

SEU MSG 004-22

Version 1.0

14 September 2022

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Public

Approved

Minutes 2nd Meeting – EPC Scheme End-User Multi-Stakeholder Group (SEU MSG)

Meeting Date: 12 September 2022 – 10H30 – 12H10 CET as Microsoft Teams conference call

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

1. Welcome and approval of the agenda (SEU MSG 003-22)

The EPC Director General Mr E. Goosse as acting EPC co-Chair and the SEU MSG Co-Chair Mr M. Battistella welcomed all meeting participants to the second SEU MSG meeting. The agenda was approved unchanged and can be published on the EPC Website.

2. Outcome of SEPA Request-To-Pay (SRTP) rulebook public consultation

The SEU MSG agreed with the following way forward in reviewing the outcome of the public consultation which ran from 25 May to 26 August 2022 and on formulating a concrete SEU MSG position:

- The RTP Task Force (TF) secretary highlights those change requests (CRs) which could be of interest to the SEU MSG members;
- The RTP TF secretary gives all SEU MSG members the opportunity to mention what other CRs they would like to discuss;
- Then the SEU MSG discusses the CRs suggested by the RTP TF secretary and the individual SEU MSG members and determines a formal SEU MSG position.

The SEU MSG also supported the assumption that when no SEU MSG member has a comment/objection about a CR, it is assumed that the SEU MSG supports the RTP TF recommendation.

A. 2022 SRTP public consultation – response consolidation (EPC 186-22)

The document EPC186-22 contains the title of each CR, the RTP TF recommendation given for the public consultation, the public consultation results ('support', 'no support', 'no opinion', 'no answer') and the names of the contributors to this public consultation.

B. SEU MSG position on SRTP change requests (EPC 184-22)

According to the SEU MSG Terms of Reference, the SEU MSG shall be actively involved in the recurrent SEPA payment and payment-related scheme change management cycles. This SEU MSG meeting will agree on a formal SEU MSG position for each 2022 CR. The formal RTP TF change proposal and the respective positions from the SEU MSG and the Scheme Technical Player (STP) MSG on each 2022 CR together with the input from the various stakeholders during the public consultation, will then be presented at the November 2022 EPC Board meeting. Based on these



respective positions, the EPC Board will decide which CRs are taken up in the version 3.0 of the SRTP scheme rulebook to be published end November 2022.

Mrs D. Allebroeck as RTP TF secretary highlighted the following CRs which could be of interest to the SEU MSG members. The SEU MSG members did not suggest to discuss any other CR.

02: Include the rationale on how to route the SRTP message to the correct Payer's SRTP Service Provider

The CR proposes to include the rationale how to route the SRTP message to the correct Payer's SRTP Service Provider based on the Payer's Identifier received from the Payee with the SRTP message.

The current rulebook only requires as a mandatory identifier the Identifier of the Payer (dataset DS-01 RTP by Payee to Payee's RTP Service Provider). If the Payee's Service Provider does not know how to direct the payment request to the correct Payer's Service Provider, there should be guidance on the matter somewhere. The current rulebook does not take a position on this. The results from the public consultation were split on this CR.

The RTP TF itself is of the opinion that an operational registry translating a Payer Identifier into an SRTP address is an option. For the time being, this operational registry is not included in the scope of the SRTP scheme as such registry could also be an external solution. Another option would be a clarification paper suggesting how such routing can be established.

The RTP TF recommendation was not to take forward this CR. The communication exchange between the Payer and its SRTP Service Provider happens outside of the SRTP scheme. The SEU MSG co-Chair supported this TF recommendation. His stakeholder community supports the view that such routing must be addressed at a level other than the SRTP scheme level.

The other SEU MSG members had no question or objection to this RTP TF recommendation.

03: Payee's enrolment and Payer's activation

This CR proposes to include an enrolment process between the SRTP Service Providers and their clients (the Payees/Payers) and an activation service exchanged between the Payer and the Payee. The SRTP activation service, using a standardised form factor, shall define and transport the electronic address to be used by the Payee/Payee's SRTP Service Provider to reach the Payer/Payer's SRTP Service Provider.

The RTP TF recommendation was to include this CR in the rulebook. The public consultation supported this CR as well. The SEU MSG co-Chair believed these processes are essential and can be executed in various ways. The SEU MSG had no question or objection to this RTP TF recommendation.

04: Request for instalment payments (items # 05 and # 07 are very similar)

The CR proposes to provide an SRTP Instalment payments service. Through an SRTP request, a Payee could authorise the Payer to split the payment of a single purchase of goods or services into a finite number of periodic transactions, with specified payment requested dates.

The RTP TF recommendation was to include this CR in the rulebook. The public consultation also supported this CR. The implementation of this CR now depends on the outcome of an EPC change request to ISO to make changes in the concerned pain.013/pain.014 messages. The SEU MSG had no question or objection to this RTP TF recommendation.

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10: Redirect clarification/specification and the extension of the use of the SRTP positive response

This CR firstly proposes a redirection process. Based on the SRTP message with the Payer's SRTP Service Provider's authentication URL (or another token), the Payee redirects the Payer to the Payer's SRTP Service Provider where the Payer can authenticate himself by the means provided by the Payer's SRTP Service Provider.

Secondly, this CR suggests adding the possibility to deliver to the Payee in the SRTP response a confirmation (message) that the payment will be irrevocably executed. Based on that optional information the Payee can be assured that the payment amount is or will be received. The RTP TF considered this part of the CR as a request for a payment initiation status.

The RTP TF recommendation was to include both parts of this CR in the rulebook. The public consultation was supportive to this CR.

With respect to the second part of this CR, the SEU MSG co-Chair explained that his stakeholder community is of the opinion that when such SRTP message is accepted and the confirmation of the acceptance has been communicated to the Payee, the Payer can no longer revoke the underlying resulting payment or payments in case of an instalment schedule (he referred to Article 80 (2) of PSD2).

However, the RTP TF representative clarified that the SRTP message is just a request for a payment initiation and such request is final once accepted. For the concrete payment having a future execution date (e.g., an instalment) the Payer can still cancel it before its execution date. Such action by the Payer is allowed under PSD2. It was agreed to consult the EPC Legal Support Group (LSG) on this very specific point.

AP 02.01 RTP Task Force to consult the LSG whether the future payment(s) resulting from an accepted request to pay under the SRTP scheme can be considered as irrevocable

The SEU MSG members had no other questions or objections to this RTP TF recommendation.

18: Possibility to send a Credit Note by an SRTP message

The CR proposes to include the possibility to send a Credit Note in an SRTP message. To support B2B e-invoicing it should be possible to send credit notes in addition to normal invoices by the SRTP messages. The credit note is sent after the original invoice is sent (as an SRTP message) and there is a reference in the credit note to link it to the previous invoice(s).

The RTP TF recommendation was to include this CR in the rulebook. In this case, an SRTP message would be sent only for the purpose of a credit note. The amount (AT-04 - Amount of the RTP) would be set to "0" (zero). And as such, a zero-amount SRTP message would be identified as a credit note. The public consultation was supportive to this CR.

The SEU MSG co-Chair currently had the understanding that an SRTP message with a document attached to it always relates to a possible payment whereby that payment is eventually executed or can still be refused.

With the intention of this CR in mind, if the SRTP scheme could be used to send a credit note document without a possible payment resulting from it (i.e., the payment amount is zero), the SEU MSG co-Chair evidenced that the current ISO standard allows to include documents in the RTP message and then felt that other kinds of documents not related to a payment amount could be sent as well through the SRTP scheme.



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The conclusion from this debate was that the present SEU MSG members did not support the RTP TF recommendation. All kind of documents should be accepted, not only credit notes.

The SEU MSG had no other comment or question about this public consultation and outcome.

Given the low attendance of Scheme End-User association representatives in this meeting, the secretariat will circulate right after the end of this meeting the drafted SEU MSG views about each concerned CR in the document EPC 184-22 to all SEU MSG members for their eventual comments.

3. Default SRTP related API specifications (STP API specs)

The EPC published default SRTP-related API specifications at the end of June 2022. So far, the EPC was informed about a small typo in these specifications. An updated version of the specifications will be published around mid-September. The SEU MSG had no comment about these specifications.

The specifications will be complemented with an API security framework by the end of November 2022. This framework will be jointly developed by the RTP TF and the SEPA Payment Account Access (SPAA) scheme module.

4. SRTP scheme roll-out

A. SRTP adherence status and projections (oral report)

The register of SRTP scheme participants now contains two scheme participants. Two other SRTP scheme applicants are now going through the homologation process. Another two institutions expressed their interest to join the SRTP scheme.

B. Prospects for and current obstacles to the further use of SRTP by payment end-user groups + possible SEU MSG recommendations (oral report)

The SEU MSG co-Chair stated that his stakeholder community is eager to use the SRTP scheme. However, there is currently no SRTP scheme service provider or any other market player who offers an interoperability solution between SRTP scheme service providers. He also advocated that potential SRTP scheme service providers start offering their services at national level in a first phase.

Having now the first formal SRTP scheme participants and further concrete adherence applications under internal EPC review, the EPC Director General believes the SRTP scheme has now formally started and is confident that 2023 will be an SRTP scheme adherence year.

5. Change-over to the 2019 version of ISO 20022 on 19 Nov 2023: SEU MSG position on a suggestion from a stakeholder for a one-hour downtime period for the SCT Inst scheme (EPC 174-22, EPC 087-22)

At the March 2022 STP MSG meeting, some Clearing and Settlement Mechanism (CSM) representatives reported the need for a general downtime of several seconds of the SCT Inst services across SEPA on 19 November 2023 around 08:00 CET. These CSM representatives wished to know whether the EPC Scheme Management Board (SMB) could consider tolerating a planned downtime of the SCT Inst services around 08:00 CET on 19 November 2023.

The initial view from the SMB on this suggestion was that the possibility of a scheduled downtime of the SCT Inst services across SEPA should be first discussed among all SCT Inst CSMs concerned before the SMB can consider such request. Input from the September 2022 meetings of the SEU MSG and the STP MSG on this specific matter would also be very helpful.

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In June 2022, the EPC received a concrete suggestion from an SCT Inst scheme compliant CSM. This CSM suggests a one-hour downtime period for this ISO version migration for the SCT Inst scheme to ensure everybody has upgraded to the new version. A clear cut-over should ensure that at any time everybody will be using the correct version. In theory, a version upgrade could be possible on the fly, but it means as soon as one party upgrades while the other party takes more time, there will be misalignments because versions would be out of sync. This would lead to rejects and manual corrections.

Given the complexity of the ISO 20022 version migration itself and the consequences of a scheduled SEPA-wide downtime of the SCT Inst scheme for Payment Service Users (PSUs), SCT Inst scheme participants and the technical players supporting them, the SEU MSG was invited to answer the following three questions:

- Does it support a form of a scheduled SEPA-wide downtime for the SCT Inst scheme on 19 November 2023 to migrate from the 2009 version to the 2019 version? Or does it object in principle to any form of a scheduled SEPA-wide downtime for the SCT Inst scheme?
- If the SEU MSG would support a scheduled SEPA-wide downtime, how long should such downtime last as a maximum? Would it be a concrete number of seconds only, a concrete number of minutes or even hour(s)?
- Subject to the concrete duration agreed upon under the second question, at what precise point in time a scheduled SEPA-wide downtime for the SCT Inst scheme should happen? Currently, the change-over time is set at 08:00:00.000 CET.

All present SEU MSG members representing a stakeholder community supported such SCT Inst scheme downtime request if this would be a necessity for the SCT Inst scheme participants and the scheme technical players to guarantee an otherwise frictionless change-over between the ISO versions concerned and the overall functioning of the SCT Inst scheme services.

As for the duration of the downtime itself, these SEU MSG members were of the view that such downtime should last as long as strictly necessary. They did not state a concrete timespan expressed in seconds, minutes or hours. Any necessary downtime should be scheduled at some point in time during the night of 19 November 2023. The SEU MSG member representing consumers stated that a downtime at say, 04h00 CET would not have a major impact.

These SEU MSG members clearly stressed that right after the completion of the ISO version migration, all offered SCT Inst scheme services must again work as expected.

The SEU MSG members were also asked whether they had any other issue about the migration to the 2019 version or with the contents of the EPC guidance document EPC 087-22. No other issues or comments were reported.

6. SCT Inst scheme roll-out

A. SCT Inst adherence status and projections (EPC 169-22)

The EPC Director General reported that the SCT Inst scheme adherence gradually but slowly increases month after month apart of a recent general consolidation wave between SCT Inst scheme participants among cooperative banks and among savings banks in Austria and Germany.

A first PSP from Andorra is included in the September 2022 Register. The Croatian PSPs are expected to join the SCT Inst scheme in due course as Croatia joins the eurozone as of January 2023. The SCT Inst transaction volume also continues to grow.



B. Maximum amount increase/abolishment: SEU MSG view (EPC 175-22)

The maximum amount an Originator can transfer via a single SCT Inst instruction is set at 100.000,00 EUR. This maximum is in force since 01 July 2020. The EPC reviews on an annual basis whether there is a need to increase the current maximum amount or even to abolish it.

The SEU MSG was invited to indicate whether the SCT Inst maximum amount should be increased or even abolished and to provide justifications for such increase/abolishment. If just an increase would be suggested, the SEU MSG should then also indicate what this new amount might be.

The SEU MSG member representing consumers felt that the current maximum amount was sufficient until the moment when more consumer protection measures would be in place and when ‘fat finger’ payment initiation problems could be solved.

The SEU MSG co-Chair representing corporate treasurers wished that the SCT Inst scheme would eventually have the same maximum amount as the SCT scheme (i.e. 999.999.999,99 EUR). He suggested an increase in a progressive way to support B2B payments and proposed a maximum amount of 250.000,00 EUR. Such value would be applied as a minimum amount for the Target2 high-value payment system. There would thus be a range of payments with a transaction amount between 100 KEUR and 250 KEUR that ‘falls’ in between the SCT Inst scheme maximum amount limit and the Target2 minimum amount threshold.

The EPC Director General and the ECB observer were of the view that Target2 itself does not set a minimum transaction amount. It may well be that certain PSPs communicate such minimum Target2 transaction amount to their customers for a variety of reasons.

C. Prospects for and current obstacles to the further use of SCT Inst by payment end-user groups (oral report)

The SEU MSG members had no obstacles or new prospects to report.

7. EPC guidance document for payment service users on how to submit a correct structured address as of November 2025 (EPC 153-22, EPC 178-22)

As of 19 November 2023, PSUs will be allowed to send in a structured way their own address and/or the address of their payment counterparty in electronic Customer-to-PSP files at least when based on the EPC SEPA payment scheme Customer-to-PSP Implementation Guidelines (IGs).

In view of the above, all SEPA payment scheme participants must be able to support the delivery of structured addresses when PSUs want a structured address in their outgoing and incoming SEPA payments. The use of an unstructured address by PSUs will still be possible and supported by the SEPA payment schemes up to the November 2025 entry-into-force date of the SEPA payment scheme rulebooks.

As of that November 2025 date onwards, the use of the structured address will become mandatory for PSUs when they send electronic Customer-to-PSP files. From that date, the use of an unstructured address will no longer be allowed and will hence lead to rejects. This change will have a huge impact for those PSUs submitting electronic ISO 20022 standard-based SEPA payment initiation files.

The EPC developed a first draft of a dedicated guidance document (EPC 153-22) addressed to PSUs, PSPs and other technical players. This guidance document is still work-in-progress.



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The SEU MSG members were invited to share their comments about this guidance document, to report possible new aspects that could also be covered in this document and/or to discuss any other matter requiring the attention of SEPA payment scheme participants, scheme technical players and/or of PSUs.

The SEU MSG co-Chair found the drafted guidance document to be very clear. Certain groups of PSUs may face difficulties to make the step in providing PSPs with structured addresses. These PSUs will have to do several changes within their organisations. The European association represented by the SEU MSG co-Chair already communicates about this upcoming change among its members.

The other SEU MSG members did not report any concrete issues or suggestions for the guidance document itself.

The EPC still needs to clarify certain issues before it can further update the document EPC 153-22. One point was to know the SEU MSG members' views about how to deal with ISO 20022 payment initiation files received before the entry-into-force date of the November 2025 rulebooks but to be executed as of the November 2025 entry-into-force date whereby such files may contain unstructured addresses. Such situations will most likely occur in the last two weeks before that 2025 entry-into-force date.

The SEU MSG co-Chair stated that the EPC should clearly address this matter in the guidance document. In his view, the EPC should clearly point out that even in such payment initiation files, the presented SEPA payments to be executed as of the November 2025 entry-into-force date and containing addresses, can only contain structured address data.

8. EPC guidance document on transparency for retail payment end-users (EPC 088-22)

The Statement of the June 2021 Euro Retail Payments Board (ERPB) meeting endorsed a set of recommendations formulated by the ERPB working group on transparency for retail payment end-users. A few recommendations have been assigned to payment schemes such as the EPC SEPA payment schemes.

On 25 May 2022, the EPC published the guidance document EPC088-22 addressed to both payees and SEPA payment scheme participants. This document lists existing rulebook datasets and attributes that can already be used to transport and display information related to the “whom”, “where” and “when” in SCT, SCT Inst and SDD Core transactions.

Payment situations can occur whereby a combination of information about the commercial trade name(s), the purchase location being different from the official address and the transaction date and time can occur. Given the current range of suitable attributes and their current maximum capacity in characters, the payees and PSPs are recommended to prioritise the transport of the following extra information and their presentation in the following order: 1) Whom, 2) Where and finally 3) When.

The SEU MSG members found this guidance document very clear and had no concrete comment.

9. 2024 SEPA payment scheme rulebook change management cycle: suggested changes from SEU MSG members for the EPC to consider (oral report)

The SEU MSG members did not raise any concrete suggestions.



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10. Proposed [Instant] Euro One-Leg Out Credit Transfer arrangement rulebook: status update (oral report)

The EPC Board decided to postpone its Go/No-Go decision on such rulebook at the latest at the November 2022 EPC Board meeting. The comments received from the public consultation and a similar private consultation among SCT scheme participants did not give a re-assurance that the currently suggested EPC arrangement rulebook fully met the market expectations.

In June 2022, the EPC Task Force concerned held formal discussions with some organisations that to the EPC's knowledge currently consider developing or already develop/ have developed solutions to enhance the processing of international payments. These discussions were very helpful to the EPC to better understand how these solutions (would) work and how an eventual EPC arrangement could facilitate the functioning of these (intended) and possible other initiatives.

This Task Force will submit a set of proposed high-level changes to its current arrangement rulebook to the September 2022 EPC Board meeting for its consideration and possible approval.

Subject to the decisions taken by the September 2022 EPC Board meeting and subsequent further recommendations agreed upon by this Task Force, the latter will present an updated version of the proposed arrangement at the November 2022 EPC Board meeting for a final Go/No-Go decision. The SEU MSG members had no concrete comment.

11. SEPA Proxy Lookup (SPL) scheme rulebook: status (oral report)

The EPC notes a paradox on proxy lookup services in SEPA. More and more national proxy lookup services are launched. However, since the launch of the SPL scheme itself in 2019, this EPC scheme has no formal scheme participant at all. So far, only one institution formally expressed its interest but is not yet registered as a scheme participant. The September 2022 EPC Board meeting will consider the future of the SPL scheme. The SEU MSG had no further comment.

12. Proposed 2023 meeting dates

The SEU MSG agreed to hold its 2023 meetings on 28 March and 12 September 2023. In due course it will be determined whether these meetings will be held as physical meetings or as MS Team meetings. Depending on the meeting format, the start time of the meeting may change.

The SEU MSG expressed its wish to the EPC Director General that the two SEU MSG meetings are allowed to be held as physical meetings.

13. AOB

There was no other business raised or discussed.

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#### List of open action items after 2<sup>nd</sup> SEU MSG Meeting

| Item  | Topic | Action                                                                                                                                         | Owner          | Status / Deadline |
|-------|-------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------------|
| 02.01 |       | Consult the LSG whether the future payment(s) resulting from an accepted request to pay under the SRTP scheme can be considered as irrevocable | RTP Task Force | ASAP              |



## List of participants – 2nd SEU MSG Meeting

Date: 12 September 2022

| Name                                                     | Institution                | Attendance |
|----------------------------------------------------------|----------------------------|------------|
| <b>Co-Chairs</b>                                         |                            |            |
| Etienne Goose <sup>1</sup>                               | N/A (scheme participants)  | YES        |
| Massimo Battistella                                      | EACT (scheme end-users)    | YES        |
| <b>SEPA scheme participant-related members</b>           |                            |            |
| Begoña Blanco Sánchez                                    | ING                        | Apologies  |
| Alain Benedetti                                          | BNP Paribas                | YES        |
| Frans van Beers                                          | Dutch Payments Association | YES        |
| <b>Representatives of European associations of users</b> |                            |            |
| Birgit Janik                                             | Ecommerce Europe           | Apologies  |
| Kęstutis Kupšys                                          | ANEC                       | YES        |
| Michel Vanmello                                          | EuroCommerce               | Apologies  |
| <b>Observers</b>                                         |                            |            |
| Iddo de Jong <sup>2</sup>                                | ECB                        | YES        |
| Katarzyna Kobylinska-Hilliard <sup>3</sup>               | European Commission        | Apologies  |
| <b>Alternates</b>                                        |                            |            |
| Pascal Spittler                                          | EuroCommerce               | NO         |
| <b>EPC secretariat</b>                                   |                            |            |
| Etienne Goose                                            | EPC Director General       | YES        |
| Dominique Allebroeck                                     | EPC secretariat            | YES        |
| Bart Clarebout                                           | EPC secretariat            | YES        |

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<sup>1</sup> Acting co-Chair for the time being

<sup>2</sup> Is the alternate for Claudine O'Connor

<sup>3</sup> The alternate is Steve Ryan