

Minutes 5th Meeting – EPC Scheme End-User Multi-Stakeholder Group (SEU MSG)

Meeting Date: 05 March 2024 – 10H00 – 14H30 CET held as a physical meeting in Brussels

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 001-24)

The EPC Director General Mr G. Andreoli as acting EPC Co-Chair and the SEU MSG Co-Chair Mr M. Battistella welcomed all meeting participants to the 5th SEU MSG meeting. Every meeting participant shortly introduced him/herself. The agenda was approved unchanged and can be published on the EPC Website.

2. Terms of Reference (ToRs) of the SEU MSG and reference in the EPC Payment Scheme Management Rules (EPC 154-21 v2.0, EPC 036-22)

Prior to the meeting, the MSG members received the ToRs of the SEU MSG (EPC 154-21) approved by the EPC Board and an extract from the EPC SEPA Payment Scheme Management Rules describing the EPC stakeholder fora (EPC 036-22). This MSG will cover the EPC payment schemes and EPC payment-related schemes apart from the SEPA Payment Account Access (SPAA) scheme which has its own dedicated MSG.

The scope of discussions by this MSG is defined by the scope of the EPC schemes concerned. It will cover no commercial aspects at all.

The EPC has two formal MSGs to establish and maintain a dialogue with stakeholders representing technical players providing services and products for the SEPA market via the Scheme Technical Player (STP) MSG, and end-users of the EPC payment and payment-related schemes via the Scheme End-User (SEU) MSG. Through these MSGs, the stakeholders are informed about and involved in the maintenance and the further evolution of the existing EPC payment and payment-related scheme rulebooks.

The EPC Director General emphasised that the MSGs are an important formal feedback channel via which the stakeholders can raise or address issues and make recommendations to the EPC concerning the various EPC scheme rulebooks. The stakeholder representatives in the MSGs can appoint an alternate in case they are unable to join future meetings.

3. SEU MSG role in the EPC payment scheme rulebook change management process (EPC 207-14 v5.0 + major change workflow)

Prior to the meeting, the MSG members received a detailed workflow explaining the different phases the EPC undertakes from the moment it receives change requests from any stakeholder until the moment the EPC publishes a new version of the EPC payment scheme rulebooks.



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Individual MSG members in their capacity of an organisation representative and the SEU MSG itself can submit EPC payment scheme rulebook change requests to the EPC.

The MSG will be given the chance to discuss in detail every received change request and the related recommendation given by the EPC Payment Scheme Evolution and Maintenance Working Group (PSEMWG) and the One-Leg Out Task Force (OLO TF) for the 90-calendar day public consultation, during a physical meeting prior to the start of this public consultation.

Once the public consultation is finished, the PSEMWG and the OLO TF then consolidate all comments from this consultation and formulate a PSEMWG and OLO TF change proposal.

Subsequently, during a separate meeting or conference call, the STP MSG and the SEU MSG each separately give their formal position on each change request. They will have as input the comments received from the public consultation and the change proposals from the PSEMWG and the OLO TF. The EPC Payment Scheme Management Board (PSMB) then assesses the positions from the PSEMWG, the OLO TF, the STP and the SEU MSGs to determine if a change request will be taken up in the new version of the relevant EPC payment scheme rulebook.

This MSG meeting will be invited to share its first thoughts about each 2024 change request for each of the five EPC payment schemes and for the SEPA Request-To-Pay (SRTP) scheme.

The August 2024 SEU MSG meeting will be formally asked to express its positions about the submitted 2024 change requests for the five EPC payment schemes and for the SRTP scheme.

4. List of SEU MSG members (as published on the EPC website) (EPC 280-23)

To display full transparency about the SEU MSG itself, the EPC has published the list of SEU MSG members on the EPC website. None of the present SEU MSG members raised an objection to the publication of this membership list on the EPC website.

5. Data Protection and Privacy Policy (EPC 024-18)

The MSG members noted the EPC stipulations on the protection of personal data for persons who are members of an EPC body such as this MSG. The MSG members should as a matter of principle refrain from processing any personal data accessed or obtained through their SEU MSG membership for any purpose not directly related to the SEU MSG itself.

6. Code of Conduct – Competition Law (EPC 212-14)

The MSG members noted the EPC Code of Conduct - Competition Law. This code of conduct aims at preventing (potential) competition law issues to arise in the context of EPC-organised meetings, and to specify the process to be followed to address any potential competition law issues arising. The EPC did draw the attention of each MSG member to the “do’s and don’ts” (see page 7 of the document EPC 212-14).

7. EPC document classification rules applicable to EPC stakeholder groups (EPC 037-22)

The MSG took note of the EPC document classification rules concerned. In general, the SEU MSG documents will be labelled ‘Internal Use’. In exceptional cases some could be labelled ‘Confidential’ (i.e. strictly restricted to the SEU MSG members only).



8. Change-over to the 2019 version of ISO 20022 on 17 March 2024 for the four SEPA payment schemes

A. Implementation status at PSP and CSM level (oral report)

At an exceptional meeting on 24 October 2023, the PSMB decided to delay the scheduled migration of all ISO 20022 standard-based XML payment messages defined under the four SEPA payment schemes to the 2019 version of the ISO 20022 standard, from 19 November 2023 to 17 March 2024 (and at 03h30 CET that same day for the SCT Inst scheme).

The EPC had closely monitored the ISO version migration preparations. In general, the situation reported is very reassuring. During the February 2024 PSEM WG and PSMB meetings, none of the PSP community representatives raised an issue that would jeopardize the scheduled ISO version migration on 17 March 2024.

The EPC also requested all SEPA payment scheme compliant Clearing and Settlement Mechanism (CSMs) to submit an ISO version migration status report on a regular basis. Until end 2023, CSMs were requested to submit a report every two weeks. As of 05 January and until 08 March 2024, the CSMs are requested to send a report on a weekly basis. Also here, the reported situation is very reassuring.

A SEU MSG member asked whether the date and time chosen for the ISO version migration will be adhered to in light of most recent developments. The EPC confirmed that this would be the case.

Another question was raised regarding the expected volume of instant payments processed at the time of the changeover. The EPC Director General assured this number would be low and that although the user experience will be impacted with customers receiving an error message from their PSP at the time of the changeover, the time and date was chosen with a low expected volume of instant payments in mind.

B. PSP communication on individual & national basis to customers about change-over and SCT Inst downtime (oral report)

Through the relevant internal EPC meetings and the November 2023 and February 2024 PSMB bulletins, all EPC payment scheme participants were reminded to share as soon as possible the EPC guidance document 'Migration to 2019 Version of ISO 20022-based XML Messaging Standard' (EPC 087-22) with their relevant customers, if not yet done so. The EPC reminded the MSG that payment end-users using the 2009 version of ISO 20022 messages will still be able to use it alongside the 2019 version.

Moreover, SCT Inst scheme participants were also reminded to inform their customers about the 30 minutes downtime period for SCT Inst transactions on 17 March 2024 from 03h00 to 03h30 CET. The MSG had no comments.

C. End-user issues or suggestions to report (oral report)

One MSG member recommended involving IT companies and software vendors in conversations about future ISO 20022 version migrations. Such type of migration has an impact on e.g., enterprise resource planning (ERP) systems and consequently, on corporates. The EPC explained that such communication had been done via EU or international trade associations concerned which had been invited to communicate this further through their national association-members.



The EPC Director General explained that as the SCT Inst instrument may be used more often in retail POS situations, the preparation of and the timing of a future ISO version migration will become even more important.

9. 2024 rulebook change management cycle: timeline and change requests received for all five schemes (Pres EPC 002-24)

The secretariat shortly explained the change management cycle process to the SEU MSG and pointed out that the public consultation will run from 12 March to 09 June 2024. It then guided the MSG through an overview of the 32 Change Requests (CRs) received. At the request of the MSG members, the following CRs were discussed in more detail:

A. Items #06 - #16 - #23: Introduction of Hybrid Addresses (all five payment schemes)

There was general agreement among the MSG members with the rationale in following SWIFT for the proposal to introduce the possibility of providing a hybrid address besides the possibilities of a structured address and an unstructured address.

The hybrid address is a mix of structured and unstructured address details. It allows the combination of structured ISO 20022 address elements and up to two lines of 70 characters of unstructured "Address Line" <AdrLine>. The structured elements for "Country" <Ctry> and for "Town Name" <TwnNm> will become mandatory. As of November 2026, the use of an unstructured address will no longer be allowed. The hybrid address has no expiration date.

The secretariat stressed that if the CR is accepted, payment end-users will have one extra year to migrate their address databases from unstructured data to at least a hybrid address structure.

When asked for the corporate payment end-user perspective about the impact of the introduction of a hybrid address version, the conclusion of the debate was that such introduction would be challenging for both small IT vendors and big corporates. Their respective solutions and systems would have to be updated.

AP 05.01 Subject to the outcome of the 2024 public consultation on hybrid address and to the possible EPC decision to introduce the hybrid address, EPC to actively communicate to software vendors' associations about the need to cater for hybrid addresses in their IT solutions

As for the regulatory screening of SEPA transaction (e.g., for AML and CFT), one MSG member asked whether the use of a hybrid address would be compatible with the regulatory screening obligations a PSP has to perform. The EPC explained that regulatory screening only relies on the 'name', 'town' and 'country' message elements. The latter two message elements are part of the hybrid address.

B. #11 - #17 - #21: Extension of Character Length for Name (all five payment schemes)

The SEPA length of characters is currently set at 70 characters for the 'Name' fields for payer, payee, respective reference parties etc. The suggestion is to extend the character length for these 'Name' fields from 70 to 140 characters. The 2019 ISO 20022 standard foresees up to 140 characters for the Name message elements.

The Cross-Border Payments and Reporting Plus (CBPR+) specifications also allow 140 characters for these name fields. The provision of extra characters allows payment service users to enter the complete name(s) concerned. This avoids the issue of data truncation and can provide the payment end-user with further transparency about the identity of the payment counterparty



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and/or its reference parties and the financial institution(s) involved. The MSG members supported this proposal.

C. #12: Inclusion of Commercial Trade Name (for the four SEPA payment schemes)

There was widespread agreement with the rationale of including a commercial trade name in the payment messages. Nevertheless, some MSG members felt that a formal change to the ISO 20022 standard for a dedicated message element would be the optimal solution, but this would be a challenge of a different nature outside the control of the EPC.

One MSG member felt that there was a similar issue for payments paid on behalf of another entity. The EPC and other MSG members explained that the delivery of such payment party information is already supported via the 'Reference Party Name' message elements.

D. #15 - #32: Optional use of Unique End-to-end Transaction Reference (UETR) (for the two SCT schemes)

The EPC asked the MSG members whether their members' organisations see the added value of the UETR message element in the SCT and SCT Inst transactions. None of the MSG members expressed an interest for it. There is no demand for the UETR in the SEPA payments context from an end-user perspective.

E. #19: Partial Transfer Back of Funds in case of Reason 'Fraud' (for the two SCT schemes)

For a better recovery of funds due to fraudulently initiated SCT (Inst) transactions, the suggestion is the adoption of a specific procedure for a partial transfer back of funds for those cases in which the account of the Beneficiary does not contain sufficient funds to fully meet a Recall request for the reason 'Fraud'.

The internal EPC legal analysis led to the EPC recommendation for not including this change request in the SCT rulebooks in the absence of a sound legal basis for such partial transfer back at EU level. Specific provisions allowing Beneficiary PSPs to unilaterally do a (partial) transfer back of funds in case of Fraud should be included into an EU legislation first before business rules and related liabilities can be addressed through the SCT scheme rulebooks. The development of the EU Payment Services Regulation (PSR) can be an opportunity to obtain such legislative coverage.

Some SEU MSG members questioned why the partial transfer back of funds in case of fraud was not recommended by the PSEMWG and the EPC Legal Support Group (LSG). In some countries, this is possible.

The MSG was informed that this was due to the absence of a sound legal basis in a scheme-wide context. Specific provisions allowing Beneficiary PSPs to do a partial transfer back of funds in case of fraud would have to be included into EU legislation first before business rules and related liabilities could be addressed through the SCT scheme rulebooks.

The MSG members were not convinced about these arguments. They questioned as of when a fraud claim by the payer is indeed a fraud. Furthermore, they also wondered how a transfer back of the full amount of the transaction is allowed under the schemes but not a transfer back of a part of the initial amount. When the fraud claim turns out to be proven, it is less relevant whether the payer recovers the full amount or only a part of the amount as long as the payer can recover some of the funds.

Furthermore, the MSG pointed out why the idea of such partial transfer back would be limited to the Recall reason 'Fraud' only. It could be equally beneficial for 'Duplicate' and 'Technical reason'.



The EPC Director General suggested taking up these MSG comments with the EPC Senior Legal Counsel/LSG for further clarification.

AP 05.02 EPC Director General to consult the EPC Senior Legal Counsel/LSG why the change request item '#19: Partial Transfer Back of Funds in case of Reason Fraud' could not be introduced, by the August 2024 SEU MSG meeting

F. #10: Possibility for Beneficiary to return a SCT (Inst) Transaction after the Amount is Credited (for the two SCT schemes)

The change request suggests allowing a Return reason "Return by order of the Beneficiary" for the Beneficiary to return funds after the amount of the initial transaction has been credited on the account of the Beneficiary. For SCT Inst, it would also then mean the introduction of the Return procedure.

Currently, in case the Beneficiary receives funds and does not recognize the transaction or the Originator, it cannot make a Return for the credited funds. The only possibility is to give a Return instruction (in case of SCT) or a Reject instruction (in case of SCT Inst) to the Beneficiary PSP before the funds are credited on the account of the Beneficiary. But most of the time, the Beneficiaries will only be able to contest the transaction based on their account statement (i.e. after funds have been credited).

The PSEMWG recommendation was not to support this change request. It would change the legal nature of the transaction as currently the transaction becomes final once credited on the account of the Beneficiary. If the Beneficiary wants to send back the funds, it then must create a new transaction. The Beneficiary PSP can offer solutions to the Beneficiary to transfer back the funds in case e.g., the Beneficiary does not have the IBAN of the Originator at its disposal.

The MSG members agreed with the PSEMWG recommendation and the related argumentation. Once a SCT (Inst) transaction has been credited on the account, it is final. The Return procedure is only used when there is a technical reason hindering the Beneficiary PSP to credit the payment account of the Beneficiary.

G. #03 - #27: New Entry-Into-Force Time as of the November 2025 Rulebooks (SCT Inst and OCT Inst)

The SEU MSG was reminded that the new entry-into-force time for the November 2025 rulebooks was especially relevant for e-commerce providers with a lot of night-time business. However, no SEPA-wide downtime period will be foreseen for the 2025 rulebook changeover.

H. #08: Extension of Time Limit for Initiating a SDD Reversal (SDD schemes)

The current timespan to send a Reversal is 5 inter-PSP Business Days after the settlement date. Extending the timespan from 5 to 10 inter-PSP Business Days would avoid:

- Asking the Debtor PSP to initiate a Refund when the 5 inter-PSP Business days timespan is over;
- Agreeing on the sending of a credit transfer from the Creditors (or their PSPs) to the Debtors to cancel the initial SDD collections.

The PSEMWG recommendation was not to support this change request. The need to do a Reversal is due to an error by the Creditor. It is expected that the Creditor rectifies its error as soon as possible. The Creditor may agree with the Debtor to recover the funds outside of the scheme (e.g., by credit transfer).



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Allowing a longer timespan for Reversals will cause conflicts with other SDD r-transaction types. This will lead to new credit risks for the Creditor. The Debtor will very likely claim a Refund for an unauthorised collection.

The SEU MSG followed this reasoning from the PSEMWG. The SEU MSG co-Chair suggested that this change request may be of benefit to the SDD B2B scheme only as there is no Refund right for that scheme, but not for the SDD Core scheme. The SEU MSG co-Chair asked whether the EPC has statistics available which could indicate the level of use of SDD Reversal procedure.

AP 05.03 EPC secretariat to look up SDD Reversal statistics for the August 2024 SEU MSG meeting

I. #18: Reduction of Target Maximum Execution Time and Time-Out Deadline (SCT Inst scheme)

The contributor suggests reducing the inter-PSP SCT Inst processing timelines to adapt to market circumstances and customer needs, especially to the (future) use of SCT Inst at the Point of Interaction (POI), both in a physical and online environment.

The PSEMWG recommendation was not to support this change request. The entire SCT Inst processing timeline must be completely reconsidered in light of the contents of the Instant Payments Regulation (IPR) that amends the SEPA Regulation.

The SEU MSG had no concrete objections to his recommendation, but it pointed out that a lot of eurozone PSPs still must adhere to the SCT Inst scheme. The implementation of SCT Inst processing services in combination with shorter processing timelines will be a challenge for these PSPs.

J. #26 - Possibility of Payment Reversal in the Inter-PSP Space (SCT Inst scheme)

The contributor reported some limitations in handling technical cancellations for SCT Inst instructions. Its proposal is the use of an existing inter-PSP ISO 20022 message already used under other SEPA payment schemes, to support a Reversal procedure for SCT Inst transactions (e.g., pacs.007 as used in SDD).

Such SCT Inst Reversal would happen when an inter-PSP party in an SCT Inst transaction identifies the status of a transaction as “ambiguous” and therefore decides to abort the SCT Inst transaction process. It would be initiated by Originator PSP or by Beneficiary PSP for ‘Duplication’, ‘Technical Error’ and ‘Ambiguous Transaction Status’.

The PSEMWG recommendation was not to support this change request. The Originator PSP and the Originator already can make use of the SCT Inst Recall Request procedure to resolve two out of three suggested SCT Inst Reversal reasons (i.e. Duplication, Technical Error). It also sees it as a complex process for a limited number of use cases.

The discussion among SEU MSG members concluded that this change request interferes with the finality of payment principle. This change request would be unfavourable to both merchants and the scheme itself. In the case that a merchant initiates a payment twice, it can always use the Recall procedure.



10. SEPA Instant Credit Transfer (SCT Inst) scheme

A. Instant Payments Regulation (IPR): status – possible next EPC actions on regulatory changes (EPC 061-24)

The SEU MSG was given an update on the latest developments regarding the Instant Payments Regulation. The entry into force of the IPR is expected by the mid of April 2024, 20 days after the publication in the Official Journal, currently expected in the second half of March. Major changes foreseen to the SCT Inst scheme rulebook are:

- Concrete deadlines for EEA-based PSPs to be reachable for accepting and for sending instant payments;
- The drastic shortening of the current SCT Inst transaction processing timeline from 25 seconds including certain types of exception handling, to just 10 seconds with implications for the Originator PSP;
- The final IPR compromise text issued in November 2023 did not set outspoken entry-into-force dates for certain obligations;
- The possible abandoning of the current SCT Inst scheme default maximum amount of 100.000 EUR;
- A new sanction-screening method i.e. no longer transaction-per-transaction based but instead daily screening of customer databases against EU sanction lists for SCT Inst transactions within the EEA.

Given the need for clarification from the EU co-legislators on the concrete entry-into-force dates of some IPR obligations, the EPC has not yet taken any decision about the publication date and the entry-into-force date of the concrete SCT Inst scheme rulebook containing all necessary regulatory changes and the related implementation guidelines.

The SEU MSG co-Chair remarked that the possible abandonment of the current SCT Inst scheme default maximum amount of 100.000 EUR would be a welcome change for corporates. The EACT community was very positive about the IPR.

The EPC asked the MSG members whether they expect an uptake in the use of the SCT Inst instrument, e.g. at the POI. In the context of e-commerce, the Ecommerce Europe representative stated that the benefit of using SCT Inst (compared to payment cards) was not yet clear to merchants. A complete SCT Inst payment-based platform and acceptance network is key for the SCT Inst scheme to become relevant vis-à-vis other payment instruments at the POI.

The EuroCommerce representative very much welcomed the IPR. It is a big step forward for the SCT Inst scheme so that it can compete with the payment card schemes. With the introduction of the IPR, the processing timeline of a SCT Inst payment transaction would be roughly the same as the one for the payment card schemes but with lower costs.

B. Adherence status & projections (EPC 023-24)

The updated general adherence ratio between SCT and SCT Inst scheme participants is 61,72% (the previous ratio was 61,43%). The adherence rate is plateauing at around 61% for several months now. There are already 17 euro area countries with a substantial majority of payment accounts reachable for SCT Inst. A big number of eurozone PSPs will have to adhere in the next nine to ten months to come.



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

The SEU MSG co-Chair emphasised the possibility of SCT Inst becoming the “new normal”. The processing timeline and availability of SCT Inst transactions would become competitive with card schemes with lower associated costs for the merchant. The IPR obligation that the cost for an SCT Inst transaction must be equal to an SCT transaction can play a big role.

11. One-Leg Out Instant Credit Transfer (OCT Inst) scheme: adherence status – scheme promotion in and outside SEPA (oral report)

There were no scheme adherences so far to this scheme. For the last months, the attention of the PSPs was on the ISO version migration on 17 March 2024 and on the IPR developments.

In March and April 2024, the EPC will (re-)compose two EPC groups to work out actions on how to promote the OCT Inst scheme in and outside SEPA. One group will focus on the SEPA/Euro Leg and manage the OCT Inst scheme rulebook, whereas a second will target the non-Euro Leg promotion. The SEU MSG had no further comment.

12. Comparison SCT and SDD r-transaction statistics

A. Full year 2023 (Pres EPC 026-24)

The EPC itself observed that the r-transaction rate for cross-border SCT Inst transactions was much higher than for national SCT Inst transactions (i.e. 3.23% resp. 0.8%). The code RR04 (Regulatory Reason) for cross-border transactions was already 23%. The code AG01 (Transaction Forbidden) represents about 16-17% of the national and cross-border SCT Inst transactions. The IPR may have a positive effect on the SCT Inst r-transactions for the codes RR04 and AG01.

The SCT r-transaction rate was quite low for national as for cross-border transactions (i.e. 0.18% resp. 0.33%).

The national r-transaction rate for SDD Core and B2B collections was higher than for cross-border SDD collections (i.e. about 3% versus 2.5-2.6%). AM04 and MS03 together already cover the majority of the SDD Core r-transactions.

B. From 2021 to 2023 (Pres EPC 025-24)

The EPC itself observed the following tendencies:

- SCT: overall transaction volume continues to increase with the highest reported volume in four years for the year 2023. The same trend is noted for SDD Core and SDD B2B.
- SCT Inst: overall transaction volume continues to strongly increase year-on-year.
- The overall r-transaction rates for SCT, SDD Core and SDD B2B are stable over the years. The overall SCT Inst r-transaction rate continues to go down after a peak in 2021.

The EPC explained that these results could be indicative of the downward trend in using cash as a payment method. The SEU MSG observer added that in some countries SCT Inst had begun substituting card payments at POI, although this was use-case dependent (e.g., mobile payment via QR code at POI).

The ECB observer also remarked that should the default maximum amount of 100.000 EUR for SCT Inst be removed or amended with the regulatory changes introduced by the IPR, urgent



transactions currently pushed through T2 could use the SCT Inst scheme instead, increasing the total transaction volume.

13. Verification Of Payee (VOP) scheme and EPC Directory Service (EDS) (EPC 062-24)

A. Public consultation on VOP rulebook – first comments from SEU MSG members on proposed rulebook (EPC 062-24)

The EPC gave the SEU MSG an overview of the current state of play about the Verification Of Payee (VOP) scheme and invited the MSG members to provide comments through the public consultation on the VOP scheme rulebook from 20 February until 19 May 2024.

A point was raised about VOP Requests in which the Responding PSP provides the Requester with either a Close Match or a No Match response. In such cases the Requesting PSP is obliged to inform the Requester that authorising the SCT or SCT Inst payment order may lead to transferring funds to a payment account not held by the Payment Counterparty as indicated by the Requester.

With respect to SCT or SCT Inst payment orders presented in bulk, there could be cases in which such VOP Response messages could be received by the Requesting PSP for several payees. This would complicate corporates' usual protocol for payment processing (e.g. in paying wages). The SEU MSG co-Chair preferred that this part of the value chain should be part of the VOP scheme as well. He had the impression that the IPR articles on VOP had been worked out with only consumer-payers in mind.

However, the EPC reminded the MSG that as the customer-to-PSP space was out of scope of the VOP scheme, processes to present VOP responses in this space would not be standardised. As part of the competitive space, PSPs will be free to choose how to display/report such responses and to develop customized services for their customers.

The EPC pointed out that, as a minimum, the Payment Counterparty Account Number (i.e. the IBAN) and the Payment Counterparty Name details are to be presented.

The Requester and the Requesting PSP can also agree that the Requester can provide the Requesting PSP with additional information about the Payment Counterparty, allowing the Payment Counterparty to be unambiguously identified. In that case, the Requester and the Requesting PSP need to have agreed that the Requester can submit in addition an identification code of the Payment Counterparty that unambiguously identifies the Payment Counterparty. Examples of such code are a fiscal number, a VAT number, a Legal Entity Identifier (LEI), social security code, electronic ID etc.

The SEU MSG co-Chair wondered why such bilateral agreement between a Requester and the Requesting PSP is needed. In his view, all Requesting PSPs should support such service by default. The EPC explained that not every Requesting PSP offers a payment initiation channel which allows the payer to provide the Requesting PSP with such additional code.

B. Development of API specifications for VOP: status

The EPC's current intention is to base the VOP scheme on RESTful API technology that makes use of ISO 20022 resource elements.

In the period December 2023 – February 2024, the EPC held preliminary discussions with SWIFT on how a global API standard could be designed for VOP services.

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In February 2024, the concerned EPC decision-making body agreed with the proposal to cooperate with SWIFT and potentially other proponents, to co-submit an ISO business justification for the development of new ISO 20022 'Account Validation' API resources. The EPC Director General reported that the Nordic Payments Council (NPC) and the Berlin Group had joined the EPC and SWIFT in this standardisation process.

C. EDS and forthcoming Request-for-Proposal

The EPC is in the process of defining requirements for a Directory Service Provider which will store and maintain all required operational data about VOP scheme participants (e.g. API routing, entry points of scheme participants, authentication of participants, etc). This is to facilitate the interoperability between VOP scheme-based services offered by VOP scheme participants, VOP Routing and Verification Mechanisms (RVMs) and any other relevant entities.

Following a formal Request For Proposal (RFP) to be launched, the EPC itself will select a service provider to play the role of Operational Scheme Manager for a default EPC Directory Service (EDS). The EPC currently aims to roll out the RFP process in April 2024. However, scheme participants will remain free to choose any other Directory Service Provider that could ensure an equivalent service.

The default EDS will ensure that participants to the VOP but also to the SEPA Request-To-Pay (SRTP) and SEPA Payment Account Access (SPAA) schemes will have access to the operational data required to enable the proper functioning of the respective schemes.

14. SEPA Request-To-Pay (SRTP) scheme (Pres EPC027-24)

A. 2024 rulebook change management cycle: timeline and change requests received

The SRTP scheme follows the EPC payment schemes' 2024 rulebook change management cycle. The public consultation for the received 19 change requests runs from 12 March to 9 June 2024. The aim of this change management cycle is to make the SRTP scheme and the homologation process simpler in the future.

The RTP Task Force secretary of the EPC provided the SEU MSG with more information on the change requests the MSG deemed of particular interest.

The change request item #3 'New message to inform the Payee of the initiation/execution of the payment in Pay Later use cases' suggested incorporating a new message apart from the Acceptance that can be exchanged the moment after the payment has been made in Pay Later use cases. The flow of the information to the Payee regarding the payment would then be complete.

The RTP Task Force was of the opinion that there are already existing messages to confirm the execution of a payment, but outside the scope of the SRTP scheme. It would not be possible to include this in the SRTP scheme due to the life cycle of the SRTP messages that would be already finished when the reporting should be generated.

The SEU MSG co-chair stated that the message expressing the 'willingness' to pay may not mean anything at all depending on the countries. Such message cannot always be relied upon as a guarantee of a payment. A Payee cannot expect a payment based on this message.

B. SRTP adherence status and projections

The SRTP scheme currently has 3 participants with a 4th participant currently undergoing the homologation process.



C. Prospects for and current obstacles to the further use of SRTP by payment end-user groups + possible SEU MSG recommendations

The SEU MSG co-chair explained that a project in Italy is ongoing whereby public authorities will use SRTP to get tax payments from consumers and legal entities. By the summer of 2024, the final requirements for this project will be worked out and the eventual solution should be ready in 2025.

15. SEPA Proxy Lookup (SPL) scheme rulebook: status

The SEU MSG was informed that the future of the SPL scheme would be discussed at the September 2024 EPC Board Strategy meeting, specifically about whether and how to phase out the scheme.

16. Standardization of QR-codes for mobile (instant) credit transfers

In absence of the EPC Director General during that time of the meeting, no status update could be given.

17. AOB

No other business was raised.

18. Next meeting date: 27 August 2024 (MS Teams preferred)

The SEU MSG agreed on a MS Teams meeting set for 27 August 2024 starting at 09h00 CET.

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#### List of open action items after 5<sup>th</sup> SEU MSG Meeting

| Item  | Topic | Action                                                                                                                                                                                                                                                                  | Owner                | Status / Deadline                                            |
|-------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------|
| 05.01 |       | Subject to the outcome of the 2024 public consultation on hybrid address and to the possible EPC decision to introduce the hybrid address, to actively communicate to software vendors' associations about the need to cater for hybrid addresses in their IT solutions | EPC Secretariat      | once outcome of PC is clear, next SEU MSG meeting (27/08/24) |
| 05.02 |       | Consult the EPC Senior Legal Counsel/LSG why the change request item '#19: Partial Transfer Back of Funds in case of Reason Fraud' could not be introduced                                                                                                              | EPC Director General | Aug 2024 SEU MSG meeting                                     |
| 05.03 |       | Look up SDD Reversal statistics for the August 2024 SEU MSG meeting                                                                                                                                                                                                     | EPC Secretariat      | Aug 2024 SEU MSG meeting                                     |



### List of participants – 5<sup>th</sup> SEU MSG Meeting

Date: 05 March 2024

| Name                                                     | Institution                                      | Attendance         |
|----------------------------------------------------------|--------------------------------------------------|--------------------|
| <b>Co-Chairs</b>                                         |                                                  |                    |
| Giorgio Andreoli <sup>1</sup>                            | N/A (scheme participants) (EPC Director General) | YES                |
| Massimo Battistella                                      | EACT (scheme end-users)                          | YES                |
| <b>SEPA scheme participant-related members</b>           |                                                  |                    |
| Begoña Blanco Sánchez                                    | ING                                              | Apologies          |
| Frans van Beers                                          | Dutch Payments Association                       | Apologies          |
| <b>Representatives of European associations of users</b> |                                                  |                    |
| Birgit Janik                                             | Ecommerce Europe                                 | YES                |
| Kęstutis Kupšys                                          | ANEC                                             | YES                |
| Christel Marcelis                                        | EuroCommerce                                     | YES (via MS Teams) |
| <b>Observers</b>                                         |                                                  |                    |
| Kevin Condron                                            | European Central Bank                            | YES                |
| Katarzyna Kobylinska-Hilliard                            | European Commission                              | Apologies          |
| <b>Alternates</b>                                        |                                                  |                    |
| Pascal Spittler                                          | EuroCommerce                                     | Apologies          |
| <b>EPC secretariat</b>                                   |                                                  |                    |
| Dominique Allebroeck                                     | EPC secretariat                                  | YES                |
| Bart Clarebout                                           | EPC secretariat                                  | YES                |
| Hanna Sainio                                             | EPC secretariat                                  | YES                |

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