGE MANAGEMENT PROCESS IN RESPECT OF MINOR CHANGES	50
6.1	PUBLICATION OF LIST OF MINOR CHANGES	50
7	ANNEX I	51



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 Inst 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 (EPC006-22) describes that each stage of the 2022 SCT Inst 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 Inst scheme by any interested party. The deadline for receipt of such suggestions was 30 June 2021. The EPC received **16** change requests for major changes to be introduced into the SCT Inst rulebook.

The **public consultation** on possible modifications to be introduced into the SCT Inst rulebook, was held between 13 September and 11 December 2021. The EPC received input from 20 (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 Inst rulebook 2022 Change Request Public Consultation Document (EPC157-21) and the Response Template (EPC161-21). 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 Inst rulebook change management process, the SCT Inst 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 allowed to send a structured address of the payer and/or the payee in electronic Customer-to-PSP files based on at least the relevant EPC Customer-to-PSP Implementation Guidelines (IGs) for SEPA payments. From that same date, also scheme participants are allowed to provide structured addresses in their inter-PSP SEPA payment messages and r-transactions.

In view of the above, 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 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.

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. 2022 change requests entering into force in November 2025

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 electronic Customer-to-PSP files 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 Inst change requests and the final SMB decision

Item	Change request title	SMB decision
01	Accept SCT Inst transactions without posting the funds	Not to be included in the 2023 SCT Inst rulebook.
02	Reduction of target maximum execution time and time-out deadline	Not to be included in the 2023 SCT Inst rulebook.
03	Change of the term 'Customer'	For inclusion in the 2023 SCT Inst rulebook.



Item	Change request title	SMB decision
04	Introduction of a new additional settlement model Single Instructing Party (SIP)	Not to be included in the 2023 SCT Inst rulebook.
06	Provision of the structured address of the payment end-user	For inclusion in the 2023 and 2025 SCT Inst rulebooks.
08	Clarification on charges	For inclusion in the 2023 SCT Inst rulebook.
11	Inclusion of Alias and Proxy as optional attributes	For inclusion in the 2023 SCT Inst rulebook.
12	Inclusion of hyperlinks or external sources	Not to be included in the 2023 SCT Inst rulebook.
14	Pain.002 message to be compliant with SWIFT CGI-MP standard	Not to be included in the 2023 SCT Inst rulebook.
15	Returned amount under Recall or RFRO can be different to the initial amount	Not to be included in the 2023 SCT Inst rulebook.
17	Optional use of Unique End-to-end Transaction Reference (UETR)	Not to be included in the 2023 SCT Inst rulebook.
18	Reroute an unsuccessful SCT Inst transaction as an SCT transaction	Not to be included in the 2023 SCT Inst rulebook.
20	Change in the definition of structured remittance information in payment messages	Not to be included in the 2023 SCT Inst rulebook but instead incorporate this suggestion into the implementation guidelines entering into effect as of November 2023.
22	Definition amendment of the term 'Customer'	Not to be included in the 2023 SCT Inst rulebook.
23	Mandate the use of the Legal Entity Identifier (LEI) for scheme participants	Not to be included in the 2023 SCT Inst rulebook.
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 Inst scheme as of April 2023.



3 Overview of Change Requests Submitted for the 2022 Public Consultation

All change requests to the SCT Inst 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 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 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
1	Accept SCT Inst transactions without posting the funds	Process amendments	Cannot be part of the existing scheme (option e)	14	0	1	15	100%
2	Reduction of target maximum execution time and time-out deadline	Timeline changes	Cannot be part of the existing scheme (option e)	12	2	1	15	86%
3	Change of the term 'Customer'	Terminology	Inclusion into the scheme (option b) as of Nov 2023	14	0	1	15	100%
4	Introduction of new settlement model Single Instructing Party (SIP)	Process amendments	Cannot be part of the existing scheme (option e)	14	0	1	15	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	13	2	0	15	87%
8	Clarification on charges	Charging	Inclusion into the scheme (option b) as of Nov 2023	14	0	1	15	100%
11	Inclusion of Alias and Proxy as optional attributes	Alias/Proxy details	Inclusion into the scheme (option b) as of Nov 2023	12	3	0	15	80%
12	Inclusion of hyperlinks or external sources	External sources	Cannot be part of the existing scheme (option e)	13	0	2	15	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)	14	0	1	15	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)	15	0	0	15	100%
17	Optional use of Unique End-to-end Transaction Reference (UETR)	New attributes	Cannot be part of the existing scheme (option e)	12	2	1	15	86%
18	Reroute an unsuccessful SCT Inst transaction as an SCT transaction	Process amendments	Cannot be part of the existing scheme (option e)	12	2	1	15	86%
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)	14	0	1	15	100%
22	Definition amendment of the term 'Customer'	Terminology	Cannot be part of the existing scheme (option e)	15	0	0	15	100%
23	Mandate the use of the Legal Entity Identifier (LEI) for scheme participants	New attributes	Cannot be part of the existing scheme (option e)	15	0	0	15	100%
25	Changes to the SEPA Payment Scheme Management Rules	Internal Rules	Inclusion into the scheme (option b) as of April 2023	15	0	0	15	100%

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
1	Accept SCT Inst transactions without posting the funds	Process amendments	Cannot be part of the existing scheme (option e)	3	0	2	5	100%
2	Reduction of target maximum execution time and time-out deadline	Timeline changes	Cannot be part of the existing scheme (option e)	3	0	2	5	100%
3	Change of the term 'Customer'	Terminology	Inclusion into the scheme (option b) as of Nov 2023	2	0	3	5	100%
4	Introduction of new settlement model Single Instructing Party (SIP)	Process amendments	Cannot be part of the existing scheme (option e)	2	0	3	5	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	4	0	1	5	100%
8	Clarification on charges	Charging	Inclusion into the scheme (option b) as of Nov 2023	3	0	2	5	100%
11	Inclusion of Alias and Proxy as optional attributes	Alias/Proxy details	Inclusion into the scheme (option b) as of Nov 2023	4	0	1	5	100%
12	Inclusion of hyperlinks or external sources	External sources	Cannot be part of the existing scheme (option e)	4	0	1	5	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	3	5	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	4	5	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	2	5	67%
18	Reroute an unsuccessful SCT Inst transaction as an SCT transaction	Process amendments	Cannot be part of the existing scheme (option e)	3	0	2	5	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)	2	1	2	5	67%
22	Definition amendment of the term 'Customer'	Terminology	Cannot be part of the existing scheme (option e)	2	0	3	5	100%
23	Mandate the use of the Legal Entity Identifier (LEI) for scheme participants	New attributes	Cannot be part of the existing scheme (option e)	2	1	2	5	67%
25	Changes to the SEPA Payment Scheme Management Rules	Internal Rules	Inclusion into the scheme (option b) as of April 2023	2	0	3	5	100%



3.3 Summary of changes for inclusion in the next version of the SCT Inst 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 Inst rulebook due to a particular EU legislation.

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



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

4.1 # 01: Accept SCT Inst transactions without posting the funds

4.1.1 Description

This change request was made by JP Morgan AG Germany.

Given the transaction processing window for SCT Inst is limited to 10 seconds end to end, there are additional considerations to sanctions screening, in particular the ability to determine false positive suspicious transactions with an equal accuracy to other transaction types with wider processing windows.

The contributor states that scheme participants are currently experiencing for incoming transactions, a conflict of SCT Inst scheme rulebook requirements that dictate an immediate, binary accept/reject decision, vs. sanctions screening laws which ask to hold and investigate any potential “hits” – which could result as a false positive, in a successful transaction.

The request is to allow for a new response type, “accept without posting” for incoming transactions in certain cases.

4.1.2 SEMWG analysis and recommendation

The SEMWG recommends not taking forward the change request (**option e**) on the following grounds:

- A core feature of the SCT Inst scheme is to give an immediate unambiguous positive or negative confirmation to the payer within seconds. This “accept without posting” option would negatively affect a core feature and the attractiveness of the scheme;
- Discussions at certain EU authority levels take place on how to improve the sanction screening for SCT Inst transactions within the EU. In the end, only changes to the relevant EU legislations can to a certain extent resolve or mitigate the SCT Inst sanction screening issues.

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 cannot be part of the scheme.

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

Explicit public consultation comments received

Contributor	Comments received
French Banking Federation	Yes. The Change Request doesn't comply with the core rules of the SCT INST. The issue related to the sanction screening check must be tackled at the European level (ECB and EC).
Italian Banking Association	Yes. Even though the need to solve the issues related to sanction screening is agreed, this change request would distort



Contributor	Comments received
	<p>the main feature of the SCT Inst, i.e. the finality of the execution within few seconds.</p> <p>Given the nature of this kind of payment, customers who use it probably want to have immediate knowledge of the amount credited to the counterparty and, if the instant payment is not successfully finalized, they can use alternative methods to transfer funds to the payee. There would be a risk of double executions or requests for cancellations of payments already finalized.</p> <p>In any case, we believe that the underlying process should be further investigated in order to address the following critical points:</p> <ul style="list-style-type: none"> - the timelines for executing the checks and crediting the account of the payee should be defined - these checks could lead to rejections of payments that have previously been confirmed (with impact on the relationship with the customers).
<p>SIX BBS on behalf of the Swiss Banking Community</p>	<p>Yes. Although the recommendation is fine in regards of the current SCT Inst implementation, it seems worth to keep this in mind for future developments in the light of "Instant as the new normal".</p>

4.1.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.2 # 02: Reduction of target maximum execution time and time-out deadline

4.2.1 Description

This change request was made by the Dutch Payments Association.

The contributor is concerned that the SCT Inst scheme is not competitive enough to other solutions based on card payments and therefore, not attractive for PSPs which want to use SCT Inst, possibly in combination with SEPA Request-to-Pay, at the Point of Interaction (POI).

It proposes to reduce the following timelines under the SCT Inst scheme rulebook to adapt to market circumstances and customer needs, especially to the (future) use of SCT Inst at the POI, both in a physical and online environment:

- Target maximum execution time: reduction from the current 10 seconds to 5 seconds;
- Time-out deadline: reduction from the current 20 seconds to 7 seconds;
- Receipt of the positive or negative confirmation message after the time-out deadline by the Originator PSP: proposal to receive within 2 seconds (instead of 5 seconds) by the 9th second (instead of the 25th second)

The contributor considers that these timelines will give end-users an experience that comes close to the current processing times for payment card-based transactions.

SCT Inst transaction data analysis shows that more than 95% of all SCT Inst transactions are processed within 3 seconds and more than 99% of all SCT Inst transactions are processed within 5 seconds, even in case multiple Clearing and Settlement Mechanisms (CSMs) are involved in one SCT Inst transaction. This demonstrates that the proposed change is feasible and realistic.

4.2.2 SEMWG analysis and recommendation

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

In general, the customer feedback about the actual execution timeline of SCT Inst payments is very positive and payment service users do not make calls to reduce the current timelines.

If the current timelines would be reduced, this may complicate the SCT Inst implementation plans of those PSPs intending to join the scheme.

With TARGET Instant Payment Settlement (TIPS) from the Eurosystem taking a more central place in the clearing and settlement of SCT Inst transactions as of December 2021, the chain of inter-PSP space intermediaries will lengthen having its impact on the overall timespan.

The SCT Inst volume is still expected to grow considerably over the coming years which could affect the current timeline performance.

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 cannot be part of the scheme.

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



Explicit public consultation comments received

Contributor	Comments received
Dutch Payments Association	<p>No. We encourage the EPC SEMWG to reconsider its recommendation.</p> <p>As the use of SCT Inst at the Point of Interaction (POI), possibly in combination with SEPA Request-to-Pay, both in a physical and online environment, is not yet widespread, it seems only logical that the payment service users do not yet call to reduce the current timelines.</p> <p>However, we would like to be pro-active and avoid as much as possible any negative customer experience caused by a time-out deadline of 25 seconds for SCT Inst transactions compared to a time-out deadline of typically 7 to 10 seconds for card-based transactions.</p> <p>Based on experience to date with several CSMs, the processing of large volumes of SCT Inst transactions shows no deterioration in performance at all. And even when several CSMs are involved in one single SCT transaction, which is already the case today (without TIPS), the overall timespan is hardly affected. The migration of the CSMs' technical account to TIPS will, in itself, not lengthen the chain of inter-PSP space intermediaries. In our opinion, there is no reason to disregard this change request which all end users will benefit from.</p>
Febelfin Belgium	<p>No. The maximum time-out timing should not be longer than the maximum execution time.</p>
French Banking Federation	<p>Yes. We are not in favour of this change request, which might refrain participants candidates from adhering to the SCT INST scheme. Other measures leading to the roll-out of instant payments require priority (full reachability). Moreover, reducing the maximum execution time and the time-out deadline could cause an increase of rejects.</p> <p>Anyhow at the light of the current execution time observed the shortening of execution time makes senses and should be considered in a near future to address emerging use cases such as the one related to customer to merchant on POI.</p>
Italian Banking Association	<p>Yes. At this stage, a reduction in execution times at the Rulebook level is still premature. This topic could be managed by functionalities proposed in the competitive space by the various CSMs, without the need for changes to the Rulebook.</p> <p>In addition, it should be considered that the actual execution times are already much lower than those set in the scheme: reducing the maximum execution time would not bring real</p>



Contributor	Comments received
	benefits, but it would pose higher compliance risk to the rules of the scheme.
Market Infrastructure Board of the Eurosystem	Yes. It would be probably premature at this point in time to reduce the timeout deadline. It would be useful to perform a broader investigation on the level of performance of instant payment providers before taking a step in that direction.

4.2.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.3 # 03: Change of the term 'Customer'

4.3.1 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.

4.3.2 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 Inst 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



Contributor	Comments received
	<p>financial to financial (Fi2Fi) use case in which two PSPs make payment as an originator or a beneficiary on behalf of their ultimate customers.</p> <p>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.</p>

4.3.4 SMB decision

For inclusion in the 2023 SCT Inst rulebook.



4.4 # 04: Introduction of a new additional settlement model Single Instructing Party (SIP)

4.4.1 Description

This change request was made by the Market Infrastructure Board of the Eurosystem.

The change request aims at introducing an additional new settlement model in the SCT Inst scheme rulebook, which entails an immediate instant payment settlement without preliminary reservation of funds at the level of the Clearing and Settlement Mechanism (CSM)³.

The model relies on the Single Instructing Party (SIP) managing a community of counterparts, which agree to exchange instant payments following the model described in detail in the change request. This would entail that both the Originator PSP and the Beneficiary PSPs shall agree bilaterally on the instant payment settlement through their serving SIP. Only after the bilateral agreement is reached the instant payment is submitted by the SIP to the CSM for immediate settlement.

The activation in the CSM of the SIP settlement model is based on the following two conditions: i) the SIP is acting as sender/receiver for both counterparts involved in the transaction, and ii) the SIP has the necessary privileges to activate this settlement model in the CSM. If one or both conditions are not met, the payment will be processed following the standard settlement model.

4.4.2 SEMWG analysis and recommendation

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

The upfront settlement or guarantee for the Beneficiary PSP simply receiving the SCT Inst transaction from its own CSM is a core feature of the SCT Inst scheme.

Based on the information at hand in this change request, such upfront settlement certainty is not provided to the Beneficiary PSP when it receives the first message about the SCT Inst transaction.

The contributor may consider determining arrangements outside of the SCT Inst scheme with the SCT Inst scheme participants interested in the proposed SIP model on how such upfront settlement certainty can be guaranteed to the Beneficiary PSP.

4.4.3 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 Inst rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Italian Banking Association	Yes. The functioning of this new settlement model is not clear and more detailed information on the proposed solution

³ The reservation of funds shall still apply at the level of the Originator's account, prior to submit the order from the Originator PSP to the SIP.



Contributor	Comments received
	<p>would be needed. In particular, it should be better analysed the process and its relation with TIPS.</p> <p>In any case, the functionalities provided by the CSMs have always been declared out-of-scope of the scheme. We do not see the need to introduce these specifications in the Rulebook.</p>
Market Infrastructure Board of the Eurosystem	No opinion. Abstain as the Eurosystem is the requestor.

4.4.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.5 # 06: Provision of the structured address of the payment end-user

4.5.1 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 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 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.



4.5.2 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 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.

4.5.3 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 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.
Market Infrastructure Board of the Eurosystem	Yes. The proposed change and timelines will further align retail and wholesale payments usage guidelines in the future and pave the way for faster, less expensive and more transparent cross-border payments.



Contributor	Comments received
Oracle Software	<p>Yes. We support the use of structured addresses, for the following reasons:</p> <ul style="list-style-type: none">- It will benefit the bank statement reconciliation process. Additional structured data will result in higher automatic 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	<p>No. We think that it is not necessary to implement this measure, it would have a great impact on customers.</p>

4.5.4 SMB decision

For inclusion in the 2023 and 2025 SCT Inst rulebooks.



4.6 # 08: Clarification on charges

4.6.1 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.

4.6.2 SEMWG analysis and recommendation

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

4.6.3 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 can be part of the scheme.

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

Explicit public consultation comments received

Contributor	Comments received
Market Infrastructure Board of the Eurosystem	Yes. We support this change request although it is not detailed which changes will be applied to the rulebook. The change does not entail changes to the schema and has no impact on TIPS.
Portuguese Banking Association – APB	Yes. Please note that Regulation (EC) 924/2009 was replaced by Regulation (EU) 2021/1230 of 14 July 2021.

4.6.4 SMB decision

For inclusion in the 2023 SCT Inst rulebook.



4.7 # 11: Inclusion of Alias and Proxy as optional attributes

4.7.1 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 Inst 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 Confirmation Message;
- 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.

4.7.2 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.



4.7.3 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 can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2023 SCT Inst 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).
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.



Contributor	Comments received
	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.

4.7.4 SMB decision

For inclusion in the 2023 SCT Inst rulebook.



4.8 # 12: Inclusion of hyperlinks or external sources

4.8.1 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 SCT Inst instruction.

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 Inst 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.

4.8.2 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 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.

4.8.3 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 Inst 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.
Italian Banking Association	Yes. The usage of the hyperlinks must remain outside the perimeter of the scheme, mainly for security reasons.
Oracle Software	<p>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:</p> <ul style="list-style-type: none"> - 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 steal data from source systems. <p>Besides, the ISO20022 payment framework provides enough data elements to store structured data to improve the bank statement auto reconciliation rate.</p>

4.8.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.9 # 14: Pain.002 message to be compliant with SWIFT CGI-MP standard

4.9.1 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.

4.9.2 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.

With respect to the suggestion to change the final status in the pain.002 from ACCP into ACCC to be compliant with ISO extended code list for the SCT Inst implementation guidelines, the use of this code would be a decision of the Originator PSP under its own responsibility. It should be noted that CT-01-08 step as described in the SCT Inst scheme rulebook does not entail/mean that the settlement has been completed on the account of the Beneficiary.

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 Inst 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.



Contributor	Comments received
	<p>- 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 more payment messages to be processed, resulting in additional payment message processing time.</p>

4.9.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.10 # 15: Returned amount under Recall or RFRO can be different to the initial amount

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

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

Under an SCT Inst Recall, the amount transferred back can differ from the original amount of the SCT Inst 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 Inst 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 an SCT Inst 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 SCT Inst Recall/RFRO.

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

4.10.1 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.

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

4.10.3 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.11 # 17: Optional use of Unique End-to-end Transaction Reference (UETR)

4.11.1 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 Inst transaction. The use of the UETR simplifies backend processes.

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

4.11.2 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.

4.11.3 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 Inst rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Bits on behalf of the Norwegian Banking Community	No. We suggest to use 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 Inst scheme. The introduction of



Contributor	Comments received
	<p>a new reference, compared to the already used Transaction Identifier, would be expensive and redundant.</p>
<p>Market Infrastructure Board of the Eurosystem</p>	<p>No opinion. Thank you for the provided EPC SEMWG assessment. Please find in the following additional information for your consideration and explanation of our “No opinion” vote.</p> <p>Existing reference elements in SCT Inst pacs.008 are supposed to be unique identifications across organisations.</p> <p>However, they are not fit for purpose to our understanding as uniqueness across organisations cannot be ensured.</p> <p>In detail, the legacy “instruction”, “end-to-end” and “transaction” references are simple strings of 35 characters.</p> <p>As uniqueness cannot be ensured by this “free” text references, cross matches of references can occur causing operational intervention and increasing the overall cost base of instant payments.</p> <p>With ISO 20022 maintenance release version 2019, several important message elements are introduced in the pacs.008 messages.</p> <p>One of those elements is the UETR (Unique End to End Transaction Reference) which is frequently used in cross-border and high-value payments today.</p> <p>The UETR is a globally unique value, i.e. not just unique to one organisation. It is adhering to the Universal Unique Identifier (UUID) or Globally Unique Identifier (GUID) which is compliant with IETF standard RFC4122, version 4 of the generation algorithm.</p> <p>Therefore, to our understanding the lack of uniqueness in existing reference elements can be addressed by the UETR.</p>
<p>Oracle Software</p>	<p>Yes. We do not support this change request, for the following reasons:</p> <ul style="list-style-type: none"> - 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.
<p>SIX BBS on behalf of the Swiss Banking Community</p>	<p>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</p>



Contributor	Comments received
	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.

4.11.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.12 # 18: Reroute an unsuccessful SCT Inst transaction as an SCT transaction

4.12.1 Description

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

The contributor proposes to define a code or element in the pain.001 Customer-to-PSP message, that would allow the Originator PSP to reroute an unsuccessfully executed SCT Inst transaction automatically as an SCT instruction only if the Originator has provided the Originator PSP with such code/element in the initial SCT Inst instruction.

4.12.2 SEMWG analysis and recommendation

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

It sees this more as an Additional Optional Service (AOS) or as part of the terms and conditions between each individual Originator PSP and each of its Originator-customers.

The SEPA payment schemes are independent, and cross-references between these schemes are not foreseen.

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 Inst rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
German Banking Industry Committee (GBIC) on behalf of the German banking community and Deutsche Bundesbank.	Yes. GBIC proposes to provide some guidance how PSPs can solve this issue in the C2B relationship.
Italian Banking Association	No. The provision of a specific code by the Payer allows the customer to express the will to execute anyway the payment (regardless of its execution time) in some circumstances where an SCT INST is not available. This would allow increasing the service levels, compared to the mere rejection of the transaction. This proposal seems to be useful with specific regard to some use cases, such as an instant credit transfer following a Request-to-Pay or instant payments addressed to PSPs that are not adhering to the scheme.



Contributor	Comments received
	However, it should be considered that this change will have implication that need to be evaluated (in terms of accounting, transparency and customer experience).
SIX BBS on behalf of the Swiss Banking Community	No. We would still welcome the principle being stated in the scheme. However, we understand the reservations and would also support an implementation in the IGs.

4.12.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.13 # 20: Change in the definition of structured remittance information in payment messages

4.13.1 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.

4.13.2 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).”*

4.13.3 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 cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2023 SCT Inst 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.
Oracle Software	No. We support this change request, for the following reasons: - Structured Remittance Codes improve the overall bank statement reconciliation process. Manual reconciliation is a laborious and costly process. Therefore, customers with high



Contributor	Comments received
	<p>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.</p> <ul style="list-style-type: none"> - 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.
Portuguese Banking Association – APB	Yes. Do not support the inclusion in the Implementation Guidelines.
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.

4.13.4 SMB decision

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



4.14 # 22: Definition amendment of the term 'Customer'

4.14.1 Description

This change request was made by the EPI interim Company.

The contributor explains in detail its intention to develop a pan-European payment solution supporting payment product types based on payment cards and on SCT Inst. For its envisaged solution, both product types would use a financial settlement platform that complies with the relevant SCT Inst scheme rulebook specifications.

The contributor is of the opinion that the current SCT Inst scheme rulebook definition of the term 'Customer' prohibits account-servicing PSPs to act as Originators and Beneficiaries under the scheme. This forms an obstacle for the operational model that the contributor has in mind.

Therefore, the contributor suggests some concrete amendments to the definition of the term 'Customer'.

4.14.2 SEMWG analysis and recommendation

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

The EPC itself proposes an alternative way forward with respect to the term 'Customer' (see the item # 03 in the section 4.3). The SEMWG is of the view that this change request would cover the needs of EPI interim Company as outlined in the change request # 22.

4.14.3 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 Inst rulebook version 1.0.

Explicit public consultation comments received

No specific comments had been submitted.

4.14.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.15 # 23: Mandate the use of the Legal Entity Identifier (LEI) for scheme participants

4.15.1 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.

4.15.2 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.

4.15.3 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 Inst rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Global Legal Entity Identifier Foundation (GLEIF)	<p>No. The Global Legal Entity Identifier Foundation (GLEIF) would like to reiterate its change request to the 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 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.</p> <p>This change request is also in line with the developments in the upcoming ISO 20022 messaging standard. SWIFT recently published its Guiding principles for screening ISO 20022 payments. In the Guidelines, SWIFT highlighted that unstructured data is a barrier to building effective transaction</p>



Contributor	Comments received
	<p>screening and monitoring tools that mitigate sanction and AML risks. As the payments industry prepares to adopt ISO 20022, banks are revisiting their screening environments to identify the impact of this move and opportunities for change. BIC and LEI codes of Entities published on sanctions lists are listed as the relevant information should be screened against. The targeted screening approach allows financial institutions to avoid false positives linked to mismatches between information types (e.g. debtor name hitting against vessel names, street name information hitting against embargo data). Unlike other identifiers, BICs and LEIs are global in nature which make them particularly effective to identify sanctioned entities or discard potential hits. SWIFT suggested that the LEI should be screened against lists of sanctioned LEIs (if any). If geographical information can be inferred from the LEI, it should be screened against Embargo data. These guidelines have been already endorsed by the Wolfsberg Group, an association of thirteen global banks that aims to develop frameworks and guidance for the management of financial crime risks, particularly with respect to Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies.</p> <p>With this particular publication and endorsement by the Wolfsberg Group, GLEIF would like to emphasize 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.</p> <p>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 and often leads to recalls, cancelling 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. With this clarification in mind and value proposition of the LEI as a complementary identifier to the BIC, GLEIF invites SEMWG to revisit their reasoning that the BIC is well established and causes no problem in payment processing, and hence there should be no need for improvement by introducing the LEI as a mandatory data field.</p>



Contributor	Comments received
Italian Banking Association	<p>Yes. This change request would have large impact on the entire payment chain without real benefits. The PSPs are identified with BICs and there are no issues about this solution.</p>
Market Infrastructure Board of the Eurosystem	<p>No opinion. Thank you for the provided EPC SEMWG assessment. Please find in the following additional information for your consideration and explanation of our "No opinion" vote.</p> <p>Today, agents are identified with BICs and this is working well as document in the assessment of the EPC SEMWG.</p> <p>However, the use of BICs to clearly identify agents and parties cannot be applied to all entities which are involved in a financial transaction, i.e. to those entities who do not own a BIC.</p> <p>Especially in the instant payments domain fast and efficient AML and sanction screening is required on various levels of parties and agents.</p> <p>Unfortunately, for example the identification of parties via the existing "Name" and "Postal Address Line" elements leads to false hits during the screening process frequently.</p> <p>Coded identifiers allow for less false hits and therefore have the potential to lead to less payment rejects due to timeout. Hence the usage of coded identifiers is preferable compared to non-coded identifications.</p> <p>With the ISO 20022 maintenance release version 2019, several important message elements are introduced in pacs.008 messages.</p> <p>One of those elements is the Legal Entity Identifier (LEI) which is already supported broadly in cross-border and high-value payments message usage guidelines as optional element across the globe.</p> <p>The Legal Entity Identifier (LEI) is a 20-digit, alpha-numeric code based on the ISO 17442 standard developed by ISO.</p> <p>It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions.</p> <p>The Financial Stability Board (FSB) has reiterated that global LEI adoption underpins "multiple financial stability objectives" such as improved risk management in firms as well as better assessment of micro and macro prudential risks. As a result, it promotes market integrity while containing market abuse and financial fraud. Last but not least, LEI rollout "supports higher quality and accuracy of financial data overall". As of December</p>



Contributor	Comments received
	2021 a total of 1.9 million LEIs are active compared to roughly 120.000 BICs in the BIC directory as of October 2017.
SIX BBS on behalf of the Swiss Banking Community	Yes. It is important to understand the difference between the BIC as routing information, which is more important than the LEI, which might be used to identify a counterparty risk.

4.15.4 SMB decision

Not to be included in the 2023 SCT Inst rulebook.



4.16 # 25: Changes to the SEPA Payment Scheme Management Rules

4.16.1 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.

4.16.2 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**.

4.16.3 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
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 regarding the representation in term of seats on the basis of the volume of SCT and SDD transactions.



Contributor	Comments received
Satispay Europe SA	Yes. The change would allow more diversification and representation for new players such as Payment Institution and Electronic Money Institution.

4.16.4 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 Inst 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”⁴)

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.

⁴ 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

6.1 Publication of list 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 Inst Rulebook 2022 Change Request Public Consultation Document (EPC157-21) 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	<ol style="list-style-type: none"> 1. Bank Association of Slovenia 2. Bits on behalf of the Norwegian Banking Community 3. Citi 4. Dutch Payments Association 5. Febelfin Belgium 6. Finance Finland (on behalf of the Finnish banking community) 7. French Banking Federation 8. German Banking Industry Committee (GBIC) on behalf of the German banking community and Deutsche Bundesbank. 9. Italian Banking Association 10. Portuguese Banking Association - APB 11. PSA Payment Services Austria GmbH 12. Satispay Europe SA 13. SIX BBS on behalf of the Swiss Banking Community 14. Spanish Banking Community 15. Swedish Banker's Association
Other stakeholders	<ol style="list-style-type: none"> 1. equensWorldline 2. Form3, Back Office Technology Limited 3. Global Legal Entity Identifier Foundation (GLEIF) 4. Market Infrastructure Board of the Eurosystem 5. Oracle Software