

# **SEPA CORE DIRECT DEBIT**

## **SCHEME RULEBOOK**

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## 0 DOCUMENT INFORMATION

### 0.1 References

This section lists documents referred to in the Rulebook. The convention used throughout is to provide the reference number only, in square brackets. Use of square brackets throughout is exclusively for this purpose.

|      | Document Number      | Title   | Issued by: |
|------|----------------------|---|------------|
| [3]  | ISO 13616            | Financial services - International bank account number (IBAN) -- Part 1: Structure of the IBAN      | ISO        |
| [4]  | ISO 3166             | Country Codes   | ISO        |
| [5]  | ISO 9362             | Business Identifier Codes (BIC)   | ISO        |
| [7]  | EPC261-06            | Risk Mitigation in the SEPA Direct Debit Scheme <sup>1</sup>  | EPC        |
| [8]  | May 2002 White Paper | Euroland: Our Single Payment Area!  | EPC        |
| [9]  | EPC114-06            | SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines                                  | EPC        |
| [10] | ISO 20022            | Financial Services – Universal Financial Industry Message Scheme                                    | ISO        |
| [11] | EPC222-07            | SEPA Business-to-Business Direct Debit Scheme Rulebook  | EPC        |
| [12] | EPC130-08            | SEPA Core Direct Debit Scheme C2B Implementation Guidelines   | EPC        |
| [13] | EPC109-08            | EPC e-Operating Model for e-Mandates  | EPC        |
| [14] | EPC114-08            | SEPA Core Direct Debit Scheme e-Mandates Inter-bank Implementation Guidelines                       | EPC        |
| [16] | EPC329-08            | Guide to the Adherence Process for the SEPA Direct Debit Schemes                                    | EPC        |
| [17] | EPC002-09            | SEPA Core Direct Debit Scheme E-Mandate Service Implementation Guidelines                           | EPC        |
| [19] | EPC291-09            | Requirements and Specifications for 'EPC Approved Certification Authorities' for e-Mandate Services | EPC        |
| [20] | EPC409-09            | EPC List of SEPA Scheme Countries   | EPC        |
| [21] | EPC392-08            | Guidelines for the Appearance of Mandates (Core SEPA Direct Debit Scheme)                           | EPC        |

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<sup>1</sup> Restricted distribution.

### 0.1.1 Defined Terms

This Rulebook makes reference to various defined terms which have a specific meaning in the context of this Rulebook. In this Rulebook, a defined term is indicated with a capital letter. A full list of defined terms can be found in Chapter 7 of this Rulebook. The Rulebook may make reference to terms that are also used in the Payment Services Directive. The terms used in this Rulebook may not in all cases correspond in meaning with the same or similar terms used in the Payment Services Directive.

### 0.1.2 Rules specific to e-Mandate Service

The rules specific to the e-Mandate service are described in Annex VII. Sections of the main body of the Rulebook impacted by the e-Mandate service are identified with the indication: ‘👁 e-Mandates’ next to the title of the section.

### 0.1.3 Rules specific to Advance Mandate Information (AMI) Feature

The rules specific to the optional AMI feature are described in Annex IX. Sections of the main body of the Rulebook impacted by the AMI feature are identified with the indication ‘👁 AMI’ next to the title of the section.

## 0.2 Change History

| Issue number | Dated      | Reason for revision   |
|--------------|------------|---|
| V1.0         | 01/09/2005 | First reading at September 2005 Plenary, and national consultation thereafter.  |
| V2.0         | 22/02/2006 | Approved at 8 March 2006 Plenary.   |
| V2.1         | 15/09/2006 | Approved at 27 September 2006 Plenary.  |
| V2.2         | 13/12/2006 | Approved at 13 December 2006 Plenary.   |
| V2.3         | 19/06/2007 | Approved by the 19 June 2007 Plenary.<br>Major changes: <ul style="list-style-type: none"> <li>• Scheme management provisions, affecting Chapters 0, 5 and 6 to bring Rulebook in line with the Scheme Management Internal Rules.</li> <li>• Section 2.3 on Additional Optional Services amended to make disclosure of community AOS mandatory</li> <li>• Addition of Annex IV, the SEPA Scheme Management Internal Rules</li> <li>• Other lesser changes</li> <li>• Risk Mitigation Annex updated for references to Chapter 6 and Annex IV.</li> </ul> |
| V3.1         | 24/06/2008 | Major changes: <ul style="list-style-type: none"> <li>• Addition of Creditor Reference Party</li> <li>• Addition of names/identification codes for the Creditor Reference Party and the Debtor Reference Party</li> <li>• Amendments due to Payment Services Directive alignment</li> <li>• Two new processes: a procedure for refund claims for unauthorised collections and a procedure for requesting a copy of a Mandate</li> </ul>   |
| V3.2         | 18/12/2008 | Major changes: <ul style="list-style-type: none"> <li>• Addition of the e-Mandate service</li> <li>• Addition of NDA for Risk Mitigation Annex</li> </ul>   |
| V3.3         | 19/3/2009  | Legal changes/clarifications and other changes  |

|      |            |  |
|------|------------|--|
| V3.4 | 30/10/2009 | Changes for clarification, updating and correction of errors   |
| V4.0 | 30/10/2009 | Changes for clarification, updating and correction of errors   |
| V4.1 | 01/11/2010 | SEPA Scheme Management Internal Rules v2.0 replaced by v2.1 in annex IV  |
| V5.0 | 01/11/2010 | Inclusion of new annex IX (AMI).   |
| V5.1 | 17/11/2011 | SEPA Scheme Management Internal Rules v2.1 replaced by v3.0 in annex IV  |
| V6.0 | 17/11/2011 | Inclusion of new option for shorter execution time cycle (D-1).  |
| V6.1 | 06/11/2012 | Inclusion of version 4.0 of the SEPA Scheme Management Internal Rules in Annex II. No other changes.   |
| V7.0 | 30/11/2012 | Version 7.0 approved by Plenary on 26 September 2012<br>Major Changes: <ul style="list-style-type: none"> <li>• Adaptation to the SEPA Regulation</li> <li>• Inclusion of new reject codes</li> </ul> All changes compared to version 6.1 are listed in Annex III.   |
| V7.1 | 12/12/2013 | Version 7.1 approved by Plenary on 12 December 2013<br>Changes made having no operational impact: <ul style="list-style-type: none"> <li>• Removal of the references to PE-ACH and PE-ACH/CSM Framework.</li> <li>• The SDD Core mandate illustration under Figure 12 has been replaced by the SDD Core mandate illustration under SDD Core Rulebook version 6.1.</li> </ul> No other content changes have been done.<br>All changes compared to version 6.1 and 7.0 are listed in Annex III.  |
| V8.0 | 08/10/2014 | Version 8.0 approved by Plenary on 08 October 2014<br>Major Changes: <ul style="list-style-type: none"> <li>• Update in the category descriptions of Scheme applicants that are deemed automatically to be eligible under Rulebook section 5.4 on eligibility for participation.</li> <li>• The removal of the notion 'qualified electronic signature'</li> <li>• Corrections on the definition of 'refusal by the Debtor' in section 4.4</li> <li>• Clarification on the use of attribute AT-25</li> <li>• Removal of the SDD Mandate illustration in dataset DS-01</li> <li>• Extension of mandate amendment combinations in attribute AT-24</li> <li>• Announcement in the relevant Rulebook sections that <ul style="list-style-type: none"> <li>○ As of the effective date in November 2016 of the Rulebook version 9.0, all Collections presented for the first time, on a recurrent basis or as a one-off Collection can be presented up to D-1 Inter-Bank Business Day ( D-1)</li> <li>○ The current requirement to use the sequence type 'First' in a first of a recurrent series of Collections is no longer mandatory as of the effective date in November 2016 of the Rulebook version 9.0</li> </ul> </li> </ul> All changes (including minor changes) compared to version 7.1 are listed in Annex III. |

|      |                 |   |
|------|-----------------|---|
| V9.0 | 26 January 2015 | <p>Changes approved by Plenary on 11 December 2014</p> <ul style="list-style-type: none"> <li>• All Collections presented for the first time, on a recurrent basis or as a one-off Collection can be presented up to D-1 Inter-Bank Business Day (D-1)</li> <li>• The use of the sequence type 'First' in a first of a recurrent series of Collections is no longer mandatory (i.e. a first Collection can be identified in the same way as a subsequent Collection with the sequence type 'RCUR')</li> </ul> |
|------|-----------------|---|

### 0.3 Purpose of Document

A SEPA Scheme is a common set of rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at inter-bank level in a competitive environment.

The objectives of the Rulebook are:

- To be the primary source for the definition of the rules and obligations of the Scheme
- To provide authoritative information to Participants and other relevant parties as to how the Scheme functions
- To provide involved parties such as Participants, Clearing and Settlement Mechanisms (“CSMs”), and technology suppliers with relevant information to support development and operational projects

### 0.4 About the EPC

The EPC is the decision-making and coordination body of the European banking industry in relation to payments whose declared purpose is to support and promote the creation of SEPA.

The vision for SEPA<sup>2</sup> was formulated in 2002 at the time of the launch of EPC, when some 42 banks, the three European Credit Sector Associations ('ECSAs') and the Euro Banking Association ('EBA') came together and, after an intensive workshop, released the White Paper (reference [8]) in which the following declaration was made and subsequently incorporated into the EPC Charter:

*'We, the European banks and European Credit Sector Associations:  
share the common vision that Euroland payments are domestic payments,  
join forces to implement this vision for the benefit of European customers, industry and banks  
and accordingly,  
launch our Single Payments Area.'*

### 0.5 Other Related Documents

( AMI)

The Rulebook is primarily focused on stating the business requirements and inter-bank rules for the operation of the Scheme. In addition to the Rulebook there are a number of key documents which support the Scheme operationally:

<sup>2</sup> See reference [20].



### 0.5.1 SEPA Direct Debit Scheme Implementation Guidelines

The complete data requirements for the operation of the Scheme are classifiable according to the following data model layers:

- The business process layer in which the business rules and requirements are defined and the related data elements specified
- The logical data layer which specifies the detailed datasets and attributes and their inter-relationships
- The physical data layer which specifies the representation of data in electronic document formats and messages

This Rulebook focuses on the business process layer and appropriate elements of the logical layer.

The SEPA Core Direct Debit Scheme Implementation Guidelines are available as two complementary documents: the mandatory guidelines regarding the inter-bank messages (SEPA Core Direct Debit Scheme inter-bank Implementation Guidelines) and the recommended guidelines regarding the Customer-to-bank messages (SEPA Core Direct Debit Scheme Customer-to-Bank Implementation Guidelines).

The SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines (reference [9]) which set out the rules for implementing the direct debit ISO 20022 XML Standards; constitute a binding supplement to the Rulebook.

### 0.5.2 EPC e-Operating Model (only for the e-Mandate option)

( AMI)

The e-Operating Model (reference [13]) covers aspects such as guaranteed delivery, non-repudiation of emission/reception, authentication of sender, data integrity, encryption, compression, and will be aligned with the EPC business requirements (Annex VII), rules and best practices.

It focuses on applicational data transport over the Internet between the creditor websites and validation services, through a routing service. Furthermore, in order to assure a secure communication between the Debtor and the Creditor, minimum security requirements are defined for debtor browsers.

### 0.5.3 Adherence Agreement

The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is available in Annex I. The Rulebook and Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the EPC. The rules and procedures for joining the Scheme are set out in the Scheme Management Internal Rules (the "**Internal Rules**"). In addition, a guidance document (Guide to the Adherence Process for the SEPA Direct Debit Schemes [16]) is available.

## 1 VISION & OBJECTIVES

This chapter provides an introduction to the Scheme, setting out the background to the Scheme as well as its aims and objectives.

### 1.1 Vision

The Scheme provides a set of inter-bank rules, practices and standards to be complied with by Participants who adhere to the Scheme. It allows payment service providers in SEPA to offer a SEPA-wide core and basic euro direct debit product to customers. The Scheme also provides a common basis on which Participants are able to offer new and innovative services.

The euro direct debit products based on the Scheme provide customers (e.g., individuals, small and medium-sized enterprises, corporates and government entities) with a straightforward instrument possessing the necessary reliability, predictable execution time and reach.

Direct debits within SEPA will be able to be processed in accordance with the rules and standards of this Scheme.

SEPA Direct Debits are fully automatable and based on the use of open standards and the best practices of straight through processing ('STP') without manual intervention.

### 1.2 Objectives

#### (👁️ e-Mandates) (🔄 AMI)

- To maintain a scheme with no disparities between national and cross-border euro direct debits and with full Reachability throughout SEPA in accordance with the 'SEPA Regulation'.
- To meet the actual and future needs of parties via a simple, well-controlled, fully dematerialised, secure, reliable, transparent and cost-efficient instrument.
- To enable the achievement of best-in-class security, low risk and improved cost efficiency for all participants in the payments process.
- To allow the further development of a healthy and competitive market for payment services.
- To improve the current level of service provided to customers towards the highest existing service level experienced in SEPA today.
- To provide a framework for the removal of local inhibitors and the harmonisation of standards and practices.
- To maintain a core scheme that is flexible enough to be adapted to various kinds of future market requirements and processes.

### 1.3 Binding Nature of the Rulebook

Becoming a Participant in the Scheme involves signing the Adherence Agreement. By signing the Adherence Agreement, Participants agree to respect the rules described in the Rulebook. The Rulebook describes the liabilities and responsibilities of each Participant in the Scheme.

Participants are free to choose between operating processes themselves, or using intermediaries or outsourcing (partially or completely) to third parties. However, outsourcing or the use of intermediaries does not relieve Participants of the responsibilities defined in the Rulebook.

The Rulebook covers in depth the main aspects of the inter-bank relationships linked to the Scheme. For the relationships between a **Participant** and its **customer**, the Rulebook specifies the minimum requirements imposed by the Scheme. For the relationships between a **Creditor** and a **Debtor**, the Rulebook also specifies the minimum requirements of the Scheme.

#### 1.4 Separation of the Scheme from the Infrastructure

It is a key feature of the Scheme that it provides a single set of rules, practices and standards which are then operated by individual Participants and potentially multiple infrastructure providers. Infrastructure providers include CSMs of various types and the technology platforms and networks that support them. Infrastructure is an area where market forces operate based on the decisions of Participants.

The result is that the direct debit instrument based on a single set of rules, practices and standards is operated on a fully consistent basis by CSMs chosen by individual Participants as the most appropriate for their needs.

#### 1.5 Other Features of the Scheme

- Participants which have adhered to the Scheme may participate only through an EEA-licensed branch unless they participate through their SEPA head office (which may be located in a SEPA country or territory outside the EEA).
- The rights and obligations of Participants, and, as appropriate, their customers, will be clear and unambiguous
- Direct debit messages use open, industry-recognised standards
- The Scheme ensures full interoperability between Participants
- The rules ensure that responsibility for risk management will be allocated to where the risk lies and that liability falls where the fault lies
- Individual Participants are free to innovate and satisfy customer needs in a competitive market place, as long as these innovations do not conflict with the Rulebook

#### 1.6 The Business Benefits of the Scheme

##### 1.6.1 Advantages for and Expectations of Creditors

###### (👁️ e-Mandates)

For Creditors, the Scheme identifies all issuers of recurrent and one-off bills as potential customers.

The most important advantages offered by the Scheme to a Creditor are:

- a) A simple and cost-efficient way to collect Funds
- b) The ability to determine the exact date of Collection
- c) The certainty of payment completion within a predetermined time-cycle
- d) The opportunity to optimise cash-flow and treasury management
- e) Straightforward reconciliation of received payments
- f) The ability to automate exception handling such as: Returned, Rejected, or Refunded Collections and Reversals

- g) One payment instrument throughout SEPA for Creditors holding a bank account in SEPA
- h) The opportunity to collect Funds from Debtors through the use of a single payment instrument
- i) The reduction of administrative costs and the enhancement of security due to the optional use of digital signatures for signing Mandates, once electronic signatures become available.

### 1.6.2 Advantages for and Expectations of Debtors

#### (👁️ e-Mandates)

For Debtors, the Scheme caters for both businesses and private individuals as potential users. The most important advantages offered by the Scheme to a Debtor are:

- a) A simple means of paying bills, without the risk of late payment and its consequences
- b) The Debtor is easily reachable for SEPA-wide business offers since the Scheme is a single, trusted payment service for all Creditors in SEPA.
- c) Straightforward reconciliation of debits on account statements
- d) The possibility to sign a Mandate on paper or in a fully-electronic way once electronic signatures become available.
- e) A no-questions-asked, fast and simple Refund procedure available within eight weeks of the debit date.

### 1.6.3 Advantages for and Expectations of Participants

#### (👁️ e-Mandates)

The most important advantages offered by the Scheme to Participants are:

- a) Processes are highly automated and cost-effective, with end-to-end dematerialisation
- b) The processing cycle is clear, transparent and reliable
- c) Enable the proper management of liabilities and risks
- d) Risk mitigation in inter-bank Settlement and at inter-bank level in general
- e) Creditors must show evidence of properly executed Mandates whenever requested
- f) The Scheme enables the achievement of full STP of all transactions, including, with clear reference to the original transaction, Rejects, Returns, Refunds and Reversals
- g) The Scheme is intended to create conditions which will allow each Participant to build products that can generate reasonable economic returns sufficient to ensure the safety, security, and risk integrity of the Scheme.
- h) Ease of implementation
- i) Use of open standards such as ISO BIC and European IBAN as bank and account identifiers
- j) Unambiguous identification of all SEPA Direct Debit Creditors

k) Application of a set of harmonised rules and standards

#### **1.6.4 Advantages for CSMs**

The separation of scheme from infrastructure will permit the operation of the Scheme by multiple CSMs, provided that the rules, practices and standards of the Scheme are fully met; the service providers may add Additional Optional Services (“AOS”) to the benefit of choice and competition (see section 2.4).

### **1.7 Common Legal Framework**

It is a prerequisite for the launch of the Scheme that the Payment Services Directive (or provisions or binding practice substantially equivalent to those set out in Titles III and IV of the Payment Services Directive) is implemented or otherwise in force in the national law of SEPA countries.

This Scheme is a ‘payment scheme’ within the meaning of the SEPA Regulation; it is equally relevant for Participants from countries or territories which are listed in the EPC List of SEPA Scheme Countries (reference [20]).

## 2 SCOPE OF THE SCHEME

### 2.1 Application to SEPA

The Scheme is applicable within SEPA<sup>3</sup>, as defined by the EPC.

### 2.2 Nature of the Scheme

#### (👁️ e-Mandates) (🔄 AMI)

A SEPA Direct Debit is a payment instrument governed by the Rulebook for making Collections in euro throughout SEPA from accounts designated to accept Collections.

Transactions for the Collection of Funds from a Debtor's account with a Debtor Bank are initiated by a Creditor via the Creditor Bank as agreed between Debtor and Creditor. This is based on an authorisation for the Creditor and the Debtor Bank given to the Creditor by the Debtor for the debit of its account: this authorisation is referred to as the 'Mandate'. The Debtor and Creditor must each hold an account with a Participant located within SEPA.

The Collections executed in accordance with the Rulebook are separate transactions from the underlying contract on which they are based. The underlying contract is agreed on between the Debtor and the Creditor. The Creditor Bank and the Debtor Bank are not concerned with or bound by such contract. They are only involved in the agreement with their respective customers on the Terms and Conditions of the delivery of direct debit related services.

The following key elements are included within the scope of the Scheme: A set of inter-bank rules, practices and standards for the execution of direct debit payments in euro within SEPA by Scheme Participants.

The objective is to provide full electronic end-to-end STP processing of transactions. This will also apply to the various processes for exception handling like Rejects, Returns, Reversals, Refunds, Refusals and Revocations. Only electronic handling of Mandate information is permitted between Participants. Between Debtor and Creditor, a Mandate can be exchanged in either paper or electronic form.

The Scheme leaves room for competition between Participants. It will allow Participants and groups of Participants to develop their own products and offer AOS (see section 2.4) based on the Scheme to their customers to meet particular objectives.

The Scheme gives full discretion to Debtors to accept or refuse a Mandate.

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<sup>3</sup> See reference [20]

### 2.3 Recurrent and One-off Direct Debits

The Scheme caters for both recurrent and one-off Collections. Recurrent direct debits are those where the authorisation by the Debtor is used for regular direct debits initiated by the Creditor. One-off direct debits are those where the authorisation is given once by the Debtor to collect only one single direct debit, an authorisation which cannot be used for any subsequent transaction.

There is no difference in the legal nature of these two types.

### 2.4 Additional Optional Services

The Scheme recognises that individual Participants and communities of Participants can provide complementary services based on the Scheme so as to meet further specific customer expectations. These are described as Additional Optional Services (“AOS”).

The following two types of AOS are identified:

- Additional Optional Services provided by Participants to their customers as value-added services which are nevertheless based on the core payment schemes. These AOS are purely a matter for Participants and their customers in the competitive space.
- Additional Optional Services provided by local, national and pan-European communities of Participants, such as the use of additional data elements in the ISO 20022 XML Standards. Any community usage rules for the use of the SEPA core mandatory subset of the ISO 20022 XML Standards should also be mentioned in this context, although they are not *per se* AOS. Other AOS may be defined, for example relating to community-provided delivery channels for customers.

Participants may only offer AOS in accordance with the following principles:

- All AOS must not compromise interoperability of the Scheme nor create barriers to competition. The Scheme Management Committee (“SMC”) should deal with any complaints or issues concerning these requirements brought to its attention in relation to compliance with the Rulebooks as part of its normal procedures, as set out in the Internal Rules.
- AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the EPC may incorporate commonly used AOS features into the Scheme through the change management processes set out in the Internal Rules.
- There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 XML Standards (including any community usage rules for the SEPA core mandatory subset) should be disclosed on a publicly available website (in both local language(s) and English).

These AOS are not further described in the Rulebook as they are generally to be considered as competitive offerings provided by both individual Participants and communities of Participants and are out of scope.

### 2.5 Currency

The Scheme operates in euro.

All transactions will be in euro at the inter-bank level in all process stages, including all exception handling, covering Rejects, Returns, Reversals, Refunds and Revocations.

The accounts of the Debtor and of the Creditor may be in euro or any other currency. Any currency conversion is executed in the Debtor Bank or Creditor Bank. Any such currency conversion, including the related risks for banks, is not governed by the Scheme.

All Returns, Reversals, Refunds and Revocations must be based on the exact euro amount of the originating direct debit.

## 2.6 Reachability

(👁️ e-Mandates) (🔄 AMI)

Participants commit to receive payments under the Scheme and to process them according to the rules of the Scheme.

Reachability is a major assumption on which the Scheme is based and is therefore a key success factor for the Scheme.

The additional e-Mandate service is an optional service for Participants in the role of both Creditor Bank and Debtor Bank. The fact that a Participant offers e-Mandate services as a Creditor Bank and/or as a Debtor bank does not change the obligation to be reachable as a Debtor bank for Collections initiated under a paper Mandate.

## 2.7 Rules for Managing the Erroneous use of the Core Scheme

In principle, Participants are only bound, either in the role of a Creditor Bank, or of a Debtor Bank, or in both roles, by the Rules of the Scheme(s) to which they adhere.

The Core Scheme and the B2B Scheme are defined as two separate Schemes, each being described in a separate Rulebook. As some Participants will adhere to and operate both Schemes, as the messages used in both Schemes are based on the same standards and contain almost identical attributes, and as both Schemes are supported by very comparable business processes, errors in automated and manual processes might result in undesired and unintended interference between the two Schemes.

The general principle is that a Participant adhering to the Core Scheme as a Debtor Bank is allowed to reject or return, under the rules of the Core Scheme, collections that are presented by a Creditor Bank as initiated under the B2B Scheme. To support their clients, Debtor Banks may however wish to check the status of the actual Mandate signed by their Debtors.



### 3 ROLES OF THE SCHEME ACTORS

This chapter describes the roles of the actors in the Scheme.

#### 3.1 The Actors

##### (👁️ e-Mandates)

The execution of a SEPA Direct Debit involves four main actors:

- The **Creditor**: receives and stores the Mandate from the Debtor to initiate Collections. On the basis of this Mandate, the Creditor collects the direct debits.
- The **Creditor Bank**: is the bank where the Creditor's account is held and which has concluded an agreement with the Creditor about the rules and conditions of a product based on the Scheme. On the basis of this agreement it receives and executes instructions from the Creditor to initiate the Direct Debit Transaction by forwarding the Collection instructions to the Debtor Bank in accordance with the Rulebook.
- The **Debtor Bank**: is the bank where the account to be debited is held and which has concluded an agreement with the Debtor about the rules and conditions of a product based on the Scheme. On the basis of this agreement, it executes each Collection of the direct debit originated by the Creditor by debiting the Debtor's account, in accordance with the Rulebook.
- **The Debtor**: gives the Mandate to the Creditor to initiate Collections. The Debtor's bank account is debited in accordance with the Collections initiated by the Creditor. By definition, the Debtor is always the holder of the account to be debited.
- Creditor Banks and Debtor Banks are Participants in the Scheme. The operation of the Scheme also involves other parties indirectly:
- **CSMs**: CSMs such as an automated clearing house or other mechanisms such as intra-bank and intra-group arrangements and bilateral or multilateral agreements between Participants. The term "CSM" does not necessarily connote one entity. For example, it is possible that the Clearing function and the Settlement functions will be conducted by separate actors..
- **Intermediary Banks**: Banks offering intermediary services to Debtor Banks and/or Creditor Banks, for example in cases where they are not themselves direct participants in a CSM.

## 3.2 Four Corner Model

### (👁️ e-Mandates)

The following diagram gives an overview of the contractual relationships and interaction between the main actors.

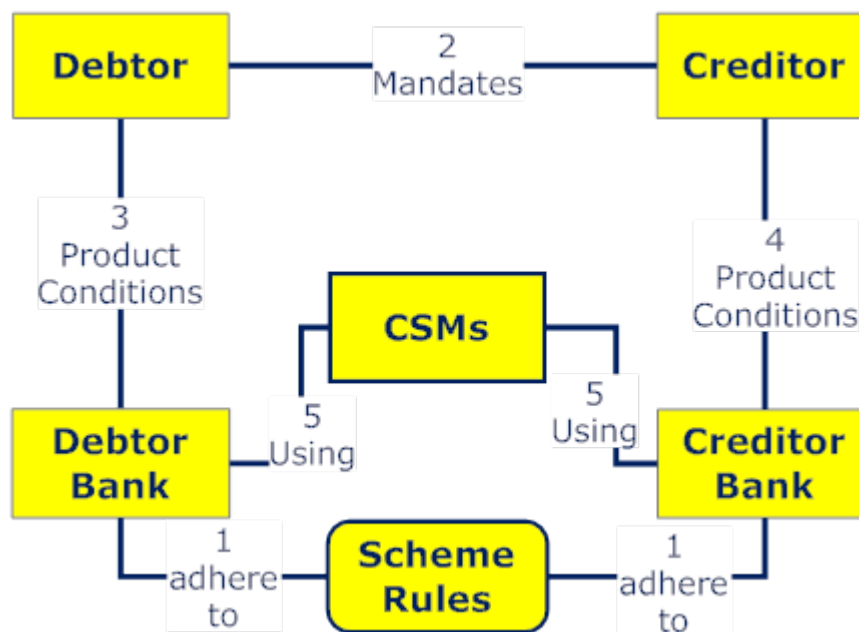


Figure 1: 4-Corner Model - Contractual

The actors are bound together by a number of relationships, identified on the diagram by numbers:

1. The contractual relationships underlying the Scheme to which all Participants are bound through the Adherence Agreement.
2. Between the Creditor and the Debtor, regarding the requirement to make a payment. This will result in a Mandate, agreed between Creditor and Debtor, and signed by the Debtor. Whilst the data elements required for the Mandate are specified by the Scheme, the underlying relationship is outside the Scheme.
3. Between the Debtor Bank and the Debtor concerning the direct debit service to be provided and related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Direct Debit as required by the Scheme.
4. Between the Creditor Bank and the Creditor concerning the direct debit service to be provided and the related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Direct Debit as required by the Scheme.
5. Between the Creditor Bank and the Debtor Bank and the selected CSM concerning the Terms and Conditions of the services delivered. Provisions for these relationships are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Direct Debit.

6. As applicable, between the Creditor Bank and/or the Debtor Bank and any Intermediary Bank. Provisions for these relationships are not governed by the Scheme. This relationship is not illustrated above.

### **3.3 Clearing and Settlement Mechanisms**

CSMs are responsible to the Creditor Banks and Debtor Banks that use their services. As a matter of normal practice, these mechanisms:

- Receive direct debit transactions for Clearing from the Creditor Bank who participates in the relevant CSM
- Clear and forward them to the Debtor Bank who participates in the relevant CSM, ensuring that all data intended by the Creditor and the Creditor Bank to reach the Debtor Bank and the Debtor is forwarded in full and without alteration
- Handle exceptions such as Rejects, Returns and Refunds
- Make arrangements such that Settlement can be achieved between the Creditor Bank and Debtor Bank
- Provide any required risk management procedures and other related services

### **3.4 Intermediary Banks**

If any actor uses the services of an Intermediary Bank to perform any function in relation to a direct debit, this should:

- Be transparent to the Scheme and in no way affect or modify the obligations of the Participants
- Be the subject of a separate bilateral agreement between the intermediary and its customer (i.e. the Creditor Banks or Debtor Banks)

### **3.5 Governing laws**

The governing laws of the agreements in the four-corner model are as follows:

- The Rulebook is governed by Belgian law
- The Adherence Agreements are governed by Belgian law
- The Mandate must be governed by the law of a SEPA country

### **3.6 Relationship with customers**

In accordance with Chapter 5, Participants must ensure that the Terms and Conditions are effective so as to enable Participants to comply with their obligations under the Scheme.

## 4 BUSINESS AND OPERATIONAL RULES

This chapter describes the business and operational rules of the Scheme which must be observed by Participants and by other actors as necessary such that the Scheme can function properly. It also describes the datasets used in the Scheme, and the specific data attributes within these datasets.

It is recognised that actors will also be required to establish complementary operational rules and data requirements in relation to the roles they perform and these will be defined separately by those actors.

Datasets and attributes will be represented and transmitted using generally accepted, open, interoperable standards wherever possible (see section 0.5).

### 4.1 The Mandate

(👁️ e-Mandates) (🔄 AMI)

The following diagram gives a schematic overview of the main actors and their interaction in the issuing of the Mandate.

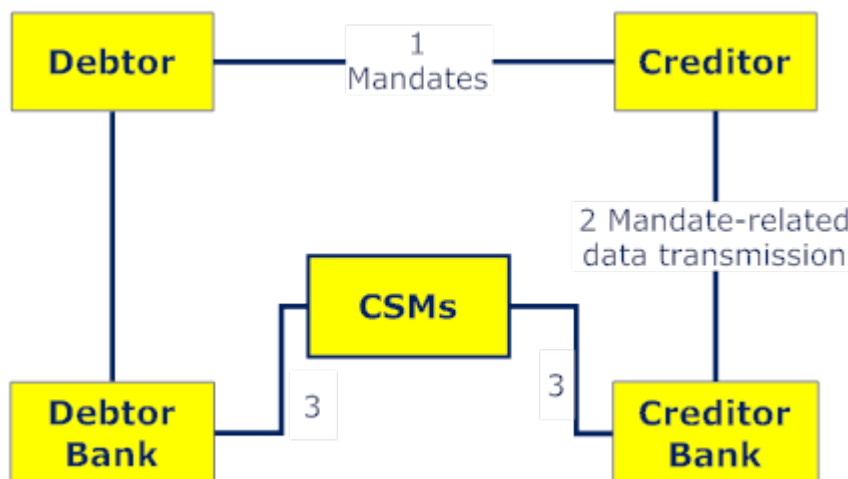


Figure 2: 4-Corner Model - Mandate

The Mandate (1) is the expression of consent and authorisation given by the Debtor to the Creditor to allow such Creditor to initiate Collections for debiting the specified Debtor's account and to allow the Debtor Bank to comply with such instructions in accordance with the Rulebook.

The Debtor completes the Mandate and sends it to the Creditor. A Mandate may exist as a paper document which is physically signed by the Debtor. The paper mandate can be stored either as the original document or in any digitalised format subject to the national legal requirements. Alternatively, the Mandate may be an electronic document which is signed using a legally binding method of signature.

The Mandate, whether it be in paper or electronic form, must contain the necessary legal text, and the names of the parties signing it. The requirements for the contents of the Mandate are set out in Section 4.7.2 of the Rulebook.

The Mandate must always be signed by the Debtor as account holder or by a person in possession of a form of authorisation (such as a power of attorney) from the Debtor to sign the Mandate on his behalf. The Creditor may offer the Debtor an automated means of completing the Mandate, including the use of an electronic signature. After signing, the Debtor must send the Mandate to the Creditor.

The signed Mandate, whether it be paper-based or electronic, must be stored by the Creditor for as long as the Mandate exists. The Mandate, together with any related amendments or information concerning its cancellation or lapse, must be stored intact by the Creditor according to national legal requirements and its Terms and Conditions with the Creditor Bank. After cancellation, the Mandate must be stored by the Creditor according to the applicable national legal requirements, its Terms and Conditions with the Creditor Bank and as a minimum, for as long as may be required under section 4.6.4 of the Rulebook for a Debtor to obtain a Refund for an Unauthorised Transaction under the Scheme.

When paper-based, the data elements of the signed Mandate must be dematerialised by the Creditor without altering the content of the paper Mandate; when electronic, the data elements must be extracted from the electronic document without altering the content of the electronic Mandates.

The Mandate-related data must be transmitted to the Creditor Bank (2), along with each Collection of a recurrent SEPA Direct Debit or with the one-off Collection. The dematerialised Mandate-related information must be transmitted (3) by the Creditor Bank to the Debtor Bank as part of the Collection in one single flow, using the selected CSM. The Debtor Bank may choose to offer AOS to the Debtor based on the Mandate content. The Creditor Bank may also choose to offer AOS to the Creditor based on the Mandate content.

## 4.2 Collections

### (👁️ e-Mandates)

The following diagram gives a schematic overview of the main actors and their interaction in the process for handling Collections.

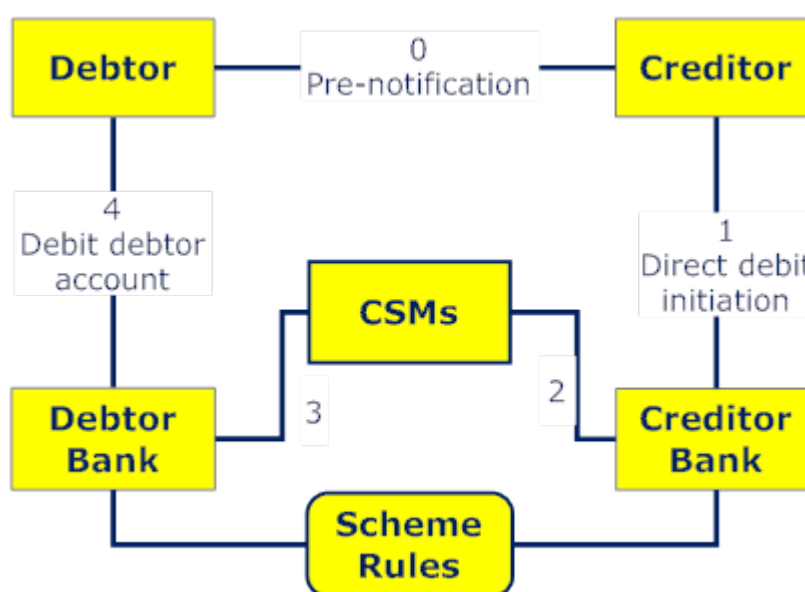


Figure 3: 4-Corner Model – Collections

The Creditor must send a Pre-notification (0) to the Debtor according to the time frame defined in Section 4.3.

After receiving the signed Mandate, the Creditor may initiate Collections (1).

The Creditor must conform to the stipulated period for the submission of Collections in advance of the Settlement Date. The period between Due Date and the day on which the Debtor Bank must receive the Collection has to be at least 1 Inter-Bank Business Day (D-1) irrespective of whether the Collection is presented as an one-off or a recurrent Collection. Further information about the time cycle of the processing flow is specified in Section 4.3.

The Creditor Bank will send Collections to the Debtor Bank through a selected CSM (2).

The relevant CSM will process the transaction, send the necessary Collections in accordance with the Settlement Cycle (3), and make the necessary arrangements for Settlement.

The Debtor Bank must debit the Debtor's account if the account status allows this. It may also choose to offer AOS (4) to its Debtors, but it is not obliged to do so by the Scheme.

The Debtor has the right to instruct the Debtor Bank to completely prohibit his bank account to be debited for any Collection or to ask for certain limitations as defined in Article 5 of the SEPA Regulation. The Debtor Bank must offer these services to its customers.

The Debtor Bank may reject a Collection prior to Settlement, either for technical reasons or because the Debtor Bank is unable to accept the Collection for other reasons, e.g. account closed, Customer deceased, account does not accept direct debit, or for reasons pursuant to Article 78 of the Payment Services Directive, or because the Debtor wishes to refuse the debit.

The Debtor Bank may return a Collection after Settlement up to five Inter-Bank Business Days after the Settlement Date, either for technical reasons or because the Debtor Bank is unable to accept the Collection for other reasons, e.g. account closed, Customer deceased, account does not accept direct debit, or for reasons pursuant to Article 78 of the Payment Services Directive, or because the Debtor wishes to refuse the debit. The Scheme rules provide a contractual entitlement for the Debtor Bank to recover the amount of this Return from the Creditor Bank. The Creditor Bank is entitled to recover the amount of this Return from the Creditor in accordance with its Terms and Conditions with the Creditor.

Accordingly, the point in time of receipt in relation to a Collection coincides with the Due Date, taking into account section 4.3.2 of the Rulebook, and as permitted by and pursuant to Article 64 of the Payment Services Directive.

The Debtor is entitled to obtain a Refund by request to the Debtor Bank in accordance with sections 4.3 and 4.4 of the Rulebook. Where a Debtor is entitled to a Refund under the Rulebook, the Debtor Bank must refund the Debtor. The Scheme rules provide a contractual entitlement for the Debtor Bank to recover the amount of this Refund from the Creditor Bank. The Creditor Bank is entitled to recover the amount of this Refund from the Creditor in accordance with its Terms and Conditions with the Creditor. This Refund does not relieve the Debtor of its responsibility to resolve any issues in respect of the disputed Collection with the Creditor, nor does the payment of a Refund by the Debtor Bank prejudice the outcome of such a dispute. Issues in respect of any disputes or discussions between a Debtor and a Creditor in relation to a Collection are outside the scope of the Scheme.

For a recurrent direct debit, and in line with the Mandate, the Creditor may generate subsequent Collections. In turn, these will be submitted by the Creditor Bank to the CSM, which will then submit them to the Debtor Bank for debiting of the account of the Debtor.

If a Creditor does not present a Collection under a Mandate for a period of 36 months (starting from the date of the latest Collection presented, even if rejected, returned or refunded), the Creditor must cancel the Mandate and is no longer allowed to initiate Collections based on this cancelled Mandate. If there is a further requirement for a direct debit, a new Mandate must be established. The Rulebook does not oblige the Debtor Bank or the Creditor Bank to check the correct application of this rule; it is only an obligation for the Creditor.

## 4.3 Time Cycle of the Processing Flow

### (👁 e-Mandates)

The processing flow of a Collection is described as follows:

- Key dates for normal flow
- Key dates for exceptions
- Cut-off Times
- Time Cycle

An Inter-Bank Business Day is a day on which banks generally are open for inter-bank business. The TARGET Days Calendar is used to identify Inter-Bank Business Days. TARGET is the Trans-European Automated Real-time Gross Settlement Express Transfer System. To avoid frequent changes to TARGET closing days and thus the introduction of uncertainties into financial markets, a long-term calendar for TARGET closing days has been established and applied since 2002. It is published by the European Central Bank.

A Banking Business Day means, in relation to a Participant, a day on which that Participant is open for business, as required for the execution of a SEPA Direct Debit. A Calendar Day is any day of the year.

#### 4.3.1 Standard Relation between Key dates

The day on which Settlement takes place is called the **Settlement Date**.

The day on which the Debtor's account is debited is called the **debit date**.

The **Due Date (day 'D')** of the Collection is the day when the payment of the Debtor is due to the Creditor. It must be agreed on in the underlying contract or in the general conditions agreed between the Debtor and the Creditor.

The general rule is that the key dates:

**Due Date, Settlement Date, and debit date are the same date.**

The general rule is achieved when the following assumptions are true:

- The Collection contains a Due Date in accordance with the Scheme rules
- The Debtor Bank and the Creditor Bank are able to settle on Due Date
- The CSM is open for Settlement on Due Date
- The Debtor Bank is willing to debit the Debtor's account by the amount of the Collection on Due Date

#### 4.3.2 Non-Standard Relation between Key Dates

There are several conditions under which the standard relation between key dates cannot be respected, as follows:

- If for any reason, the Collection is delayed and has a Due Date that does not allow the Collection to be received by the Debtor Bank according to the rule described in Section 4.3.4, then this Due Date must be replaced by the earliest possible new Due Date by the Creditor or the Creditor Bank as agreed between them. At inter-bank level, a given Due Date may never be changed.



- If the Due Date falls on a day which is not an Inter-Bank Business Day, then the Settlement Date will be the next Inter-Bank Business Day.
- If the Settlement Date falls on a day which is not a Banking Business Day for the Debtor Bank, then the debit date will be the next Banking Business Day.
- If the Debtor Bank cannot debit the Debtor's account on the Due Date (for example, insufficient Funds available or the need to carry out additional checks, as agreed with the customer) the debit can be executed later. The Debtor Bank must always carry out the Return in time, in order to respect that the Returns can be settled on D+5 Inter-Bank Business Days at the latest.

#### 4.3.3 Cut-off Times


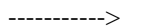
( AMI)

The Scheme only covers the time cycle expressed in days. Cut-off Times at specific times of the day must be agreed upon between the CSM and the Participants, as well as between the Creditor Banks and Debtor Banks and Creditors and Debtors.

#### 4.3.4 Time Cycle

The diagram on the following page portrays the transaction as a set of steps in the order in which they occur, except for the detailed description of the Refund for an Unauthorised Transaction. It only shows the steps needed for the understanding of the time cycle.

In the diagram, the following abbreviations are used:

| Legend:   |   |
|---|---|
|  | Black – data flows                                |
|  | Red and/or broken line – financial flows          |
| <b>CB</b>   | Creditor Bank                                     |
| <b>DB</b>   | Debtor Bank                                       |
| <b>CSM</b>  | Clearing and Settlement Mechanism                 |
| <b>*TD</b>  | Counted in Inter-Bank Business Days (TARGET Days) |
| <b>**CD</b>   | Counted in Calendar Days                          |
| <b>***BD</b>  | Counted in Banking Business Days                  |

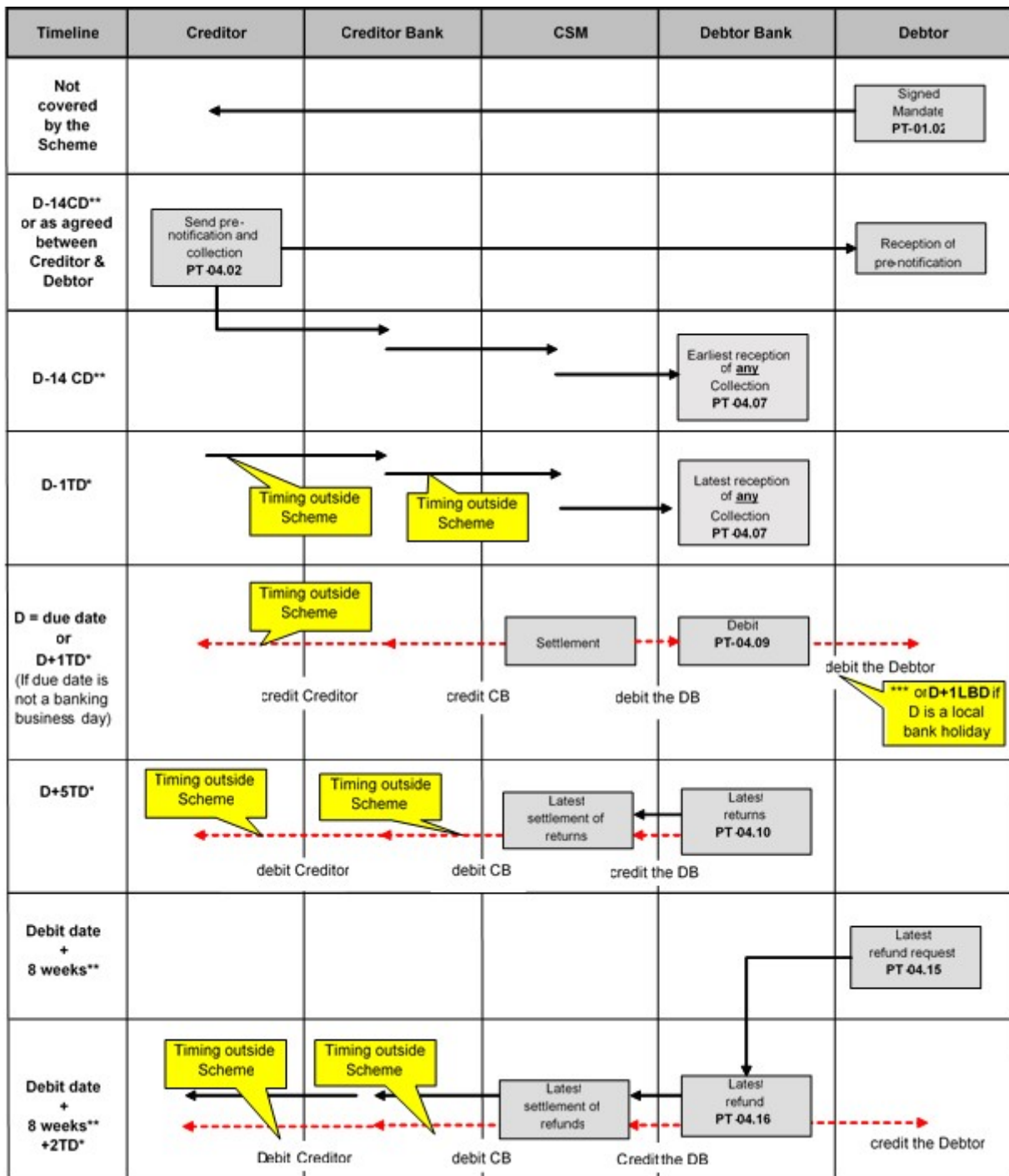


Figure 4: Processing Flow Time Cycles

The direct debit processes respect the following time-cycle rules:

- The Pre-notification must be sent by the Creditor at the latest 14 Calendar Days before the Due Date unless another time-line is agreed between the Debtor and the Creditor.
- The Creditor is allowed to send the Collection to the Creditor Bank after the Pre-notification is sent to the Debtor, but not earlier than 14 Calendar Days before the Due Date, unless otherwise agreed between the Creditor and the Creditor Bank.

- The Creditor Bank must send a Collection to the Debtor Bank so that the Debtor Bank receives the Collection from the Creditor Bank via the CSM at the latest one Inter-Bank Business Day (D-1) before Due Date and not earlier than 14 Calendar Days before the Due Date.
- The latest date for Settlement of the Returns is five Inter-Bank Business Days after the Settlement Date of the Collection presented to the Debtor Bank.
- Debtors are entitled to request a Refund for any SEPA Direct Debit within eight weeks from the date on which the amount of the SEPA Direct Debit was debited from the account of the Debtor. Within this eight-week period, Refunds will be provided to the Debtor by the Debtor Bank on a no-questions-asked basis.
- If the request for a Refund concerns an Unauthorised Transaction (see definition in section 4.4 under **Refunds**), a Debtor must present its claim to the Debtor Bank within 13 months of the debit date in accordance with Article 58 of the Payment Services Directive. Section 4.6.4, PT-04.21 provides guidance for Participants to determine whether a transaction may be considered as being unauthorised.
- The latest day for the Settlement of a Refund for authorised transactions is two Inter-Bank Business Days after the date on which the deadlines specified in paragraph (6) above come to an end. Rules as to any claims between the Creditor and the Creditor Bank in respect of the Refund payments under the Rulebook are outside the scope of the Scheme.
- The latest day for the Settlement of a Refund for Unauthorised transaction is at the latest 30 calendar days + four Inter-bank Business Days after the date on which the deadlines specified in paragraph (7) above come to an end. Rules as to any claims between the Creditor and the Creditor Bank in respect of the Refund payments under the Rulebook are outside the scope of the Scheme.
- The Creditor Bank must ensure that Returns or Refunds that are presented for Settlement later than the latest day allowed by these rules are not processed by the Creditor Bank or by the CSM mandated to act as such and that the Debtor Bank is informed of this.
- Reversals may only be processed from Settlement date and within the five Inter-Bank Business Days following the Due Date requested in the original Collection. Later presentations must not be processed by the Creditor Bank or CSMs mandated to act as such and the Debtor Bank must be so informed.

The timing for crediting the Creditor for the Collections is outside of the scope of the Scheme.

Once a Debtor Bank has determined that a transaction is unauthorised in accordance with Article 58 and 59 of the Payment Services Directive, a Debtor Bank is obliged to immediately refund the Debtor with the amount of the SEPA Direct Debit pursuant to Articles 59 and 60 of the Payment Services Directive.

#### 4.3.5 Charging Principles

(↔ AMI)

Charges to Customers will be based on the shared principle such that the Creditor and Debtor are charged separately and individually by the Creditor Bank and Debtor Bank respectively. The basis and level of charges to Customers are entirely a matter for individual Participants and their Customers.

#### 4.4 Exception Handling

(👁 e-Mandates)

The processing of a Direct Debit Collection is handled according to the time frame described in the Rulebook. If for whatever reason, any party cannot handle the Collection in the normal way, the process of exception handling starts at the point in the process where the problem is detected. Direct Debit Transactions that result in exception processing are referred to as 'R-transactions'. R-transactions presented within the Scheme rules must be processed.

The messages resulting from these situations are handled in a standard manner at both process and dataset level.

**Rejects** are Collections that are diverted from normal execution, prior to inter-bank Settlement, for the following reasons:

- Technical reasons detected by the Creditor Bank, the CSM, or the Debtor Bank, such as invalid format, wrong IBAN check digit
- The Debtor Bank is unable to process the Collection for such reasons as are set out in Article 78 of the Payment Services Directive.
- The Debtor Bank is unable to process the Collection for such reasons as are set out in section 4.2 of the Rulebook (e.g. account closed, Customer deceased, account does not accept direct debits).
- The Debtor made a Refusal request to the Debtor Bank. The Debtor Bank will generate a Reject of the Collection being refused.

**Refusals** are claims initiated by the Debtor before Settlement, for any reason, requesting the Debtor Bank not to pay a Collection. This Refusal must be handled by the Debtor Bank in accordance with the conditions agreed with the Debtor. If the Debtor Bank decides to handle the claim prior to inter-bank settlement, which should be preferred, the Refusal results in the Debtor Bank rejecting the associated Collection. (Note: In addition to this ability to refuse individual transactions, the Debtor has the right to instruct the Debtor Bank to prohibit any direct debits from his bank account). When handled after Settlement, this Refusal is processed as a Return.

**Returns** are Collections that are diverted from normal execution after inter-bank Settlement and are initiated by the Debtor Bank.

**Reversals:** When the Creditor concludes that a Collection should not have been processed a Reversal may be used after the Clearing and Settlement by the Creditor to reimburse the Debtor with the full amount of the erroneous Collection. The Rulebook does not oblige Creditor Banks to offer the Reversal facility to the Creditors. For Debtor Banks, it is mandatory to handle Reversals initiated by Creditors or Creditor Banks. Creditors are not obliged to use the Reversal facility but if they do so, a Reversal initiated by the Creditor must (if the Creditor Bank offers a Reversal service) be handled by the Creditor Bank and the Debtor Bank. Reversals may also be initiated by the Creditor Bank for the same reasons. Debtor Banks do not have to carry out any checks on Reversals received.

**Revocations** are requests by the Creditor to recall the instruction for a Collection until a date agreed with the Creditor Bank. This forms part of the bilateral agreement between Creditor and Creditor Bank and is not covered by the Scheme.

**Requests for cancellation** are requests by the Creditor Bank to recall the instruction for a Collection prior to Settlement. This forms part of the bilateral agreement between Creditor Bank and CSM and is not covered by the Scheme.

**Refunds** are claims by the Debtor for reimbursement of a direct debit. A Refund is available for authorised as well as for unauthorised direct debit payments in accordance with the rules and procedures set out in the Rulebook. A request for a Refund must be sent to the Debtor Bank after Settlement and within the period specified in section 4.3.

The Debtor Bank has the right to receive compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank. See PT-04.16 for the detailed description.

Rejects, Returns and Refunds of Collections must be cleared and settled via the CSM used for the Clearing and Settlement of the initial Collection, unless otherwise agreed between Participants. A process for Reject, Return and Refund must be offered by any CSM which is to offer services relating to the Scheme.

## 4.5 Process Descriptions

(↻ AMI)

The naming conventions used in the following sections are described below:

The descriptions are based on the concepts of Process (Section 4.5), Process-step (Section 4.6), Dataset (Section 4.7) and Attribute (Section 4.8):

- A **Process** is defined as the realisation in an end-to-end approach of the major business functions executed by the different parties involved
- A **Process-step** is defined as the realisation of each step of one process executed by the parties involved in that step
- A **Dataset** is defined as a set of attributes required by the Rulebook
- An **Attribute** is defined as specific information to be used in the Rulebook

For facilitating the reading and the use of the Rulebook, structured identification-numbers are used as follows:

**Processes:** PR-xx, where xx represents the unique sequence number

**Process-steps:** PT-xx.yy, where yy is the unique sequence number of the Process-step inside Process xx

**Datasets:** DS-xx, where xx represent the unique sequence number

**Attributes:** AT-xx, where xx represents the unique sequence number

The values used above are only intended as an identifier. In any series of sequence numbers some values might not be present, as during the development of the Rulebook, some items were deleted and the remaining items were not renumbered.

The various processes and their steps are described with the aid of diagrams.

The following processes constitute the Scheme:

**(👁 e-Mandates)**

- |              |   |
|--------------|---|
| <b>PR-01</b> | Issuing the Mandate   |
| <b>PR-02</b> | Amendment of the Mandate  |
| <b>PR-03</b> | Cancellation of the Mandate   |
| <b>PR-04</b> | Collection of the Direct Debit Collection (covering both correct transactions and R-transactions arising from the processing of a Collection) |
| <b>PR-05</b> | Reversal of a Collection  |
| <b>PR-06</b> | Obtain a copy of a Mandate  |

#### 4.5.1 Issuing the Mandate (PR-01)

**PT-01.01/02** The process for issuing and signing a Mandate is handled between the Creditor and the Debtor. It can be executed in a paper-based process (PT-01.01) or, by an electronic process (PT-01.02).

**PT-01.03** After acceptance by the Creditor, the Creditor must dematerialise the Mandate-related information, archive the document according to legal regulations for a period of time which is as a minimum as long as the Refund period defined for an Unauthorised Transaction and send the information on the Mandate to the Creditor Bank, as part of each Collection, as described in PT-04.03 (see section 4.5.4).

**PT-01.06** After PT-04.07, the Debtor Bank (optionally) may use this information for AOS for the Debtor (see section 4.5.4).

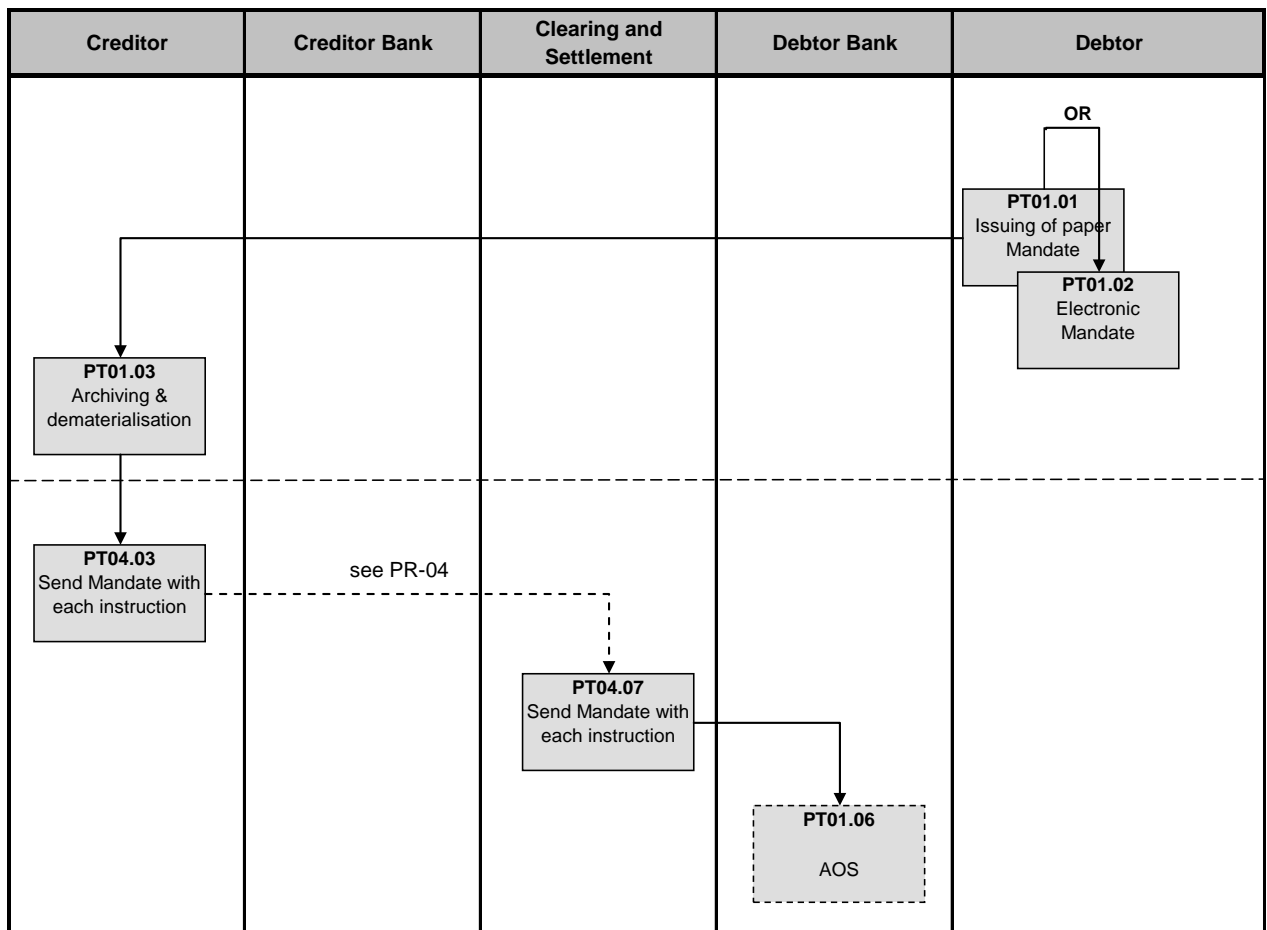


Figure 5: PR01 - Issuing the Mandate

#### 4.5.2 Amendment of the Mandate (PR-02)

(👁️ e-Mandates)

**PT-02.01** The amendment of the Mandate is handled between the Creditor and the Debtor. AT-24 (in Section 4.8) contains the list of circumstances for amendment of a Mandate.

**PT-02.02** After acceptance by the Creditor, the Creditor must dematerialise the amended Mandate, archive the document, and send the information on the Mandate to the Creditor Bank as part of the next Collection, as described in PT-04.03.

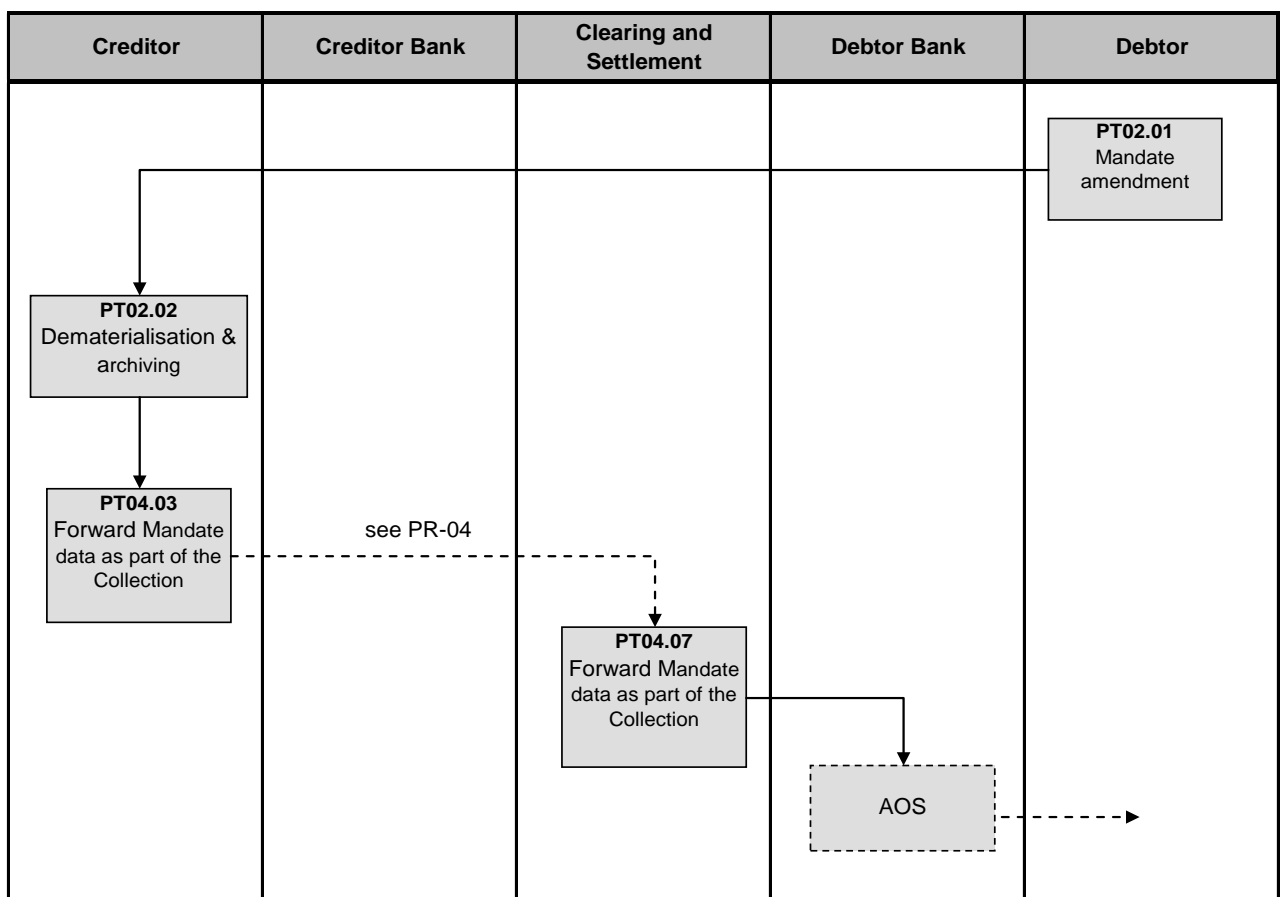


Figure 6: PR02 - Amendment of the Mandate



### 4.5.3 Cancellation of the Mandate (PR-03)

(👁️ e-Mandates)

- PT-03.01** The cancellation of the Mandate is carried out between the Creditor and the Debtor without the involvement of either of their banks.
- PT-03.02** The archiving of the document confirming the cancellation is done by the Creditor.
- PT-03.03** The cancellation of the Mandate may be forwarded in the last Collection initiated by the Creditor under the Mandate involved in the cancellation, as described in PT-04.03.

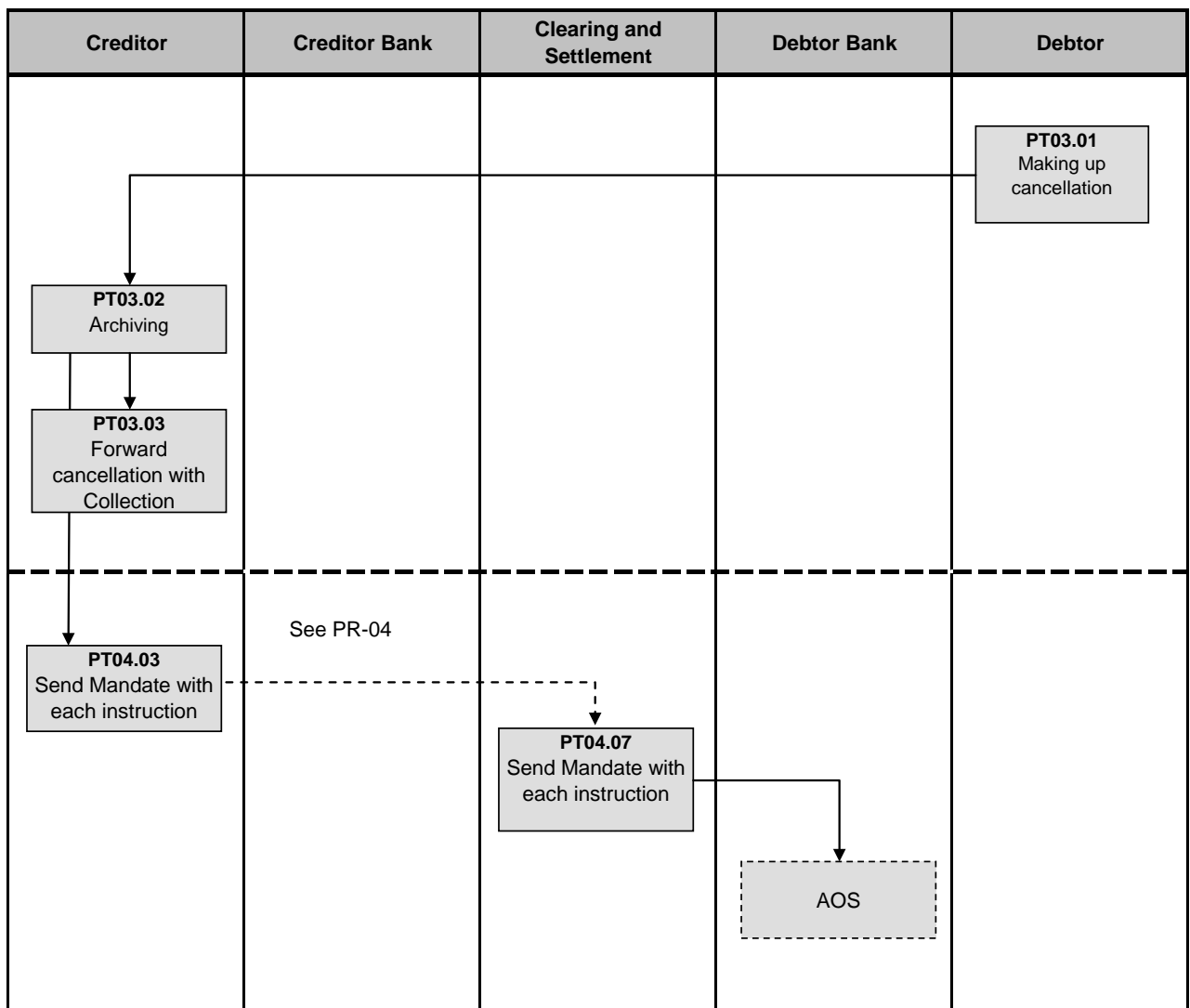


Figure 7: PR03 - Cancellation of the Mandate

#### 4.5.4 Collection of the Direct Debit Transaction (PR-04)

This process covers both correct transactions and R-transactions arising from the processing of a Collection.

- PT-04.01**      The Creditor generates the data for the Collection of the transactions.
- PT-04.02**      The Creditor pre-notifies the Debtor of the amount and date on which the Collection will be presented to the Debtor Bank for debit.
- PT-04.02bis**    The Debtor may instruct a Refusal to the Debtor Bank.
- PT-04.03**      The Creditor sends the Collections, including the Mandate-related information, to the Creditor Bank.
- PT-04.04**      The Creditor Bank Rejects some Collections received from Creditors.
- PT-04.05**      The Creditor Bank sends the Collections to the CSM.
- PT-04.06**      The CSM Rejects some Collections received from the Creditor Bank
- PT-04.07**      The CSM sends the Collections to the Debtor Bank in accordance with the Settlement Cycle.
- PT-04.08**      The Debtor Bank Rejects some Collections before Settlement.
- PT-04.09**      The Debtor Bank debits the Debtor's account with the amount of the transaction.
- PT-04.10**      The Debtor Bank sends the returned Collection back to the CSM after Settlement.
- PT-04.11**      The CSM sends the returned Collection back to the Creditor Bank.
- PT-04.12**      The Creditor Bank debits the Creditor with the amount of the returned Collection.
- PT-04.13**      The Creditor must handle the disputed Collection with the Debtor, without involvement of the banks.
- PT-04.15**      If a transaction is disputed, the Debtor may instruct his bank to reimburse the debited amount for a Refund.
- PT-04.16**      The Debtor Bank credits the Debtor's account and sends the Refund messages to the CSM.
- PT-04.17**      The CSM sends the Collection Refunds to the Creditor Bank.
- PT-04.18**      The Creditor Bank debits the Creditor with the amount of the Refunded Collections.

- PT-04.19** The Creditor must handle the disputed Collection directly with the Debtor, without involvement of the banks.
- PT-04.20** The Debtor initiates a request for a Refund (after the eight weeks Refund period) for an Unauthorised Transaction.
- PT-04.21** The Debtor Bank accepts or rejects the Request for Refund - requests Mandate Copy from Creditor Bank.
- PT-04.22** The Creditor Bank forwards the request for Refund to the Creditor.
- PT-04.23** The Creditor investigates the request for Refund and provides a response.
- PT-04.24** The Debtor Bank decides on the claim, sends the Refund of an Unauthorised Transaction to the CSM.
- PT-04.25** The CSM sends the Refund of an Unauthorised Transaction to the Creditor Bank.
- PT-04.26** The Creditor Bank debits the Creditor with the amount of the refunded Unauthorised Transaction.
- PT-04.27** The Creditor handles the dispute of a Refund for an Unauthorised Transaction (out of scope of the Scheme).

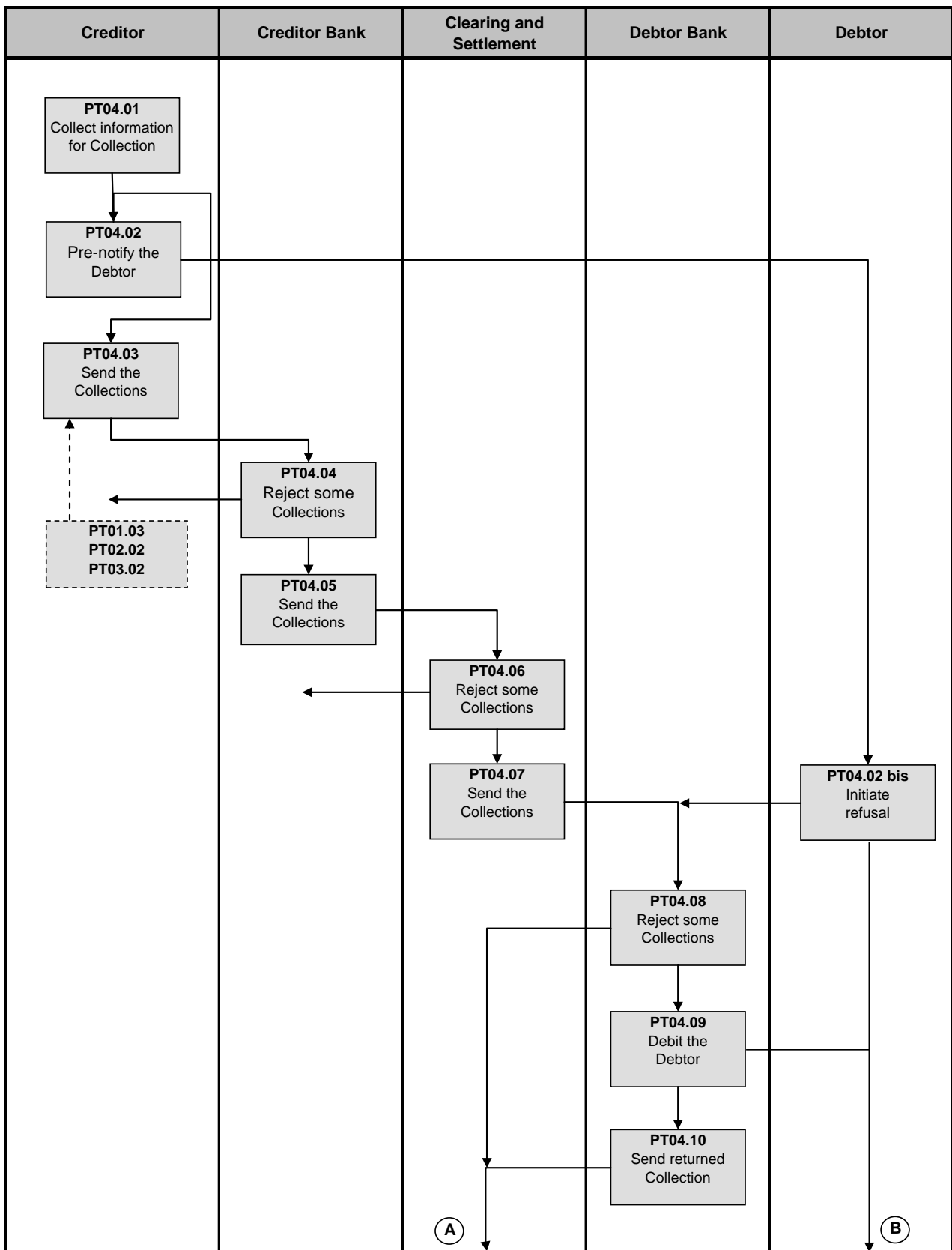


Figure 8: PR04 - Collection of Direct Debit (1)

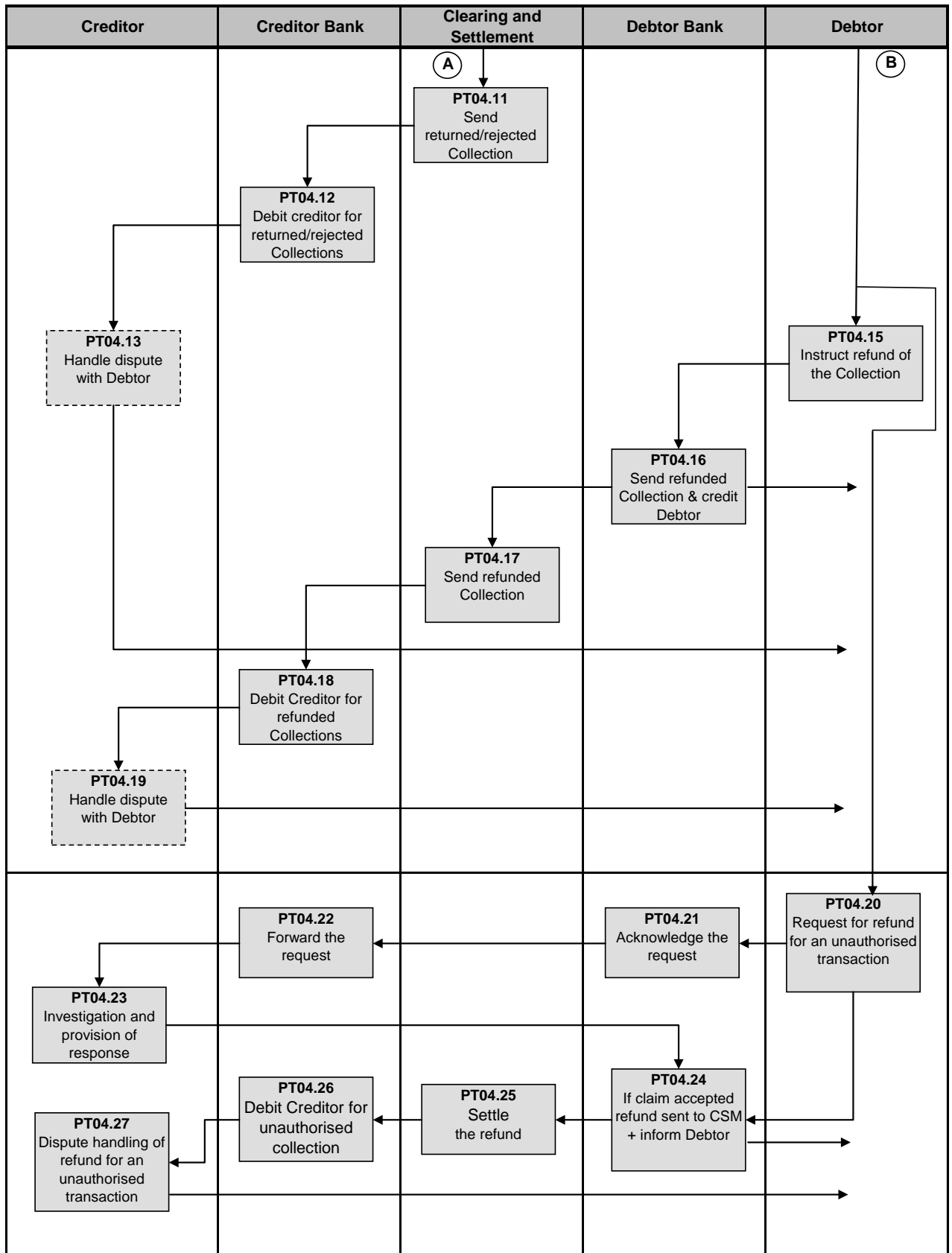


Figure 9: PR04 - Collection of Direct Debit (2)

#### 4.5.5 Reversal of a Direct Debit Transaction (PR-05)

- PT-05.01** The Creditor initiates Reversals of settled Collections.
- PT-05.02** The Creditor Bank submits Reversals to the CSM for transactions that were collected by the Creditor by mistake.
- PT-05.03** The CSM forwards Reversals of settled Collections to the Debtor Bank.
- PT-05.04** The Debtor Bank credits the Debtor with the amount of the Reversal of a settled Collection, without any obligation to check if the original Collection has been debited from the Debtor's account or has been rejected, returned or refunded.

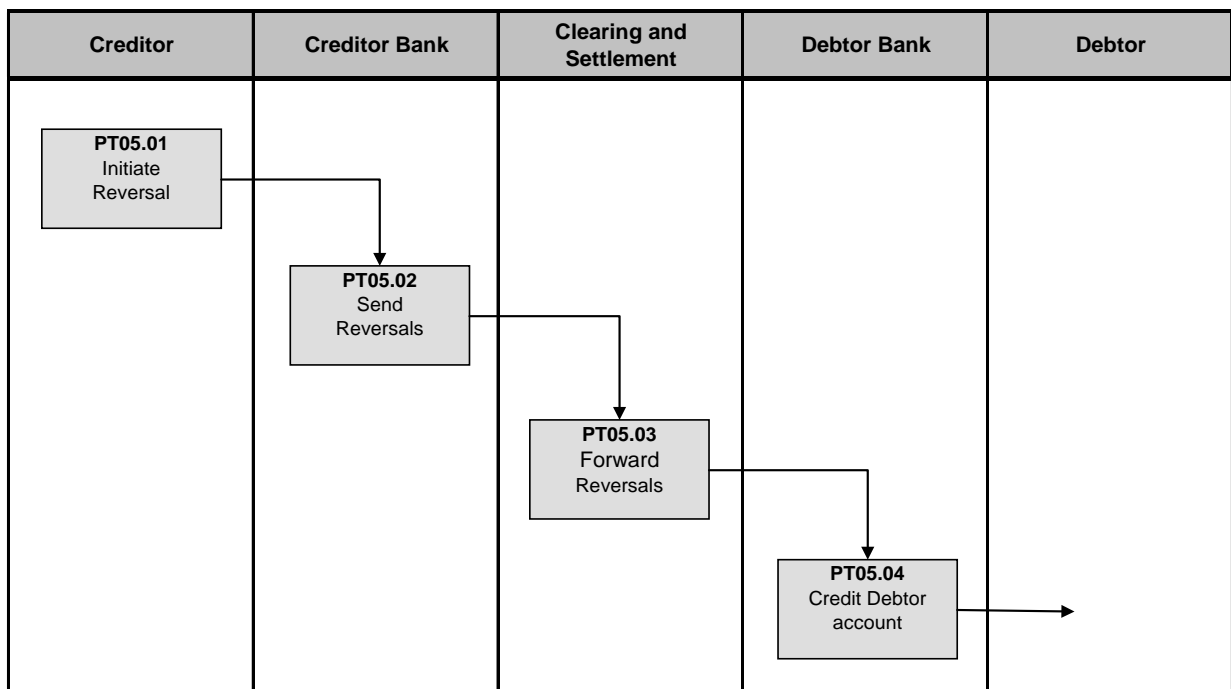


Figure 10: PR05 - Reversal of a Transaction

#### 4.5.6 Obtain a copy of a Mandate (PR-06)

- PT-06.01** Debtor Bank sends a request to the Creditor Bank for obtaining a copy of a Mandate.
- PT-06.02** Creditor Bank forwards the request to the Creditor.
- PT-06.03** Creditor sends the copy of the Mandate requested to the Creditor Bank.
- PT-06.04** Creditor Bank sends the copy of the Mandate requested to the Debtor Bank.

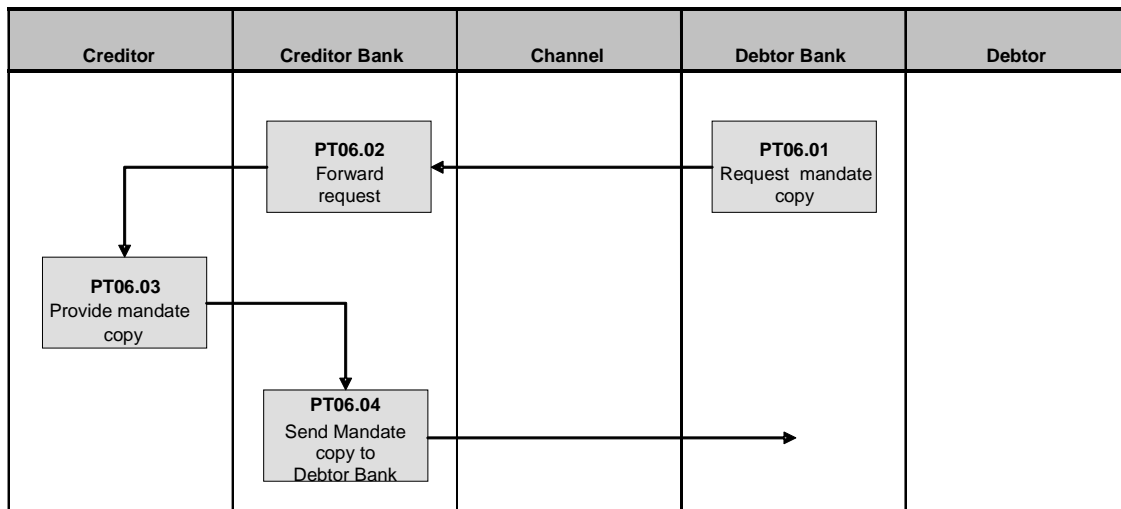


Figure 11: PR06 – Obtain a Copy of a Mandate

## 4.6 Description of the Process Steps

### 4.6.1 Issuing of the Mandate (PR-01)

#### PT-01.01 – The Issuing/Signing of a Paper Mandate

|                          |   |
|--------------------------|---|
| <b>Description</b>       | <p>The initiative to issue a Mandate may be taken by either the Creditor or the Debtor.</p> <p>The Creditor must ensure that the Mandate document contains the mandatory legal wording and the mandatory set of information as specified in dataset DS-01: The Mandate.</p> <p>The Mandate document is standardised in content but not in layout.</p> <p>The Debtor must ensure that the mandatory set of information is filled in on the Mandate document. If the Unique Mandate Reference is not available at the point in time of signing of the Mandate, the Unique Mandate Reference must be provided by the Creditor to the Debtor before the first initiation of a Collection.</p> <p>The Debtor must sign the Mandate and give it to the Creditor.</p> <p>The Creditor is bound by his agreement with the Debtor, in the presentation of the instructions for Collection.</p> |
| <b>Starting day/time</b> | After Creditor registration and before the first initiation of a Collection.  |
| <b>Duration</b>          | No limit  |

**Information Output** The signed Mandate on paper

#### PT-01.02 – The Signing of a Mandate Electronically

**Description** Procedures for the electronic signature of Mandate are subject to agreement between Scheme Participants.

#### PT-01.03 – Dematerialisation/Archiving of Mandates

**Description** The Creditor dematerialises the paper Mandate. DS-02 describes the data to be dematerialised. The process of dematerialisation consists of the conversion of the written information on the paper Mandate into electronic data. It is strongly recommended that Creditors use proven techniques for this process, such as the double-keying of important information items, cross-checking between information items, etc.

The paper version must be kept in a safe place during the existence of the Mandate. The paper mandate can be stored either as the original document or in any digitalised format subject to the national legal requirements. After cancellation, the Mandate must be stored by the Creditor according to the national legal requirements and as a minimum as long as the Refund period defined for an Unauthorised Transaction.

The Creditor must send the information on the signed Mandates, after dematerialisation, to the Creditor Bank as part of each transaction based on this Mandate as described in PT04.03.

**Starting day/time** On receipt of the signed Mandate by the Creditor.

**Information Input** The Mandate data.

**Information Output** The dematerialised Mandate dataset (DS-02).

### 4.6.2 Amendment of the Mandate (PR-02)

#### PT-02.01 – Mandate Amendment Handled Between Creditor and Debtor

**Description** The amendment of the Mandate is agreed between the Creditor and the Debtor and may be necessary for various reasons. See the description of AT-24 in Section 4.8 for reasons.

#### PT-02.02 – Mandate Amendment Procedures

**Description** The Creditor must dematerialise the Mandate, archive the document, and send the information on the amended Mandate to the Creditor Bank if the changes in the Mandate are of any concern for the Creditor Bank or for the Debtor Bank, as part of the next Collection. The Creditor or the Debtor can amend the Mandate at any time.

The amendments of the Mandate that are of concern for the Creditor Bank or for the Debtor Bank, are the following :

- The Creditor needs to change the unique Mandate reference of an existing Mandate because of internal organisational changes ( restructuring)
- The Creditor identity has changed due to the merger, acquisition, spin-off or organisational changes



- The Creditor has changed his name
- The Debtor decides to use another account within the same bank or in another bank

The Creditor and the Debtor are responsible and liable for the amendment of the Mandate characteristics for which they are responsible should one or more of these characteristics change during the lifetime of the Mandate.

When the identity of the Creditor has changed because of merger or acquisition, the 'new' Creditor must inform the Debtor of the related mandate amendments by any means (letter, mail ...) to avoid any further dispute by the Debtor on a Collection, not recognizing the Creditor name or identifier on his account statement.

**Information Output** The Mandate amendment data sent by the Creditor as part of the next Collection.

#### 4.6.3 Cancellation of the Mandate (PR-03)

##### PT-03.01 – Mandate Cancellation between Creditor and Debtor

**Description** The cancellation of the Mandate is carried out by the Creditor and the Debtor without the involvement of either of their banks.

##### PT-03.02 – Cancellation /Archiving by Creditor

**Description** The archiving of the cancellation is executed by the Creditor. After the cancellation of the Mandate, the signed paper Mandate must be stored by the Creditor according to the applicable national legal requirements and as a minimum for a period as long as the Refund period defined for an Unauthorised Transaction.

#### 4.6.4 Collection of the Direct Debit Transaction (PR-04)

##### (👁 e-Mandates)

##### PT-04.01 – Generation of Collection Data by Creditor

**Description** The Creditor prepares the Collection of Direct Debit Transactions to be sent to the Creditor Bank. The data to be used in the Collection is described in DS-03.

**Starting day/time** At any date

**Duration** No limits

**Information Output** The instruction for Collection, containing the data of DS-03.

PT-04.02 – Creditor to Debtor Pre-notification

|                         |   |
|-------------------------|---|
| <b>Description</b>      | <p>Prior to the sending of the Collection to the Creditor Bank, the Creditor notifies the Debtor of the amount and due date. This notification may be sent together with or as part of other commercial documents (e.g. an invoice) or separately.</p> <p>The Pre-notification could also include:</p> <ul style="list-style-type: none"> <li>• The schedule of payments for a number of repetitive direct debits for an agreed period of time</li> <li>• An individual advice of a Collection for collection on a specified Due Date</li> </ul> <p>The Creditor and the Debtor may agree on another time-line for the sending of the pre-notification.</p> |
| <b>Duration</b>         | No limit.   |
| <b>Closing day/time</b> | The Pre-notification must be sent by the Creditor at the latest 14 Calendar Days before the Due Date unless another time-line is agreed between the Debtor and the Creditor.  |
| <b>Rules applied:</b>   | See Section 4.3 for the general time cycle of the direct debit process.   |

PT-04.02 bis – Debtor May Instruct Refusal to Debtor Bank

|                          |  |
|--------------------------|--|
| <b>Description</b>       | <p>The Debtor may instruct the Debtor Bank to refuse any future Collection, based on information received through Pre-notification.</p> <p>This Refusal must be handled by the Debtor Bank, but only in accordance with the conditions sent to the Debtor :</p> <ul style="list-style-type: none"> <li>• If the Debtor Bank agrees to handle the claim prior to inter-bank Settlement, the Refusal results in the Debtor Bank rejecting the associated Collection: see PT-04.08.</li> <li>• When handled after inter-bank Settlement, the Refusal is handled as a Return: see PT-04.10.</li> </ul> |
| <b>Starting day/time</b> | After the receipt of the Pre-notification by the Debtor or any other source of information about the Collection to be presented by the Creditor.   |
| <b>Duration</b>          | For the Scheme: allowed up to and including Due Date, but the precise time limit is to be agreed between the Debtor Bank and the Debtor  |

**PT-04.03 – Creditor Sends Collection Data to Creditor Bank, Including the Mandate-Related Information**

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Creditor prepares one or more Collections to send to its bank, according to their bilateral agreement.</p> <p>The Mandate-related information for new Mandates or amended Mandates (if needed, see PR-02) must be sent as part of all the Collections. The cancellation-code, indicating that this is the last Collection (see PR-03) under the Mandate, due to the cancellation of the Mandate, may also be sent as part of the last Collection.</p> <p>The Creditor must transmit the mandatory set of information as described in detail in DS-03.</p> |
| <b>Starting day/time</b>  | <p>14 Calendar Days before Due Date, unless defined in a bilateral agreement between the Creditor Bank and the Creditor, in line with the Scheme time cycle.</p> <p>The Creditor is allowed to send the Collection to the Creditor Bank once the Mandate has been signed and when the Pre-notification has been sent in time (see PT-04.02) to the Debtor.</p> <p>The Creditor Bank must inform the Creditor about the Cut-off Time and time-cycle to be respected for all Collections.</p>  |
| <b>Duration</b>           | 14 Calendar Days unless otherwise agreed between the Creditor Bank and the Creditor.   |
| <b>Closing day/time</b>   | <p>At the latest on D-1 Inter-Bank Business Day for any Collection in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D-1 Inter-Bank Business Day at the latest.</p> <p>In the case of late presentment by the Creditor, the Creditor Bank must replace, subject to an agreement with the Creditor, the outdated Due Date by a new Due Date in order to respect the time-cycle requirement as defined in Section 4.3. If such agreement has not been established the file must be rejected.</p>                 |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-03.  |
| <b>Information Output</b> | The instruction for Collection, containing the data of DS-03.  |

**PT-04.04 Reject of Collections Containing Errors**

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>The Creditor Bank must check the syntax of the instructions on receipt of the File. If the Creditor Bank detects syntax errors in the instructions received, the instructions involved will be sent back to the Creditor for correction. The Creditor can make the necessary corrections and introduce the same instructions in another file.</p> <p>When a rejected Collection is a one-off direct debit, the Collection, when represented after correction, must be presented again as an one-off direct debit.</p> <p>When a rejected Collection is a recurrent direct debit, the Collection, when represented after correction, must be presented again as a recurrent direct debit.</p> |
| <b>Starting day/time</b>  | The day of receipt of the instructions from the Creditor, or in the following days as agreed between the Creditor Bank and the Creditor.  |
| <b>Information Input</b>  | The instruction for Collection containing the data of DS-03.  |
| <b>Information Output</b> | The message for rejection of a Collection containing the data of DS-05.   |

PT-04.05 – Creditor Bank Sends Collections to the CSM

|                           |   |
|---------------------------|---|
| <b>Description</b>        | Based on the Collections received from the Creditor, the Creditor Bank must send the Collections containing the mandatory information to the CSM, as described in DS-04.                                    |
| <b>Starting day/time</b>  | After process step PT04.03.   |
| <b>Duration</b>           | No limit  |
| <b>Closing day/time</b>   | D-1 Inter-Bank Business Day at the latest for any Collection in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D-1 Inter-Bank Business Day at the latest. |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-04.   |
| <b>Information Output</b> | The instruction for Collection, containing the data of DS-04.   |

PT-04.06 – Rejection of Instructions by CSM to Creditor Bank

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>The CSM uses the rule on the unique Scheme format for inter-bank Collections for the control of the instructions received from the Creditor Bank. It will reject instructions containing errors, returning such instructions to the Creditor Bank.</p> <p>When a rejected Collection is a one-off direct debit, the Collection, when represented after correction, must be presented as a one-off direct debit.</p> <p>When a rejected Collection is a recurrent direct debit, the Collection, when represented after correction, must be presented as a recurrent direct debit.</p> |
| <b>Starting Day/time</b>  | Date of the reception of the instructions from the Creditor Bank, or in the following days as agreed in the rules of the CSM.   |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-04.   |
| <b>Information Output</b> | The message for rejection of a Collection, containing the data of DS-05.  |

PT-04.07 – Collection Data is sent from CSM to the Debtor Bank

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The CSM, after having checked and accepted the Files containing the Collections, sends the Collections received from all the Creditor Banks to the Debtor Bank. The Settlement resulting from these Collections is executed on day D by crediting the Creditor Bank and debiting the Debtor Bank.</p> <p>The timing for crediting the Creditor for the Collections is outside of the scope of the Scheme.</p> |
| <b>Starting day/time</b>  | D-14 Calendar Days   |
| <b>Closing day/time</b>   | D-1 Inter-Bank Business Day at the latest for any Collection.  |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-04.  |
| <b>Information Output</b> | The instruction for Collection, containing the data of DS-04.  |

PT-04.08 – Debtor Bank Sends Rejected Collections back to the CSM

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>See attribute AT-R3 for the description of the reasons for Reject and the corresponding values of the reason code.</p> <p>When a rejected Collection is a one-off direct debit, the Collection, if represented by the Creditor after correction, must be presented again as a one-off direct debit.</p> <p>When a rejected Collection is a recurrent direct debit, the Collection, if represented by the Creditor after correction, must be presented again as a recurrent direct debit.</p> |
| <b>Starting day/time</b>  | Day of reception.   |
| <b>Closing day/time</b>   | Before inter-bank Settlement.   |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-04.   |
| <b>Information Output</b> | The message for rejection of a Collection, containing the data of DS-05.  |

PT-04.09 – Debtor Bank Debits the Debtor

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Debtor Bank debits the account of the Debtor for the amount of the instruction on the Due Date specified and makes the information on the direct debit executed available to the Debtor as agreed. |
| <b>Starting day/time</b>  | Day D  |
| <b>Duration</b>           | 5 Inter-Bank Business Days.  |
| <b>Closing day/time</b>   | Day D + 5 Inter-Bank Business Days at the latest, in order to respect the time-cycle, where the Settlement of the Returns must take place at the latest on D+5 Inter-Bank Business Days.               |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-04, according to the description of DS-06.   |
| <b>Information Output</b> | The information to the Debtor.   |

PT-04.10 – Debtor Bank Sends Returned Collection Back to the CSM

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>If for any reason which is likely to be reasonably acceptable to all Participants, the Debtor Bank cannot debit the account, the instruction must be returned to the CSM with the reasons for the Return. See AT-R3 described in section 4.8 for the definition of these reasons.</p> <p>The Debtor Bank sends the returned Collection back to the CSM.</p> <p>The Scheme does not impose any obligations on the Debtor Banks to verify or otherwise check Collections received in respect of a Debtor's account, such as checking for the existence of Mandates for the Creditor who presents the instructions. Debtor Banks may agree such obligations with Debtors outside the scope of the Scheme.</p> <p>Banks may inform their CSM of such an agreement so that in the absence of agreement the transaction can be rejected by the CSM prior to routing it to the Debtor Bank.</p> |
| <b>Starting day/time</b>  | Day D   |
| <b>Duration</b>           | 5 Inter-Bank Business Days  |
| <b>Closing day/time</b>   | Day D + 5 Inter-Bank Business Days at the latest in order to respect the time cycle where the Settlement of the Returns must take place at the latest on D + 5 Inter-Bank Business Days.  |
| <b>Information Input</b>  | The instruction for Collection, containing the data of DS-04.   |
| <b>Information Output</b> | The message for Return of a Collection, containing the data of DS-05.   |

PT-04.11 – CSM Sends Rejected or Returned Collection Back to Creditor Banks

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The CSM sends the rejected or returned Collection back to the Creditor Bank. The Settlement takes place by debiting the Creditor Bank and crediting the Debtor Bank. |
| <b>Information Input</b>  | The message for Reject/Return of a Collection, containing the data of DS-05.   |
| <b>Information Output</b> | The message for Reject/Return of a Collection, containing the data of DS-05.   |

PT-04.12 – Creditor Bank Debits Creditor with Rejected or Returned Collection

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The Creditor Bank must debit the rejected and returned Collections to the Creditor only if the Creditor's account has already been credited. If the account of the Creditor for whatever reason could not be debited, the unpaid Reject/Return becomes a credit risk for the Creditor Bank to be recovered from the Creditor, or the Creditor Bank must take the loss, as the Creditor Bank is not allowed to debit the Debtor Bank for the unpaid Reject/Return. |
| <b>Information Input</b>  | The message for Reject/Return of a Collection, containing the data of DS-05.  |
| <b>Information Output</b> | The information to the Creditor.  |

PT-04.15 – Debtor Requests Refund of Debited Amount

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The Debtor must instruct the Debtor Bank to refund the Collection, without being required to disclose the reason for initiating the Refund claim. The Debtor Bank must credit the Debtor's account for the amount of the Collection. The Debtor Bank is fully authorised by the Scheme to obtain a Refund from the Creditor Bank. This Refund does not relieve the Debtor of its responsibility to seek a resolution with the Creditor, nor does the payment of a Refund prejudice the outcome of the resolution. |
| <b>Starting day/time</b>  | After the Debtor Bank has debited the Debtor's account.   |
| <b>Duration</b>           | Eight weeks   |
| <b>Closing day/time</b>   | Eight weeks after the debit date.   |
| <b>Information Input</b>  | The information to the Debtor.  |
| <b>Information Output</b> | The message for Refund of a Collection, containing the data of DS-05.   |

PT-04.16 – Debtor Bank Sends Collection Refund Instructions to the CSM

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Debtor Bank must credit the Debtor's account with the Original Amount of the initial Collection. The Debtor Bank sends the Collection Refund instruction to the CSM.</p> <p>The Debtor Bank has the right to receive compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank by the crediting of the Debtor's account with value date = Due Date of the initial Collection.</p> <p>This compensation is a variable amount, being the interest calculated for the number of Calendar Days between the Settlement Date of the original Collection (Settlement Date is included in the number of days) and the Settlement Date of the Refund instruction by the CSM after presentation by the Debtor Bank (Settlement day is not included in the number of days). The rate to be applied for each day in a month is the EONIA rate applicable on the first Banking Business Day of that month based on a 360 days year. The EONIA rate is a daily rate published by the ECB every day.</p> <p>The Debtor Bank must recover this compensation from the Creditor Bank by specifying the compensation amount in AT-R6 in the DS-05 for Refund.</p> |
| <b>Starting day/time</b>  | Debit date (see also section 4.3.1 and 4.3.2)  |
| <b>Duration</b>           | Eight weeks + 2 Inter-Bank Business Days   |
| <b>Closing day/time</b>   | Debit date + eight weeks + 2 Inter-Bank Business Days  |
| <b>Information Input</b>  | The message for Refund of a Collection, containing the data of DS-05.  |
| <b>Information Output</b> | The message for Refund of a Collection, containing the data of DS-05.  |

PT-04.17 – CSM Sends Collection Refund Instructions to Creditor Bank

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The CSM sends the Collection Refund instructions to the Creditor Bank. The Settlement is executed by crediting the Debtor Bank and debiting the Creditor Bank for the initial amount of the Collection and for the Refund compensation calculated by the Debtor Bank. |
| <b>Starting day/time</b>  | After PT-04.16  |
| <b>Duration</b>           | Eight weeks   |
| <b>Closing day/time</b>   | Debit date + eight weeks + 2 Inter-Bank Business Days   |
| <b>Information Input</b>  | The message for Refund of a Collection, containing the data of DS-05.   |
| <b>Information Output</b> | The message for Refund of a Collection, containing the data of DS-05.   |



PT-04.18 – Creditor Bank Debits Creditor with Amount of Refunded Collections

|                          |  |
|--------------------------|--|
| <b>Description</b>       | <p>The Creditor Bank must debit the account of the Creditor for the amount of the instructions received for Refund. For the recovery of the Refund compensation, the Creditor Bank must make his own arrangements with the Creditor. The date for this debit is out of scope of the Scheme.</p> <p>This implies that a Creditor may be obliged by the Creditor Bank to maintain his account in the Creditor's Bank after the termination of the relevant business relationship, for a certain period, in order to be able to honour these Refund transactions.</p> <p>If the account of the Creditor for whatever reason could not be debited, the unpaid Refund becomes a credit risk for the Creditor Bank to be recovered from the Creditor, or the Creditor Bank must take the loss, as the Creditor Bank is not allowed to debit the Debtor Bank for the unpaid Refund.</p> |
| <b>Starting day/time</b> | After PT04.17.   |
| <b>Information Input</b> | The message for Refund of a Collection, containing the data of DS-05.  |

PT-04.20 – Debtor Initiates a Request for a Refund for an Unauthorised Transaction (after the eight weeks Refund period)

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>This procedure only applies for unauthorised transactions that are brought to the attention of the Debtor Bank by the Debtor after the deadline for a no-questions-asked Refund has passed.</p> <p>The Debtor is allowed to send a request to the Debtor Bank to Refund a Collection that was not authorised by him. This means that the Debtor considers that the SEPA Direct Debit was unauthorised.</p> <p>The Debtor must submit a claim to the Debtor Bank together with any supporting evidence if available.</p> <p>Instructions for the Debtors should be provided by the Debtor Banks and are out of scope of this document</p> <p>If a claim is made for a Refund of an unauthorised SEPA Direct Debit within eight-weeks of the relevant debit date, Debtor Banks may request a copy of the Mandate pursuant to the procedures set out in PT-06.01.</p> |
| <b>Starting day/time</b>  | After the eight weeks Refund period applicable to any Collection.   |
| <b>Duration</b>           | Not later than 13 months after the debit date of the disputed Collection.   |
| <b>Information Input</b>  | The details of the executed Collection and any supporting evidence for the claim.   |
| <b>Information Output</b> | The claim with the supporting evidence, if provided by the Debtor.  |

PT-04.21 – The Debtor Bank accepts or rejects the Request for Refund - requests Mandate Copy from Creditor Bank. (👁 e-Mandates)

**Description** The Debtor Bank must examine the request received, and must decide to accept or to reject the request. The recommended guidance for determining whether or not to accept a request for a Refund of an unauthorised transaction is described below.

When accepted, the Debtor Bank must forward the claim (without any supporting evidence) to the Creditor Bank, who must forward it to the Creditor.

Four types of request can be distinguished:

1. A copy of the Mandate is requested by the Debtor Bank, the copy must be provided, except in cases where the Creditor accepts the claim without more.
2. A copy of the Mandate is requested by the Debtor Bank, the copy must be provided, even if the Creditor accepts the claim.
3. A copy of the Mandate is not requested by the Debtor Bank as, according to the Debtor, the Mandate has already been cancelled by the Debtor.
4. A copy of the Mandate is not requested by the Debtor Bank as the Mandate should have been cancelled by the Creditor following 36 months of inactivity since the last Collection.

These types of request are identified by a Refund type code which is part of the request data.

The accepted technical channels for sending the request are the following:

1. The suitable SWIFT message as the default option
2. e-mail with formatted template
3. Fax transmission with formatted template
4. Any other means agreed between both parties, the Debtor Bank and the Creditor Bank

The Debtor Bank may always use the SWIFT message, or one of the channels indicated by the Creditor Bank in reference and routing directories provided by CSMs or other providers of such routing information.

**Recommended guidance for determining whether or not to accept a Refund claim for an unauthorised transaction**

1. The Mandate agreed by the Debtor, as amended from time to time (i.e. the signed Mandate together with any other documents related to the amendment of the Mandate) should be compared with the Mandate data supplied by the Creditor as part of the Collection. The Mandate data from the Creditor can be obtained from the Mandate related data part of the Collection message for the Collection disputed in the Refund request, or through a copy of the Mandate, amended from time to time, received from the Creditor. The relevant data are the following:

**Attribute of the Mandate**

The Identification Code of the Scheme

The Unique Mandate Reference

The Identifier of the Creditor

The Name of the Creditor

The Account Number of the Debtor (IBAN)

The Name of the Debtor

BIC Code of the Debtor Bank

The Transaction Type

The Date of Signing of the Mandate

Signature(s)

2. The Mandate should not have been cancelled by the Debtor or by the Creditor at the moment of the debiting for the disputed Collection.
3. When the Mandate has been amended by one of the parties, the amended Mandate attributes should be taken into account.
4. The Mandate should not fall under the rule of the 36 months inactivity period, resulting in an automatic cancellation, to be respected by the Creditor.

**Starting day/time**

After PT-04.20

**Duration**

Maximum 4 Banking Business Days between receiving the request and sending the request to the Creditor Bank.

**Information Input**

The claim with the supporting evidence.

**Information output**

The claim as described in DS-08 when the SWIFT message is used and in DS-09 for the use of e-mail or fax.

|  |
|--|
| PT-04.22 – Creditor Bank Forwards the Request for Refund to the Creditor |
|--|

**Description**

The Creditor Bank receives the request message from the Debtor Bank and forwards it to the Creditor.

**Starting day/time**

After PT-04.21.

**Duration**

Maximum 3 Banking Business Days

**Information Input**

The original request message from the Debtor Bank as described in DS-08 or in DS-09.

**Information Output**

The request message in any format agreed between the Creditor Bank and the Creditor.

PT-04.23 – The Creditor investigates the request for Refund and provides a response to the Creditor Bank.

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>The Creditor must investigate the request, and take one of the following actions:</p> <ol style="list-style-type: none"> <li>1. Accept the Refund claim of the Debtor (for all types of Refund requests). In this case, the Creditor does not have to send a copy of the Mandate for a Refund request of type 1. For type 2 Refund requests, the Creditor must always forward a copy of the Mandate.</li> <li>2. Dispute the claim of the Debtor. In this case, the Creditor must provide a copy of the Mandate (for types 1 and 2 Refund requests).</li> <li>3. Dispute the claim of the Debtor (for the types 3 and 4 of Refund requests). In this case, the Creditor may provide supporting information. <ul style="list-style-type: none"> <li>• The answer must be sent to the Creditor Bank by using a technical channel agreed between the Creditor Bank and the Creditor. The answer must contain sufficient information to allow the Creditor Bank to populate the Inter-Bank message to be forwarded to the Debtor Bank.</li> <li>• The Creditor Bank must forward the answer received from the Creditor to the Debtor Bank, while using the channel indicated by the Debtor Bank in the request message.</li> </ul> </li> </ol> |
| <b>Starting day/time</b>  | On receipt of the Refund request.   |
| <b>Duration</b>           | Maximum 7 Banking Business Days   |
| <b>Information Input</b>  | The Refund request in a technical channel agreed with the Creditor Bank.  |
| <b>Information Output</b> | <p>Either the copy of the requested Mandate,</p> <p>Or the response message answering to the request received, as described in DS-08 (while using the SWIFT message), or in DS-09 (while using email or fax), and any supporting information.</p>   |

PT-04.24 –Debtor Bank decides on the claim, and when accepted, sends the Refund claim for an Unauthorised Transaction to the CSM and informs the Debtor.

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>After receipt of the response from the Creditor Bank, or after 30 Calendar Days at the latest starting from the receipt of the claim by the Debtor Bank from the Debtor, the Debtor Bank must determine the Refund claim. The Debtor Bank may proceed in the following manner:</p> <ol style="list-style-type: none"> <li>1. Debtor Bank may accept the Refund claim when the Creditor accepts the claim (answer type codes 1 and 2 given by the Creditor)</li> <li>2. The Debtor Bank may accept the claim of the Debtor after having compared the claim made by the Debtor with the copy of the Mandate and the supporting information received from the Creditor Bank and the Creditor.</li> <li>3. The Debtor Bank may also reject the claim of the Debtor. This is a decision of the Debtor Bank, which is final for all Participants in the Scheme. The Creditor/Debtor may always use all possible means to reopen the dispute with the Debtor/Creditor, but this is out of scope of the Scheme.</li> <li>4. If the Debtor Bank does not receive an answer from the Creditor Bank within 30 Calendar Days of receiving the Refund request from the Debtor, the Debtor Bank may determine the claim and proceed in a manner that it considers appropriate, taking into account the evidence presented by the Debtor.</li> </ol> <p>Where the Debtor Bank agrees to refund the Debtor, it may claim the amount of the Refund from the Creditor Bank.</p> <p>If the Debtor Bank decides not to accept and not to execute the Refund claim, the Debtor needs to be informed without delay, and relevant supporting evidence received from the Creditor must be supplied to the Debtor.</p> <p>The decision of the Debtor Bank is final for all participants in the Scheme.</p> <p>The Debtor Bank must request the copy of a Mandate as described in PT-04.21 before claiming the amount of the Refund from the Creditor Bank, except in cases where the Mandate has been cancelled by the Debtor or is no longer valid due to a period of 36 months inactivity since the latest Collection presented.</p> <p>In case of execution of the Refund claim, the same Refund compensation as described in PT-04.16 may be recovered from the Creditor Bank by using the same rule.</p> <p>Participants are also referred to Annex VI of this Rulebook: Instructions for the Refund Procedure for Unauthorised Transactions.</p> |
| <b>Starting day/time</b>  | After the receipt of the response to the request from the Creditor Bank, or at the latest after 30 Calendar Days starting from the receipt of the request of the Debtor (PT-04.20).  |
| <b>Duration</b>           | Maximum 4 Inter-bank Business Days after PT-04.23.   |
| <b>Information Input</b>  | The initial claim, the response with the copy of the signed Mandate or other supporting information received from the Creditor.  |
| <b>Information Output</b> | <p>The message for Refund of an unauthorised Collection, containing the data of DS-05.</p> <p>The reference of the request given by the Debtor Bank and the reference of the answer of the Creditor to the request (if provided in the answer) must be sent back as mandatory elements in the message DS-05 – in attribute AT-R5.</p>  |

PT-04.25 – CSM sends the Instructions for a Refund of an Unauthorised Transaction to the Creditor Bank

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The CSM sends the Refund instructions to the Creditor Bank. The Settlement is executed by crediting the Debtor Bank and debiting the Creditor Bank for the initial amount of the Collection and for the Refund compensation calculated by the Debtor Bank. |
| <b>Starting day/time</b>  | After PT-04.24   |
| <b>Duration</b>           | CSM Settlement Cycle.  |
| <b>Information Input</b>  | The message for an Unauthorised Transaction received from the Debtor Bank as described in DS-05.   |
| <b>Information Output</b> | The message for an Unauthorised Transaction received from the Debtor Bank as described in DS-05.   |

PT-04.26 – Creditor Bank Debits Creditor with Amount of Refunded Unauthorised Transaction

|                          |  |
|--------------------------|--|
| <b>Description</b>       | <p>The Creditor Bank must debit the account of the Creditor for the amount of the instructions received for Refund. For the recovery of the Refund compensation, the Creditor Bank must make his own arrangements with the Creditor. The date for this debit is out of scope of the Scheme.</p> <p>This implies that a Creditor may be obliged by the Creditor Bank to maintain his account in the Creditor's Bank after the termination of the relevant business relationship, for a certain period, in order to be able to honour these Refund transactions.</p> <p>If the account of the Creditor, for whatever reason, could not be debited, the unpaid Refund becomes a credit risk for the Creditor Bank to be recovered from the Creditor, or the Creditor Bank must take the loss, as the Creditor Bank is not allowed to debit the Debtor Bank for the unpaid Refund. .</p> |
| <b>Starting day/time</b> | After PT-04.25   |
| <b>Duration</b>          | Out of scope of the Scheme   |
| <b>Information Input</b> | The message for an Unauthorised Transaction received from the Debtor Bank as described in DS-05.   |

PT-04.27 – Creditor Handles the Dispute on a Refund for an Unauthorised Transaction

|                          |   |
|--------------------------|---|
| <b>Description</b>       | If the Creditor does not agree with the Refund, he must contact the Debtor to handle the claim, outside the Scheme. |
| <b>Starting day/time</b> | After PT-04.26  |
| <b>Duration</b>          | Out of scope of the scheme  |
| <b>Information Input</b> | The message for an Unauthorised Transaction received from the Debtor Bank as described in DS-05.                    |

#### 4.6.5 Payment of a Reversal (PR-05)

##### PT-05.01 – Creditor Initiates Reversals of Settled Transactions

|                          |  |
|--------------------------|--|
| <b>Description</b>       | Reversals are initiated by the Creditor after Settlement of the original Scheme instruction, when the Creditor notices that the instructions should not have been presented for one of the reasons described in section 4.8 AT-31.   |
| <b>Starting day/time</b> | Date D = Due Date = Settlement Date.   |
| <b>Closing day/time</b>  | Date D+5 Inter-Bank Business Days (to be counted end-to-end from PT-05.01 to PT-05.03 inclusive)   |
| <b>Information Input</b> | The Reversals for the payment by the Creditor in order to allow the Creditor Bank to populate DS-07 on inter-bank level. The Reversal contains the reference of the original Collection to allow the Debtor to make the reconciliation between the Reversal and the original Collection. |

##### PT-05.02 – Creditor Bank Submits Reversals to the CSM and Debits the Creditor's Account

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The Creditor Bank forwards Reversals to the CSM. As the Reversal process is based on an exception handling and should stay an exceptional process, Creditor Banks should carefully monitor the use of this process, in order to avoid abuse of the exception handling system by Creditors for reasons other than those set out in section 4.3.5 |
| <b>Starting day/time</b>  | Date D, after PT-05.01  |
| <b>Closing day/time</b>   | D+5 Inter-Bank Business Days (to be counted end-to-end from PT-05.01 to PT-05.03 inclusive)   |
| <b>Information Input</b>  | The Reversals for the payment (DS-03).  |
| <b>Information Output</b> | The Reversals for the payment (DS-07).  |

##### PT-05.03 – CSM Forwards Reversals to Debtor Bank

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The CSM settles the Reversals (by debiting the Creditor Bank and crediting the Debtor Bank) and forwards Reversals to the Debtor Bank.                                 |
| <b>Starting day/time</b>  | Date D, after PT-05.02   |
| <b>Closing day/time</b>   | Date D+5 Inter-Bank Business Days + the time needed for the CSM to handle (forward and settle) the Reversals (counted end-to-end from PT-05.01 to PT-05.03 inclusive). |
| <b>Information Input</b>  | The Reversals for the payment (DS-07).   |
| <b>Information Output</b> | The Reversals for the payment (DS-07).   |

PT05.04 – Debtor Bank Credits Debtor for Reversal of a Transaction

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The Debtor Bank credits the account of the Debtor. The Scheme does not oblige the Debtor Bank to check whether the original Collection has been debited to the Debtor's account or has been rejected, returned or refunded. |
| <b>Starting day/time</b>  | Date D, after PT05.03.  |
| <b>Closing day/time</b>   | Date D+n (unlimited for the Scheme)   |
| <b>Information Input</b>  | The Reversals for the payment (DS-07).  |
| <b>Information Output</b> | The information to the Debtor, according to the description of DS-06.   |

#### 4.6.6 Obtain a copy of a Mandate (PR-06)

##### (👁 e-Mandates)

PT-06.01 – Debtor Bank sends a request to the Creditor Bank to obtain a copy of a Mandate and any associated amendments

|                          |   |
|--------------------------|---|
| <b>Description</b>       | <p>The Debtor Bank sends a request to the Creditor Bank to obtain from the Creditor a copy of a Mandate and of relevant associated amendments.</p> <p>The accepted technical channels for sending the request are the following :</p> <ol style="list-style-type: none"> <li>1. The suitable SWIFT message as the default option</li> <li>2. E-mail with formatted template</li> <li>3. Fax transmission with formatted template</li> <li>4. Any other means agreed between both parties, the Debtor bank and the Creditor Bank</li> </ol> <p>The Debtor Bank may always use the SWIFT message, or one of the channels indicated by the Creditor Bank in Reference and Routing Directories provided by CSMs or other providers of such routing information.</p> |
| <b>Starting day/time</b> | At any moment, when a Debtor and/or a Debtor Bank identify the need to receive a copy of a Mandate  |
| <b>Duration</b>          | No limit for the Scheme   |
| <b>Information Input</b> | <p>The request as described:</p> <p>For the SWIFT message: in DS-10</p> <p>For the e-mail and for the fax: in DS-11</p>   |



PT-06.02 – Creditor Bank forwards the request to the Creditor

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Creditor Bank receives the request for a Mandate copy and forwards it to the Creditor. |
| <b>Starting day/time</b>  | After the previous step.   |
| <b>Duration</b>           | Maximum 3 Banking Business Days  |
| <b>Information Input</b>  | The original request message from the Debtor Bank as described in DS-10 or in DS-11.       |
| <b>Information Output</b> | The request message in any format agreed between the Creditor Bank and the Creditor.       |

PT-06.03 – Creditor provides the copy of the Mandate requested to the Creditor Bank

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Creditor provides a copy of the requested Mandate, and takes one of the following actions:</p> <ol style="list-style-type: none"> <li>1. Send a copy of the requested Mandate</li> <li>2. Indicate why a copy cannot be provided.</li> </ol> <p>The response must be sent to the Creditor Bank by using a technical channel agreed between the Creditor Bank and the Creditor.</p> <p>The Creditor Bank must forward the response received from the Creditor to the Debtor Bank, while using the channel indicated by the Debtor Bank in the request message.</p> |
| <b>Starting day/time</b>  | On receipt of the request.   |
| <b>Duration</b>           | Maximum 7 Banking Business Days  |
| <b>Information Input</b>  | The request in a technical channel agreed with the Creditor Bank.  |
| <b>Information Output</b> | <p>Either the copy of the requested Mandate,</p> <p>Or the response request message explaining why the request cannot be satisfied as described in DS-10 (while using the SWIFT message), or in DS-11 (while using email or fax).</p>  |

PT-06.04 – Creditor Bank sends the copy of the Mandate requested to the Debtor Bank

|                           |   |
|---------------------------|---|
| <b>Description</b>        | After the receipt of the response from the Creditor, the Debtor Bank may use the Mandate copy for the intended use. |
| <b>Starting day/time</b>  | After the receipt of the response to the request for a copy of a Mandate  |
| <b>Information Input</b>  | The response containing the copy of the Mandate or other supporting information received from the Creditor.         |
| <b>Information Output</b> | The response in any format accepted by the Debtor Bank.   |

## 4.7 Business Requirements for Datasets

This section is focussed on stating the business requirements for the data elements used by the Scheme.

### 4.7.1 List of Sets of Data Requirements

#### (👁 e-Mandates)

|              |   |
|--------------|---|
| <b>DS-01</b> | The Mandate   |
| <b>DS-02</b> | The dematerialised Mandate  |
| <b>DS-03</b> | Customer to bank Collection   |
| <b>DS-04</b> | The inter-bank Collection   |
| <b>DS-05</b> | Direct debit Rejection, Return or Refund of a Collection or a Reversal                      |
| <b>DS-06</b> | Bank to customer Direct Debit Information   |
| <b>DS-07</b> | The inter-bank Reversal for a Collection by the Creditor.                                   |
| <b>DS-08</b> | The request and response message for a claim for the Refund of an unauthorised transaction  |
| <b>DS-09</b> | The request and response template for a claim for the Refund of an unauthorised transaction |
| <b>DS-10</b> | The request message for obtaining a copy of a Mandate                                       |
| <b>DS-11</b> | The template for the request and the response for obtaining a copy of a Mandate             |

## 4.7.2 DS-01 - The Mandate

### Description

The Mandate is defined in section 4.1. EPC guidance on the visual presentation of Mandates is provided in the Guidelines for the Appearance of Mandates [21].

The Mandate document must contain the field identifiers, followed by the necessary blank space in which to fill the required data items. The identifiers on the Mandates must be in at least one and up to three languages of the country of residence of the Debtor, together with English if the Creditor is not able to determine with reasonable certainty the language of the Debtor in advance of the Mandate being created. It can be issued in a personalised way by the Creditor, already containing the data items specific for the Creditor.

The design of Mandates must comply with the requirements set out below.

The Scheme does not standardise the font or colours or format of the Mandate or the order of the attributes used for the Mandate, although the Creditor should always ensure that the Mandate information is clearly legible. The reverse side of a Mandate must not set out any information that might be misunderstood by the Debtor to be part of the Mandate.

The Scheme requires the Mandate to have a clear heading entitled “SEPA Direct Debit Mandate”. The presence of the word “SEPA” is mandatory in the heading.

The following attributes are to be contained within the Mandate:

Mandate attributes:

- Unique Mandate reference
- Name of the Debtor
- Address of the Debtor
- Postal code/city of the Debtor
- Debtor’s country of residence
- Debtor’s account number IBAN
- The BIC code of the Debtor Bank (only mandatory when Debtor Bank is located in a non-EEA SEPA country)
- Creditor company name
- Creditor’s identifier
- Creditor’s address street and number
- Creditor’s postal code and city
- Country of the Creditor
- Type of payment
- Signature place and time
- Signature(s)

Additional attributes for information only:

- Debtor identification code
- Name of the Debtor Reference Party
- Identification code of the Debtor Reference Party
- Name of the Creditor Reference Party
- Identification code of the Creditor Reference Party
- Underlying contract identifier
- Contract description

The name of these fields in order to assist the Debtor while filling in the Mandate.

The legal text in the heading (the authorisation and the Refund right) and for the two-signature field.

For Creditors who include a Mandate within a publication i.e. magazine / journal the Mandate must still hold the above information.

**‘Creditor’s use only’ box** The only additional information permitted on the Mandate is an optional area for a Creditor’s “Creditor’s Use only”, and the Creditor’s company logo. The Creditor’s “Creditor’s Use only” area is provided solely for the internal use of the Creditor, may only be used after the signing by the Debtor for internal purposes, and must not be forwarded to the Creditor Bank in the dematerialised format of the Mandate.

**Attributes contained** The attributes in the Mandate document must be completed, unless otherwise indicated:

- By the Creditor: 20 The identification Code of the SEPA Direct Debit Scheme, represented by the wording ‘SEPA Direct Debit Mandate’
- By the Creditor: 01 The unique Mandate reference (optional when the Mandate is made available to the Debtor)
- By the Debtor: 14 The name of the Debtor
- By the Debtor: 09 The address of the Debtor (optional)
- By the Debtor: 15 The name of the Debtor Reference party (optional)
- By the Debtor: 37 The identification code of the Debtor Reference Party (optional)
- By the Debtor: 07 The account number (IBAN) of the account of the Debtor to be debited
- By the Debtor: 13 The BIC code of the Debtor Bank (only mandatory when Debtor Bank is located in a non-EEA SEPA country)
- By the Debtor: 27 Debtor identification code (optional)
- By the Creditor: 02 The identifier of the Creditor
- By the Creditor: 03 The name of the Creditor
- By the Creditor: 38 Name of the Creditor Reference Party (optional)
- By the Creditor: 39 Identification code of the Creditor Reference Party (optional)
- By the Creditor: 05 The address of the Creditor
- By the Debtor: 25 The date of signing
- By the Debtor(s): 33 The signature(s) of the Debtor(s)
- By the Creditor: 21 The Transaction Type (only the values ‘one-off’ and ‘recurrent’ are allowed)
- By the Creditor: 08 The identifier of the underlying contract (optional)

### Guidelines for the design of the SEPA Direct Debit Mandate

- The standard heading ‘SEPA Direct Debit Mandate’ is mandatory
- The text on the Mandates must be in one or two or more languages of the country of the Debtor, plus in English if the Creditor is not able to determine with reasonable certainty the language of the Debtor.

The heading of the mandate must contain the following mandatory legal text with the following meaning (translations in SEPA languages are available on the following website: [http://www.europeanpaymentscouncil.eu/content.cfm?page=core\\_sdd\\_mandate\\_translations](http://www.europeanpaymentscouncil.eu/content.cfm?page=core_sdd_mandate_translations)):

“By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.

As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which your account was debited.

- Furthermore, the mandate must contain the following legal wording: “Your rights are explained in a statement that you can obtain from your bank.”
- The reverse side of the Mandate document may contain the same wording as the front side in a second language when this is appropriate.
- The Mandate must be clearly separated from any other text. No additional material can appear within the boundary of the Mandate.
- Clear instructions to the Debtor for the Return of the form must be shown on the face of the Mandate
- Creditor’s name, address and identifier number may be pre-printed or stamped on the Mandate

### Creditor’s responsibilities

The Creditor must:

- ensure that all Mandates and literature in respect of its SEPA Direct Debit application complies with these guidelines and should approach its bank if it needs any clarification
- ensure that the unique Mandate reference is completed before sending the Mandate to the Debtor, or after the Debtor having returned the completed Mandate to the Creditor
- ensure that the Mandate is correctly completed prior to sending any dematerialised information to any other party

## 4.7.3 DS-02 - The Dematerialised Mandate

### (👁️ e-Mandates)

#### Description

This dataset contains all the mandatory attributes that must be registered in an electronic File to be kept by the Creditor, for the needs of the execution of the SEPA Direct Debit processes, like preparing the Collections according to DS-03. Attributes are mandatory unless otherwise indicated.

#### Attributes contained

- 01 The unique mandate reference
- 14 The name of the Debtor
- 09 The address of the Debtor (if present in DS-01)
- 27 Debtor identification code (if present in DS-01)
- 15 The name of the Debtor Reference Party, (if present in DS-01)
- 37 The identification code of the Debtor Reference Party (if present in DS-01)
- 07 The account number (IBAN) of the Debtor to be debited
- 08 The identifier of the underlying contract (if present in DS-01)
- 13 The BIC code of the Debtor Bank (if present in DS-01)
- 02 The identifier of the Creditor
- 03 The name of the Creditor
- 38 The name of the Creditor Reference Party (if present in DS-01)

- 39 The identification code of the Creditor Reference Party (if present in DS-01)
- 05 The address of the Creditor
- 25 The date of signing of the Mandate
- 16 The placeholder for the electronic signature data (if applicable)
- 21 The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)
- 24 The reason for amendment of the Mandate (mandatory for amendments)
- 36 The signing date of the cancellation of the Mandate

#### 4.7.4 DS-03 – Customer to Bank Collection

##### (👁️ e-Mandates)

**Description:** The Creditor must supply the following attributes. Attributes known by the Creditor Bank may be filled in by the Creditor Bank. This is a matter between the Creditor and the Creditor Bank. Attributes are mandatory unless otherwise indicated.

- Attributes contained**
- 20 The Identification Code of the Scheme
  - 21 The transaction type
  - 10 The Creditor's reference of the Collection
  - 03 The name of the Creditor
  - 05 The address of the Creditor (optional)
  - 02 The identifier of the Creditor
  - 38 The name of the Creditor Reference Party (if present in DS-02)
  - 39 The identification code of the Creditor Reference Party (if present in DS-02)
  - 04 The account number (IBAN) of the account of the Creditor to be credited for the Collection
  - 12 The BIC code of the Creditor Bank (only mandatory when Creditor Bank is located in a non-EEA SEPA country)
  - 14 The name of the Debtor
  - 09 The address of the Debtor (optional)
  - 27 Debtor identification code (optional)
  - 15 The name of the Debtor Reference Party (if present in DS02)
  - 37 The identification code of the Debtor Reference Party (if present in DS-02)
  - 07 The account number (IBAN) of the account of the Debtor to be debited for the Collection
  - 13 The BIC code of the Debtor Bank (only mandatory when Debtor Bank is located in a non-EEA SEPA country)
  - 01 The unique Mandate reference
  - 25 The date of signing of the Mandate
  - 16 The placeholder for the electronic signature data (if applicable)
  - 06 The amount of the Collection in euro
  - 11 The Due Date of the Collection
  - 24 The reason for amendment of the Mandate (mandatory if the Mandate has been amended)
  - 18 The identifier of the original Creditor who issued the Mandate (mandatory if the Mandate has been taken over by another Creditor than the Creditor who issued the Mandate)
  - 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (mandatory if the Mandate has been taken over by another Creditor than the Creditor who issued the Mandate)
  - 22 The Remittance Information from the Creditor to the Debtor such as the identification number of the underlying contract, the reference number of the Pre-notification, etc. (optional)
  - 58 The purpose of the Collection (optional)
  - 59 The category purpose of the Collection (optional)
  - 17 The type of Mandate (for the Core scheme, the value 'paper' always applies).

**Remarks** These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme C2B Implementation Guidelines as defined in section 0.5 (reference [12]).

#### 4.7.5 DS-04 – The Inter-bank Collection

##### (👁️ e-Mandates)

|                             |   |
|-----------------------------|---|
| <b>Description</b>          | This dataset contains all the mandatory information items imposed by the Scheme for the Creditor Bank to send this instruction to the Debtor Bank through the CSM. It is also called “Collection” in the Rulebook. This dataset will be present in the successive process steps of Process 04, starting from step 03 and must be forwarded by all actors up to the Debtor Bank. Attributes are mandatory unless otherwise indicated.  |
| <b>Attributes contained</b> | <ul style="list-style-type: none"> <li>• 20 The identification code of the Scheme</li> <li>• 21 The transaction type</li> <li>• 10 The Creditor’s reference of the Collection</li> <li>• 03 The name of the Creditor</li> <li>• 38 The name of the Creditor Reference Party (if present in DS-03)</li> <li>• 39 The identification code of the Creditor Reference Party (if present in DS-03)</li> <li>• 05 The address of the Creditor (if present in DS-03)</li> <li>• 02 The identifier of the Creditor</li> <li>• 04 The account number (IBAN) of the account of the Creditor to be credited for the Collection</li> <li>• 12 The BIC code of the Creditor Bank</li> <li>• 14 The name of the Debtor</li> <li>• 09 The address of the Debtor (if present in DS-03)</li> <li>• 27 Debtor identification code (if present in DS-03)</li> <li>• 15 The name of the Debtor Reference Party (if present in DS-03)</li> <li>• 37 The identification code of the Debtor Reference Party (if present in DS-03)</li> <li>• 07 The account number (IBAN) of the account of the Debtor to be debited</li> <li>• 13 The BIC code of the Debtor Bank</li> <li>• 01 The unique Mandate reference</li> <li>• 25 The date of signing of the Mandate</li> <li>• 16 The placeholder for the electronic signature Data (if present in DS-03)</li> <li>• 06 The amount of the Collection in euro</li> <li>• 11 The Due Date of the Collection</li> <li>• 26 The Settlement Date of the Collection</li> <li>• 24 The reason for amendment of the Mandate (if present in DS-03))</li> <li>• 18 The identifier of the original Creditor who issued the Mandate (if present in DS-03)</li> <li>• 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (if present in DS-03)</li> <li>• 22 The Remittance Information from the Creditor to the Debtor such as the identification number of the underlying contract, the reference number of the Pre-notification, etc. (if present in DS-03)</li> <li>• 43 The Creditor Bank’s reference of the Collection</li> <li>• 58 The purpose of the Collection (if present in DS-03)</li> <li>• 59 The category purpose of the Collection (see underneath in ‘Rules applied’ )</li> <li>• 17 The type of Mandate (for the Core scheme, the value ‘paper’ always applies).</li> </ul> |
| <b>Rules applied</b>        | Regarding AT-59, when the agreement between Creditor and Creditor Bank only involves a specific processing at Creditor Bank level, said Creditor Bank is not obliged to send AT-59 to the Debtor Bank as part of DS-04.   |
| <b>Remarks</b>              | These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5 (reference [9]).   |



#### 4.7.6 DS-05 – The Message for the Rejection, Return or Refund of a Collection or a Reversal

|                             |   |
|-----------------------------|---|
| <b>Description</b>          | This dataset describes the content of a Reject, Return or Refund of a Collection or a Reversal. Attributes are mandatory unless otherwise indicated.  |
| <b>Attributes contained</b> | <ul style="list-style-type: none"> <li>• R1 The type of “R” message</li> <li>• R2 Identification of the type of party initiating the “R” message</li> <li>• R3 The reason code for non-acceptance of the Collection</li> <li>• R4 The Settlement Date for the Return or Refund instruction</li> <li>• R5 Specific reference of the bank initiating the Reject/Return/Refund for Reject/Return/Refund</li> <li>• R6 The Refund compensation recovered by the Debtor Bank from the Creditor Bank (optional, applies only for a Refund)</li> <li>• R8: The amount of the Interchange Fee (optional)</li> <li>• An exact copy of all the attributes of the received DS-04 which is being returned/rejected/refunded or the received DS-07, except attribute AT-31 of DS-07 which is being returned</li> </ul> |
| <b>Remarks</b>              | These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5 (reference [9]).   |

#### 4.7.7 DS-06 - Bank to customer Direct Debit Information

|                             |  |
|-----------------------------|--|
| <b>Description</b>          | This dataset contains the information on the Collection debited on the account of the Debtor to be made available to the Debtor. Communication of this information is mandatory. All the other attributes received in the inter-Bank Collection (DS-04) may be made available depending upon the terms of the agreement with the Debtor.   |
| <b>Attributes contained</b> | <ul style="list-style-type: none"> <li>• 20 The identification code of the Scheme or an equivalent debit bank specific - SEPA Direct Debit based - direct debit product identification</li> <li>• 03 The name of the Creditor</li> <li>• 02 The Identifier of the Creditor</li> <li>• 01 The unique Mandate reference</li> <li>• 06 The amount of the Collection in euro</li> <li>• 22 The Remittance Information from the Creditor to the Debtor such as the identification number of the underlying contract, the reference number of the Pre-notification, etc. (if present in DS-03)</li> <li>• 10 The Creditor’s reference of the Direct Debit Transaction</li> </ul> |
| <b>Remarks</b>              | These attributes reflect only business requirements and the logical and physical representation is left to the Debtor Bank.  |

#### 4.7.8 DS-07 – The Inter-bank Reversal for the Collection

|                             |   |
|-----------------------------|---|
| <b>Description</b>          | This dataset contains all the Scheme-imposed attributes for the sending of a Reversal for a Collection. See also section 4.4 for the exact definition of a Reversal. Attributes are mandatory unless otherwise indicated.   |
| <b>Attributes contained</b> | <ul style="list-style-type: none"> <li>• 04 The account number (IBAN) of the Creditor to be debited for the message</li> <li>• 12 The BIC code of the Creditor Bank</li> <li>• R2 Identification of the type of party initiating the “R” message</li> <li>• R4 The Settlement Date for the Reversal</li> <li>• 44 The amount of the Reversal in euro</li> <li>• 31 The Reversal reason code</li> <li>• 43 The Creditor Bank’s reference of the Collection</li> <li>• R7 The specific reference of the Creditor Bank for the Reversal</li> <li>• An exact copy of all the attributes of the original DS-04 which is being reversed.</li> </ul> |
| <b>Remarks</b>              | These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5 (reference [9]).   |

#### 4.7.9 DS-08 – The request and response message for a claim for the Refund of an unauthorised transaction

|                             |  |
|-----------------------------|--|
| <b>Description</b>          | <p>This dataset contains the message:</p> <ol style="list-style-type: none"> <li>1. For sending a request for Refund of an Unauthorised Transaction from the Debtor Bank up to the Creditor Bank. The Creditor bank must forward these elements to the Creditor.</li> <li>2. And for sending the response on the request for Refund from the Creditor Bank to the Debtor Bank</li> </ol> <p>Attributes are mandatory unless indicated otherwise.</p>   |
| <b>Attributes contained</b> | <p><b>Regarding the request procedure:</b></p> <ul style="list-style-type: none"> <li>• 45 The Debtor Bank’s Reference of the request</li> <li>• 46 The Refund request type code</li> <li>• 47 The Date of receipt of the request by the Debtor Bank</li> <li>• 48 The Date of sending the request by the Debtor Bank</li> <li>• 49 The Name of the Debtor Bank</li> <li>• 50 The Debtor Bank contact details</li> <li>• 51 The e-mail address or fax number of the Debtor Bank where the copy of the Mandate should be sent to</li> <li>• 12 BIC code of the Creditor Bank (optional)</li> <li>• 04 The Account Number (IBAN) of the Creditor (optional)</li> <li>• 52 The indication that a confirmation of the receipt of the request by the Creditor Bank is requested (yes/no)</li> </ul> |

**Regarding the Collection disputed:**

- 20 The Identification Code of the SEPA Direct Debit Scheme
- 02 The Identifier of the Creditor
- 03 The Name of the Creditor
- 10 The Creditor's Reference of the Collection
- 43 The Creditor Bank's Reference of the Collection
- 01 The Unique Mandate Reference
- 06 The Amount of the Collection in Euro
- 13 BIC code of the Debtor Bank
- 07 The Account Number (IBAN) of the Debtor
- 14 The Name of the Debtor
- 53 The Debit date of the Collection (if different from the Settlement date of the Collection)
- 26 Settlement Date of the Collection
- 54 Latest Collection Date (or the next attribute, or this one)
- 55 The Cancellation Date (applicable for Refund type = 3)(or the previous attribute, or this one)
- 17 The type of Mandate (paper, e-mandate)

**For sending the response by the Creditor Bank to the Debtor Bank, the following additional attributes must be completed:**

- 56 The Reference of the response of the Creditor (optional)
- 57 The Response type codes (the values 1 and 2, and 2 and 3 can apply together in a valid answer)

**Remarks**

These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5 (reference [9]).

#### 4.7.10 DS-09 – The request and response template for a claim for the Refund of an unauthorised transaction

| SEPA Direct Debit                     | Claim for REFUND of an unauthorised collection   |
|---------------------------------------|--|
| <b>The Debtor:</b>                    | - Name (*) _____<br>- BIC of the Debtor Bank (*) _____<br>- IBAN (*) _____   |
| <b>The Creditor:</b>                  | - Name (*) _____<br>- Identifier: (*) _____<br>- BIC of the Creditor Bank: (*) _____<br>- IBAN (O) _____   |
| <b>Information on the collection:</b> | - Amount in euro: (*) _____, ____<br>Debit date of the Debtor: (*) ____/____/____ Settlement date: (*)<br>____/____/____<br>Latest collection date: (*) ____/____/____ Cancellation date: (O)<br>____/____/____<br>- Refund request type code (*):<br>Mandate copy requested, even if claim accepted: ____ Mandate cancelled: ____<br>No Mandate copy requested if claim accepted: ____ Mandate terminated: ____<br>- Unique mandate reference: (*) _____<br>- Creditor's reference: (*) _____<br>- Creditor Bank's reference: (*) _____ |
| <b>Request sent by Debtor Bank:</b>   | - Date: (*) ____/____/____ Confirmation of receipt requested:<br>- Name Debtor Bank: (*) _____<br>- Debtor bank contact details: (*) _____<br>_____<br>- Reference of the request: (*) _____<br>- Date of receipt of Debtor's request (*) ____/____/____<br>- Response of Creditor Bank to be sent by (*)<br>SWIFT message ____ E-mail ____ Fax ____<br>To e-mail address: (O) _____<br>Or to fax number: (O) _____  |
| <b>Response of the Creditor (**):</b> | - Date of sending the response: (*) ____/____/____<br>- Reference of the response (*) _____<br>- Answer type code: (*)<br>Claim accepted ____ No Mandate, claim accepted ____<br>Copy of Mandate provided ____ Claim disputed ____   |
|                                       | (*): Mandatory fields      (**): to be completed by the Creditor      (O): optional  |

|                             |   |
|-----------------------------|---|
| <b>Description</b>          | <p>This dataset describes the standard template for initiating a Refund request from the Debtor Bank to the Creditor Bank up to the Creditor. It must also be used to send the reply from the Creditor Bank to the Debtor Bank. It must be used in the channels e-mail and fax accepted by the Refund procedure. This template may also be used in the first step, the registration of the Claim by the Debtor Bank. In the following steps, it must be forwarded as described in the procedure description.</p> <p>The template document must contain the field identifiers, followed by the necessary blank space in which to fill the required data items. The identifiers on the template must be in at least one and up to three languages of the country of residence of the Debtor, together with English.</p> <p>The design of the templates must comply with the requirements set out below.</p> <p>The Scheme does not standardise the font or colours used in the template.</p> <p>The Scheme requires the template to have a clear heading entitled “SEPA Direct Debit -Claim for REFUND of an unauthorised collection” and the following attributes are to be contained within the Mandate in the line order shown:</p>  |
| <b>Attributes contained</b> | <p>Template attributes: (to be completed with the line number on the template model for each attribute)</p> <ul style="list-style-type: none"> <li>• 45 The Debtor Bank’s Reference of the request</li> <li>• 46 The Refund request type code</li> <li>• 47 The Date of receipt of the request by the Debtor Bank</li> <li>• 48 The Date of sending the request by the Debtor Bank</li> <li>• 49 The Name of the Debtor Bank</li> <li>• 50 The Debtor Bank contact details</li> <li>• 51 The e-mail address or fax number where the copy of the Mandate should be sent to at the Debtor Bank</li> <li>• 12 BIC code of the Creditor Bank (optional)</li> <li>• 04 The Account Number (IBAN) of the Creditor (optional)</li> <li>• 52 The Indication that a confirmation of the receipt of the request by the Creditor Bank requested (yes/no)</li> <li>• 20 The Identification Code of the Scheme.</li> <li>• 02 The Identifier of the Creditor.</li> <li>• 03 The Name of the Creditor.</li> <li>• 10 The Creditor’s Reference of the Collection.</li> <li>• 43 The Creditor Bank’s Reference of the Collection.</li> <li>• 01 The Unique Mandate Reference.</li> <li>• 06 The Amount of the Collection in euro.</li> <li>• 13 BIC code of the Debtor Bank .</li> <li>• 07 The Account Number (IBAN) of the Debtor .</li> <li>• 14 The Name of the Debtor</li> <li>• 53 The Debit date of the Collection (if different from the Settlement date of the Collection).</li> <li>• 26 Settlement date of the Collection.</li> <li>• 54 Latest Collection Date (or the next attribute, or this one).</li> <li>• 55 The Cancellation Date (applicable for Refund type = 3)(or the previous attribute, or this one)</li> <li>• 56 The Reference of the response of the Creditor (optional)</li> <li>• The Date of sending the response of the Creditor</li> <li>• 57 The Response type codes (the values 1 and 2, and the values 2 and 3 can apply together in a valid response) + choice to be selected</li> </ul> |
| <b>Remarks</b>              | <p>The name of these fields must be present on the template, in order to assist the Debtor Bank while filling in the template, as presented in the illustration.</p> <p>The attributes in the template document must be completed, unless otherwise indicated.</p>  |

#### 4.7.11 DS-10 – The request message for obtaining a copy of a Mandate

|                             |  |
|-----------------------------|--|
| <b>Description</b>          | <p>This dataset contains the message:</p> <ol style="list-style-type: none"> <li>1. for sending a request for obtaining a copy of a Mandate from the Debtor Bank up to the Creditor Bank. The Creditor Bank must forward these elements to the Creditor.</li> <li>2. and for sending the answer on the request for a copy of a Mandate from the Creditor Bank to the Debtor Bank</li> </ol> <p>Attributes are mandatory unless indicated otherwise.</p>  |
| <b>Attributes contained</b> | <p><b>Regarding the request procedure:</b></p> <ul style="list-style-type: none"> <li>• 45 The Debtor Bank’s Reference of the request</li> <li>• 48 The Date of sending the request by the Debtor Bank</li> <li>• 49 The Name of the Debtor Bank</li> <li>• 50 The Debtor Bank contact details</li> <li>• 51 The e-mail address or fax number where the copy of the Mandate should be sent to at the Debtor Bank</li> <li>• 12 BIC code of the Creditor Bank (optional)</li> <li>• 20 The Identification Code of the Scheme</li> <li>• 02 The Identifier of the Creditor</li> <li>• 03 The name of the Creditor</li> <li>• 01 The Unique Mandate Reference</li> <li>• 14 The Name of the Debtor</li> <li>• 17 The type of Mandate (paper, e-mandate).</li> </ul> <p><b>For sending the response by the Creditor Bank to the Debtor Bank, the following additional attributes must be completed:</b></p> <ul style="list-style-type: none"> <li>• 56 The Reference of the response of the Creditor (optional)</li> <li>• 57 The Response type code</li> </ul> |
| <b>Remarks</b>              | <p>These attributes reflect business requirements and do not prescribe fields in SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5 (reference [9]).</p>   |

#### 4.7.12 DS-11 - The template for the request and the response for obtaining a copy of a Mandate

| SEPA Direct Debit                     | Claim for a copy of a Mandate   |
|---------------------------------------|---|
| <b>The Debtor:</b>                    | - Name (*) _____  |
| <b>The Creditor:</b>                  | - Name (*) _____<br>- Identifier: (*) _____<br>- BIC of the Creditor Bank: (*) _____  |
| <b>The Mandate:</b>                   | - unique mandate reference: (*) _____   |
| <b>Request sent by Debtor Bank:</b>   | - Date: (*) ___/___/_____<br>- Name Debtor Bank: (*) _____<br>- Debtor bank contact details: (*) _____<br>_____<br>- Reference of the request: (*) _____<br>- Answer of Creditor Bank to be sent by (*)<br>SWIFT message      ___      E-mail      ___      Fax      ___<br>to e-mail address: (O) _____<br>or to fax number: (O) _____ |
| <b>Response of the Creditor (**):</b> | - Reference of the answer (*) _____<br>- Answer type code: (*)<br>Copy provided      ___      No Mandate available      _____   |
|                                       | (*) : mandatory fields    (**) to be completed by the Creditor    (O): optional   |

|                             |  |
|-----------------------------|--|
| <b>Description</b>          | <p>This dataset describes the standard template for initiating a request for obtaining a copy of a Mandate from the Debtor Bank to the Creditor Bank up to the Creditor. It must also be used to send the reply from the Creditor Bank to the Debtor Bank. It must be used in the channels e-mail and fax accepted by the procedure.</p> <p>The template document must contain the field identifiers, followed by the necessary blank space in which to fill the required data items. The identifiers on the template must be in at least one and up to three languages of the country of residence of the Debtor, together with English.</p> <p>The design of the templates must comply with the requirements set out below.</p> <p>The Scheme requires the template to have a clear heading entitled “SEPA Direct Debit -Claim for a copy of a Mandate” and the following attributes are to be contained within the Mandate in the line order shown:</p> |
| <b>Attributes contained</b> | <p>Template attributes: (to be completed with the line number on the template model for each attribute)</p> <ul style="list-style-type: none"> <li>• 45 The Debtor Bank’s Reference of the request</li> <li>• 48 The Date of sending the request by the Debtor Bank</li> <li>• 49 The Name of the Debtor Bank</li> <li>• 50 The Debtor Bank contact details</li> <li>• 51 The e-mail address or fax number where the copy of the Mandate should be sent to at the Debtor Bank</li> <li>• 12 BIC code of the Creditor Bank (optional)</li> <li>• 20 The Identification Code of the Scheme</li> <li>• 02 The Identifier of the Creditor</li> <li>• 03 The Name of the Creditor</li> <li>• 01 The Unique Mandate Reference</li> <li>• 14 The Name of the Debtor</li> <li>• 56 The Reference of the response sent by the Creditor (optional)</li> <li>• The Date of sending the response by the Creditor</li> <li>• 57 The Response type codes</li> </ul>      |
| <b>Remarks</b>              | <p>The name of these fields must be present on the template, in order to assist the Debtor Bank while filling in the template, as presented in the illustration.</p> <p>The attributes in the template document must be completed, unless otherwise indicated.</p>   |



## 4.8 Business Requirements for Attributes

This section is focussed on stating the business requirements for the data elements used by the Scheme.

### 4.8.1 List of Attributes

#### (👁 e-Mandates)

- AT-01 The unique Mandate reference
- AT-02 The identifier of the Creditor
- AT-03 The name of the Creditor
- AT-04 The account number (IBAN) of the Creditor
- AT-05 The address of the Creditor
- AT-06 The amount of the Collection in euro
- AT-07 The account number (IBAN) of the Debtor
- AT-08 The identifier of the underlying contract
- AT-09 The address of the Debtor
- AT-10 The Creditor's reference of the Direct Debit Transaction
- AT-11 The Due Date of the Collection
- AT-12 BIC code of the Creditor Bank
- AT-13 BIC code of the Debtor Bank
- AT-14 The name of the Debtor
- AT-15 The name of the Debtor reference Party
- AT-16 The placeholder for the electronic signature data
- AT-17 The type of Mandate (paper, e-Mandate)
- AT-18 The identifier of the original Creditor who issued the Mandate
- AT-19 The unique Mandate reference as given by the original Creditor who issued the Mandate
- AT-20 The identification code of the Scheme
- AT-21 The transaction type
- AT-22 The Remittance Information sent by the Creditor to the Debtor in the Collection
- AT-24 The reason for amendment of the Mandate
- AT-25 The date of signing of the Mandate
- AT-26 The Settlement Date of the Collection
- AT-27 Debtor identification code
- AT-31 The Reversal reason code
- AT-33 The signature(s) of the Debtor(s)
- AT-36 The signing date of the cancellation of the Mandate
- AT-37 The identification code of the Debtor Reference Party
- AT-38 The name of the Creditor Reference Party
- AT-39 The identification code of the Creditor Reference Party
- AT-43 The Creditor Bank's reference of the Collection
- AT-44 The amount of the Reversal in euro.

- AT-45 The Debtor Bank's reference of the request
- AT-46 The Refund request type code
- AT-47 The Date of receipt of the request by the Debtor Bank
- AT-48 The Date of sending the request by the Debtor Bank
- AT-49 The Name of the Debtor Bank
- AT-50 The Debtor Bank contact details
- AT-51 The email address or fax number of the Debtor Bank where the copy of the Mandate should be sent
- AT-52 The indication that a confirmation of the receipt of the request by the Creditor Bank is requested (yes/no)
- AT-53 The Debit date of the Collection
- AT-54 The latest Collection Date
- AT-55 The Cancellation Date
- AT-56 The Reference of the response of the Creditor
- AT-57 The Response type codes
- AT-58 The purpose of the Collection
- AT-59 The category purpose of the Collection
- AT-R1 Type of "R" message
- AT-R2 Identification of the type of party initiating the "R" message
- AT-R3 The reason code for non-acceptance
- AT-R4 The Settlement Date for the Return or Refund instruction (DS-05) or the Reversal (DS-07)
- AT-R5 Specific reference of the bank initiating the Reject/Return/Refund for Reject/Return/Refund.
- AT-R6 The Refund compensation recovered by the Debtor Bank from the Creditor Bank
- AT-R7 The specific reference of the Creditor Bank for the Reversal
- AT-R8 The amount of the Interchange Fee

For each attribute specific for SEPA Direct Debit, there is a short description. Where appropriate there is also a related description of possible values (R-codes). The Rulebook does not define attribute format or field length, unless this is considered to be a business requirement.

#### 4.8.2 AT-01 –The Unique Mandate Reference

**Description:** This reference identifies for a given Creditor, each Mandate signed by any Debtor for that Creditor. This number must be unique for each Mandate in combination with the identifier of the Creditor (AT-02 without the extension, called Creditor Business Code). The Creditor must organize himself in such a way that the delivery by any third party of the elements AT-01 + AT-02 without the extension, called Creditor Business Code, must allow indefinite retrieval of the Mandate data.

The Rulebook does not limit the length of the attribute. It is recommended to Creditors to limit the length to a number of positions needed for managing the business of the Creditor as the attribute is used in several processes as a key to be entered to access files containing Mandate information.

### 4.8.3 AT-02 – The Identifier of the Creditor

**Description:** **1 The Creditor Identifier**

The identifier of the Creditor is unique in the Scheme: each identifier allows the identification of one Creditor without ambiguity in SEPA. A Creditor may use more than one Identifier.

A Creditor can use the “Creditor Business Code” extension to identify different business activities.

This identifier identifies a legal entity, or an association that is not a legal entity, or a person assuming the role of the Creditor. This identification must be stable in time, to enable the Debtor and the Debtor Bank to Return to the Creditor for Refund and complaints and to check the existence of a Mandate at the presentation of Collections by the Creditor.

**2 The Structure of the Identifier**

The Creditor identifier uses, wherever possible, information available in the public domain. Consequently, there is no need for a centralised database at Scheme level containing the identifiers of Creditors and other associated Creditor data.

The Creditor identifier contains the following elements:

**a. The ISO country code** (reference [4]) of the country where the national identifier of the Creditor has been issued

**b. The check digit** (covering a + d)

**c. The extension, called Creditor Business Code**, allowing the Creditor to identify different business lines or different services. This extension is not needed to identify a Mandate in a unique way, but contains useful information for the Creditor and for the Debtor. It can be used by the Creditor in a flexible way, not being part of the real identifying part of the Creditor Identifier. Creditors can change it over time for business reasons.

**d. The country-specific part** of the Creditor identifier being a national identifier of the Creditor, as defined by the National Community.

The identifier of the Creditor as defined by the National Community contains, for most countries, a specific structure for the identification of the Creditors. The country-specific part is not unique on SEPA level, as the logic behind is totally different from country to country. These national rules might generate identical values for identifiers in different countries, which explains the necessity to add the ISO country code.

The detailed specifications of this identifier are provided in detail in the SEPA Core Direct Debit Inter-Bank Implementation Guidelines (reference [9]).

**3 Implementation and Transition Period**

From the start of the Scheme, the structure of the Creditor Identifier as defined above and specified in the Implementation Guidelines (reference [9]) will be used in the Scheme. For countries using a national identifier, which has insufficient capacity or is unsatisfactory for the intended use, a new or adapted national identifier may be defined.

**4 SEPA-wide use of the Creditor Identifier**

The advantage of the Scheme is that the Creditor can use a single identifier for the whole SEPA region.

A Creditor Identifier based on an identifier from any SEPA country can be used in all SEPA countries.

### 4.8.4 AT-03 – The Name of the Creditor

**Description:** The name of the Creditor is information made available by the Debtor Bank to the Debtor to allow the Debtor to identify the Creditor having initiated the Collection.

#### 4.8.5 AT-04 – The Account Number of the Creditor

**Description:** The account number (IBAN) of the account of the Creditor

- To be credited for a Collection (DS-04)
- To be debited for a Reject, Return, Refund (DS-05) and Reversal (DS-07) of a Collection

#### 4.8.6 AT-05 – The Address of the Creditor

**Description:** The address of the Creditor as forwarded to the Debtor

#### 4.8.7 AT-06 – The Amount of the Collection in Euro

**Description:** The amount contains two parts, the first is expressed in euro, and the second is expressed in euro cents.

The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents.

The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed.

#### 4.8.8 AT-07 – The Account Number of the Debtor

**Description:** The account number (IBAN) of the account of the Debtor

- To be debited for a Collection (DS-04)
- To be credited for a Refund (DS-05) and for a Reversal (DS-07) of a Collection

#### 4.8.9 AT-08 - The Identifier of the Underlying Contract

**Description:** The identifier is defined in terms of layout and content by the Creditor. It may contain elements for self-control such as check-digits, but the other parties in the Scheme are not required to do any checking on this attribute.

#### 4.8.10 AT-09 - The Address of the Debtor

**Description:** The address of the Debtor as registered by the Creditor

#### 4.8.11 AT-10 - The Creditor's Reference of the Direct Debit Transaction

**Description:** This number identifies for a given Creditor, each Collection transaction presented to the Creditor's bank, in a unique way. This number will be transmitted in the whole process of the handling of the Collections from the Process-step PT-04.01, until the finality of the Collection. It must be returned in any exception handling process-step by any party involved. The Creditor cannot request for any other referencing information to be returned to him, in order to identify a Collection. The Creditor must define the internal structure of this reference; it can only be expected to be meaningful to the Creditor.

If no reference is provided by the creditor, the Creditor Bank has to fill in the default value "Not Provided".

#### 4.8.12 AT-11 – The Due Date of the Collection

**Description:** See section 4.3.1

#### **4.8.13 AT-12 - BIC Code of the Creditor Bank**

**Description:** See Chapter 7, Defined Terms in the Rulebook.

#### **4.8.14 AT-13 - BIC Code of the Debtor Bank**

**Description:** See Chapter 7, Defined Terms in the Rulebook

#### **4.8.15 AT-14 – The Name of the Debtor**

**Description:** The name of the Debtor as registered by the Creditor.

**Specific scheme rule in case of Card Data Generated Mandate (CDGM) as per the SEPA Regulation Article 5 in conjunction with its Annex paragraph 3 (a)(iv):**

In case of a mandate generated using data from a payment card at the point of sale which results in a direct debit to and from a payment account, and where the name of the Debtor is not available, the attribute “name of Debtor” must be filled in with “CDGM”, followed by the card number, the sequence number and the expiry date of the card or, if these data elements are not available, by any other data element(s) that would uniquely identify the Debtor to the Debtor Bank.

#### **4.8.16 AT-15 - The Name of the Debtor Reference Party**

**Description:** See section 3.1.

Information relating to a Debtor Reference Party is included only for the purpose of assisting the Debtor and/or Creditor in managing their payments and is not required to be provided to or by the Debtor Bank and/or Creditor Bank for the purpose of effecting the payment to which the information relates.

#### **4.8.17 AT-16 – The Placeholder for the Electronic Signature Data**

**Description:** This is a placeholder for the transmission of the information needed for the use of an electronic signature.

#### **4.8.18 AT-17 - The type of Mandate (paper, e-Mandate)**

**Description:** The type of Mandate allows distinguishing between a Mandate issued in paper in accordance with the rules of the Core Scheme Rulebook and a Mandate issued as an e-Mandate under the rules of the optional e-Mandate service described in Annex VII of this Rulebook.

#### **4.8.19 AT-18 - The Identifier of the Original Creditor who issued the Mandate**

**Description:** The Creditor Identifier of the Creditor who issued the Mandate before the Mandate and its underlying contract was taken over by another Creditor.

#### **4.8.20 AT-19 - The Unique Mandate Reference as given by the Original Creditor who issued the Mandate**

**Description:** In the case that a Mandate is taken over by another Creditor than the Creditor who initiated the Mandate, the original unique Mandate reference must be stored in this attribute.

#### 4.8.21 AT-20 – The Identification Code of the SEPA Direct Debit Scheme

**Description:** This code allows instructions under the Scheme to be distinguished from those of other schemes.

#### 4.8.22 AT-21 – The Transaction / Sequence Type

**Description:** This attribute allows different types of transaction to be identified.

**Value  
range:**

1. One-off Collection
2. Recurrent, not the last Collection of the recurrent Collections
3. First Collection of the recurrent Collections (optional)
4. Last Collection of the recurrent Collections
5. Reversal

**Remarks** The values given for the codes are arbitrary for inventory purposes, not taken from an approved standard. A Collection with the optional transaction type ‘first’ is processed as a recurrent Collection.

#### 4.8.23 AT-22 – The Remittance Information sent by the Creditor to the Debtor in the Collection

**Description:** This information is defined by the Creditor and must be communicated by the Debtor Bank to the Debtor when debiting the account of the Debtor. It is recommended that it contains a reference to the pre notification. It may also contain the identifier of the underlying contract.

#### 4.8.24 AT-24 – The Reason for Amendment of the Mandate

**Description:** This code describes the reason for the amendment by the Creditor and/or the Debtor

**Value  
range:**

- Change of AT-01 (the Creditor defining a new unique Mandate reference)
- Change of AT-02 (new Creditor Identifier Information)
- Change of AT-03 (The Name of the Creditor)
- Change of AT-07 (the Debtor specifying another account to be debited in the same bank or in another bank)
- A combination of changes in the attributes AT-01, AT-02 and/or AT-03

#### 4.8.25 AT-25 – The Date of Signing of the Mandate

**Description:** The date on which the Mandate was signed by the Debtor, as registered by the Creditor in the dematerialisation of the Mandate document. The value of this attribute remains unchanged for the mandate lifecycle. For Mandates migrated from other direct debit schemes, this attribute might not be available. In such case, it is up to communities of Participants to define how to provide a valid substitute for this date

#### 4.8.26 AT-26 – The Settlement Date of the Collection

**Description:** The date on which the amount of the Collection is settled by the CSM.

#### 4.8.27 AT-27 - Debtor Identification Code

**Description:** This attribute identifies the Debtor by specifying a code determined by the Debtor in agreement with the Creditor to facilitate the identification of the Debtor. May be specified by the Debtor, is optional for the Scheme.

#### **4.8.28 AT-31 – The Reversal Reason Code**

**Description:** This code explains the reason for the Reversal for a Collection. It is defined by the actor who initiates the Reversal, i.e. either the Creditor or the Creditor Bank. It can be used by the Debtor Bank to inform the Debtor about the reason for the credit of the account of the Debtor.

**Value** Duplicate entry  
**range:** Reason not specified

#### **4.8.29 AT-33 – The Signature(s) of the Debtor(s)**

**Description:** The signature(s) on paper of the Debtor(s)

#### **4.8.30 AT-36 – The Signing Date of the Cancellation of the Mandate**

**Description:** The date on which the cancellation of the Mandate was signed by the Debtor, as registered by the Creditor in the dematerialisation of the Mandate cancellation.

#### **4.8.31 AT-37 – The identification code of the Debtor Reference Party**

**Description:** A code supplied by the Debtor and delivered to the Creditor as part of the completed Mandate. Information relating to a Debtor Reference Party is included only for the purpose of assisting the Debtor and/or Creditor in managing their payments and is not required to be provided to or by the Debtor Bank and/or Creditor Bank for the purpose of effecting the payment to which the information relates.

#### **4.8.32 AT-38 – The name of the Creditor Reference Party**

**Description:** Information relating to a Creditor Reference Party is included only for the purpose of assisting the Debtor and/or Creditor in managing their payments and is not required to be provided to or by the Debtor Bank and/or Creditor Bank for the purpose of effecting the payment to which the information relates.

#### **4.8.33 AT-39 – The identification code of the Creditor Reference Party**

**Description:** A code supplied by the Creditor and delivered unaltered to the Debtor. Information relating to a Creditor Reference Party is included only for the purpose of assisting the Debtor and/or Creditor in managing their payments and is not required to be provided to or by the Debtor Bank and/or Creditor Bank for the purpose of effecting the payment to which the information relates.

#### **4.8.34 AT-43 – The Creditor Bank's Reference of the Collection**

**Description:** The reference of the Collection given by the Creditor Bank to be forwarded to the Debtor Bank.

#### **4.8.35 AT-44 – The Amount of the Reversal in euro**

**Description:** The amount for the reversal of a Collection. This amount cannot be different from the amount of the Collection involved, as partial reversals are not allowed.

#### **4.8.36 AT-45 - The Debtor Bank's Reference of the request**

**Description:** The reference of the request (for a claim for a Refund of an unauthorised transaction, or for obtaining a copy of a Mandate) given by the Debtor Bank to be forwarded to the Creditor Bank.

#### **4.8.37 AT-46 - The Refund request type code**

**Description:** This code identifies the type of request for a Refund of an unauthorised transaction. Four types of request can be distinguished:

1. A copy of the Mandate is requested by the Debtor Bank, the copy must be provided, except if the Creditor accepts the claim.
2. A copy of the Mandate is requested by the Debtor Bank, the copy must be provided, even if the Creditor accepts the claim.
3. No copy of the Mandate is requested by the Debtor Bank as, according to the Debtor, the Mandate has already been cancelled by the Debtor.
4. No copy of the Mandate is requested by the Debtor Bank as the Mandate should have been cancelled by the Creditor due to 36 months of inactivity after the latest collection presented.

#### **4.8.38 AT-47 - The Date of receipt of the request by the Debtor Bank**

**Description:** The date on which the request initiated by the Debtor, has been received by the Debtor Bank.

#### **4.8.39 AT-48 – The Date of sending the request by the Debtor Bank**

**Description:** The date on which the request has been forwarded by the Debtor bank to the Creditor Bank.

#### **4.8.40 AT-49 – The Name of the Debtor Bank**

**Description:** The name of the Debtor Bank as specified in the request.

#### **4.8.41 AT-50 – The Debtor Bank contact details**

**Description:** The contact details of the Debtor Bank, to be used by the Creditor Bank or the Creditor, in the case that a contact is necessary to clarify the request made.

#### **4.8.42 AT-51 – The e-mail address or fax number of the Debtor Bank where the copy of the Mandate should be sent**

**Description:** The e-mail address or fax number of the Debtor Bank where the copy of the Mandate should be sent by the Creditor Bank.

#### **4.8.43 AT-52 – The indication that a confirmation of the receipt of the request by the Creditor Bank is requested (yes/no)**

**Description:** The indication that a confirmation of the receipt of the request by the Creditor Bank is requested by the Debtor Bank. When the confirmation is requested 'yes' should be specified.

#### **4.8.44 AT-53 – The Debit date of the Collection**

**Description:** See section 4.3.1



#### 4.8.45 AT-54 – The latest Collection Date

**Description:** The due date of the latest Collection under the Mandate for which a claim for Refund for an unauthorised transaction is made

#### 4.8.46 AT-55 – The Cancellation Date

**Description:** The date on which the Mandate has been cancelled by the Debtor or the Creditor.

#### 4.8.47 AT-56 – The Reference of the response of the Creditor

**Description:** The reference of the response of the Creditor on the request made by the Debtor Bank.

#### 4.8.48 AT-57 - The Response type codes

**Description:** The Response type code(s) identify the type of response given by the Creditor Bank to the Debtor Bank. The values 1 and 2, and 2 and 3 can apply together in a valid response on a Refund request.

The codes are the following:

- 1: Creditor accepts the claim for Refund presented by the Debtor (applicable for Refund requests)
- 2: Creditor provides a Mandate copy (applicable for Refund requests)
- 3: Claim disputed by the Creditor (applicable for Refund requests)
- 4: Creditor provides a Mandate copy (Default value applicable for Mandate copy requests)
- 5: Creditor does not provide a Mandate copy (applicable for Mandate copy requests)

#### 4.8.49 AT-58 – The purpose of the Collection

**Description:** The purpose of the direct debit Collection is the underlying reason for the direct debit transaction, i.e. information on the nature of such transaction.

**Value range:** All codes part of the ISO standard are accepted.

#### 4.8.50 AT-59 – The category purpose of the Collection

**Description:** The category purpose of the collection is information on the high level nature of the direct debit transaction. It can have different goals: allow the Creditor Bank to offer a specific processing agreed with the Creditor, or allow the Debtor Bank to apply a specific processing

**Value range:** All codes part of the ISO standard are accepted.

#### 4.8.51 AT-R1 – Type of “R” message

**Description:** This code contains the code identifying the type of “R” message

**Value** Reject of a Collection

**range:** Return of a Collection

Refund of a Collection

#### 4.8.52 AT-R2 - Identification of the type of party initiating the “R” message

**Description:** Types are:

Creditor Bank (for Reject, Reversal)

Debtor Bank (for Reject, Return)

CSM (for Reject only)

Creditor (for Reversal only)

Debtor (for Refund only)

#### 4.8.53 AT-R3 – The Reason Code for Non-Acceptance (Reject, Return or Refund)

**Value** The reasons for a **Reject** by the Creditor Bank are left to a bilateral agreement between the  
**range:** Creditor Bank and the Creditor.

The reasons for a **Reject** by the CSM or the Debtor Bank are as follows:

- Operation code/transaction code/sequence type incorrect, invalid File format
- Bank identifier incorrect (i.e. invalid BIC)
- Debtor deceased
- Account identifier incorrect (i.e. invalid IBAN)
- Account closed
- Direct debit forbidden on this account for regulatory reasons
- Account blocked
- Reason not specified
- Insufficient Funds
- Mandate data missing or incorrect
- No Mandate
- Regulatory reason
- Account blocked for Direct Debit by the Debtor
- Specific service offered by the Debtor Bank
- Duplicate collection
- Refusal by the Debtor
- Identifier of the Creditor incorrect
- Creditor Bank not registered under this BIC in the CSM
- Debtor Bank not registered under this BIC in the CSM

The reasons for a **Return** by the Debtor Bank are as follows:

- Account identifier incorrect (i.e. invalid IBAN or account number does not exist)
- Account closed
- Debtor deceased
- Direct debit forbidden on this account for regulatory reasons
- Duplicate collection
- Account blocked
- Reason not specified

- Insufficient Funds
- No Mandate
- Account blocked for Direct Debit by the Debtor
- Refusal by the Debtor
- Regulatory reason
- Specific service offered by the Debtor Bank
- Identifier of the Creditor incorrect

The reasons for a **Refund** are as follows:

- Unauthorised Transaction
- Disputed authorised transaction (can only be used within the eight-week no-questions-asked Refund period)

#### **4.8.54 AT-R4 – The Settlement Date for the Return or Refund instruction (DS-05) or the Reversal (DS-07)**

**Description:** The date on which the amount of the Return, Refund or Reversal is settled by the CSM.

#### **4.8.55 AT-R5 – Specific reference of the bank initiating the Reject/Return/Refund for a Reject/Return/Refund**

**Description:** The reference of the bank/CSM initiating the 'R' message. This reference must be provided by the party receiving the message when requesting any complementary information about the 'R' message

#### **4.8.56 AT-R6 – The Refund Compensation Recovered by the Debtor Bank from the Creditor Bank**

**Description:** The Refund compensation is calculated by the Debtor Bank for a Refund message sent to the Creditor Bank through the CSM, according to the rule described in PT-04.16.

#### **4.8.57 AT-R7 – The Specific Reference of the Creditor Bank for the Reversal**

**Description:** The reference of the Reversal forwarded by the Creditor Bank to the Debtor Bank.

#### **4.8.58 AT-R8 – The amount of the Interchange Fee**

**Description:** This amount of the Interchange Fee is collected by the Debtor Bank.

## 5 RIGHTS AND OBLIGATIONS OF ALL PARTICIPANTS

### 5.1 The Scheme

Participation in the SEPA Direct Debit Scheme is on the basis of compliance with the following guiding principles:

- Scheme Participants from all countries in SEPA participate on the basis that the level playing field principle is respected.
- All adhering Scheme Participants shall comply with the SEPA Core Direct Debit Scheme Rulebook on the same basis as all other Participants.
- Participants need to ensure that from November 2009 the provisions of Title III and Title IV of the Payment Services Directive affecting direct debits enabled by the SEPA Core Direct Debit Scheme are effectively represented in law or substantially equivalent binding practice.

### 5.2 Compliance with the Rulebook

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- the SEPA Direct Debit Scheme Inter-bank Implementation Guidelines for standards
- the SEPA Scheme Management Internal Rules (the “Internal Rules”), as set out in Annex IV to this Rulebook
- any validly made order or notice issued as part of the SEPA Scheme Management processes under the Rulebook and the Internal Rules.

The parties to the Rulebook are the EPC and each Participant.

The Rulebook is a multilateral agreement comprising contracts between:

- the EPC and each Participant; and
- each Participant and every other Participant.

A person who is not a party to the Rulebook shall have no rights or obligations under the Rulebook.

A Participant shall procure that its employees, its agents and the employees of its agents comply with all applicable obligations under the Rulebook.

### 5.3 Reachability

#### (👁 e-Mandates)

Each Participant shall offer services relating to the Scheme in the capacity of Debtor Bank.

A Participant may also offer services relating to the Scheme in the capacity of Creditor Bank.

Each Participant needs to determine how to achieve full reachability for the SEPA Core Direct Debit Scheme. There are several ways for Participants to send and receive euro payment transactions to and from other Participants across SEPA.

A Participant can use the services of a CSM to assist in the provision of its services to Creditors and Debtors.

A Participant can use the services of an Intermediary Bank to perform any functions in relation to an obligation arising under the Rulebook. The Participant shall ensure that its arrangements with such Intermediary Bank are consistent with, and do not detract from, the requirements of the Rulebook and the other documents listed at section 5.2.

Participants can choose any solution or a combination of solutions, as long as reachability and compliance with the Scheme is effectively ensured. A Participant when using the services of a CSM or Intermediary Bank acts at its own risk.

#### **5.4 Eligibility for Participation**

In order to be eligible as a Participant, a Participant must at all times:

- be active in the business of providing banking and/or payment services to customers, including the provision of accounts used for the execution of payments, holding the Funds needed for the execution of payments or making the Funds received following the execution of payments available to customers
- be either incorporated and licensed in a SEPA country or territory, or licensed by an appropriate EEA regulatory body
- be able to pay its debts as they fall due, and not be insolvent as defined in accordance with any insolvency law applicable to the Participant
- maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject
- be able to meet rating or other criteria set under the terms of the Scheme from time to time for the purpose of establishing the Participant's ability to meet its financial obligations
- comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing
- participate, or be eligible to participate, directly or indirectly in one or more CSMs for the purpose of providing access to the Scheme throughout SEPA
- develop and effect operational and risk control measures appropriate to the business undertaken by the Participant, such as the risk mitigation provisions set out in the Rulebook and in Annex II to the Rulebook.

Applicants which fall within one of the following categories shall be deemed automatically to be eligible under this section 5.4:

- a credit institution which is authorised in accordance with Article 8 (1) of Directive 2013/36/EU by a state which is a member of the European Economic Area;
- an undertaking which is listed in Article 2 (5) of Directive 2013/36/EU; or
- a bank which is authorised in accordance with Article 3 of the Federal Law on Banks and Savings Banks of 8 November 1934 by the Swiss Financial Market Supervisory Authority (FINMA).
- A bank which is authorised by the Central Bank of San Marino in accordance with Article 7, Part I, Title II, of the Sammarinese Law No. 165 (approved on November 17th 2005) and with Regulation No. 2007 of 2007.

Any references in the Rulebook to a "bank" or "banks" shall be construed as including any undertaking or institution which is eligible under any of the categories listed above in this section 5.4.

An applicant which has been authorised as a payment institution under Article 10 of the Payment Services Directive, or any other payment service provider listed in Article 1.1 of the Payment Services Directive, shall be deemed automatically to have met the following eligibility criteria:

- be active in the business of providing banking and/or payment services to Customers, including the provision of accounts used for the execution of payments, holding the Funds needed for the execution of payments or making the Funds received following the execution of payments available to Customers
- be either incorporated and licensed in a SEPA country or territory or licensed by an appropriate EEA regulatory body
- maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject
- comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing
- develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

Furthermore, an applicant which is the treasury of a sovereign state shall not be required to establish:

- that it is able to pay its debts as they fall due or that it is not insolvent; or
- that it meets rating or other criteria set under the terms of the Scheme for the purpose of establishing its ability to meet its financial obligations,

unless there are exceptional circumstances or the applicant is not the treasury of an EEA member state or Switzerland. However, the SMC may request such an applicant to demonstrate (in its legal opinion or otherwise) that it is the treasury of the state itself, and not the treasury of an organ or entity under the control of the state

A Participant shall notify the Scheme Management Committee immediately of any matter that is material to the Participant's eligibility as a Participant under this section 5.4. The SMC shall take reasonable steps to bring such notifications to the attention of all other Participants and the EPC Plenary.

## **5.5 Becoming a Participant**

Any undertaking which is eligible under section 5.4 above may apply to become a Participant.

Applications shall be submitted to the EPC in accordance with its application procedures as set out in the Internal Rules.

To apply to become a Participant, an undertaking shall submit to the EPC an executed and original Adherence Agreement and submit Supporting Documentation to the EPC. A Participant may appoint an agent to complete an Adherence Agreement on its behalf. If the latter procedure is adopted the Participant undertakes all rights and obligations under the Rulebook and the documents specified in section 5.2 above as if it had completed the Adherence Agreement itself.

The EPC may require additional information from the applicant in support of its application.

An applicant becomes a Participant on an admission date specified by the EPC in accordance with the Internal Rules. Names of applicants which will become Participants at a future date may be pre-published, and a date designated and published when they will become Participants.

In consideration of the mutual obligations constituted by the Rulebook, an applicant agrees to be bound by, becomes subject to and shall enjoy the benefits of, the Rulebook upon becoming a Participant.

If the application to become a Participant is rejected, the applicant shall receive notice of such in writing and be provided with a statement of the reasons for such rejection.

Upon receipt of such a written rejection, the applicant may appeal against the decision in accordance with the Internal Rules.

## 5.6 Direct Debit Scheme List of Participants

The Direct Debit Scheme List of Participants shall be maintained in good and up-to-date order and arrangements will be made for such list to be made available to Participants when issued or updated.

Such list shall contain:

- current contact details for each Participant for the purpose of enabling notices to be served on Participants in accordance with the Rulebook
- the date on which each Participant attained Participant status
- details of undertakings which have been removed from the list, including the date of their removal; and
- such other information as is considered appropriate in the interests of the effective management of the Scheme.

Any changes to contact details will be notified by Participants, in accordance with the Scheme management process.

By submitting an application to become a Participant, an undertaking consents to publication of the details referred to in this section 5.6.

## 5.7 Obligations of a Creditor Bank

**(👁️ e-Mandates see the indicated points below) (🔄 AMI)**

In respect of each of its Creditors, a Creditor Bank shall:

- enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of “Know Your Customer”
- ensure that such agreement is consistent with the Rulebook
- ensure that such agreement makes adequate provision in circumstances where a Creditor moves its account from one Creditor Bank to another Creditor Bank, as provided for in the Rulebook
- ensure that such agreement makes adequate provision for the Creditor Bank’s succession (e.g. through merger or acquisition), in accordance with the Rulebook

- not restrict its Creditors from obtaining similar services relating to the Scheme from any other Creditor Bank
- provide Creditors and prospective Creditors with adequate information on the respective rights and obligations of the Debtor, Creditor and Creditor Bank in relation to the SEPA Direct Debit in question, in advance of the first initiation of a SEPA Direct Debit by the Creditor and in accordance with the relevant provisions in the Rulebook on the content of such information
- comply with applicable principles issued from time to time in relation to risk mitigation as set out in the Rulebook and Annex II
- in the event that a prospective Creditor does not have a Creditor Identifier, provide or procure the provision of such a number
- perform all operational tasks allocated to Creditor Banks under the Rulebook and comply with the standards set out in the SEPA Core Direct Debit Scheme Inter-Bank Implementation Guidelines
- effect exceptional processing (including all Rejects, Returns and Refunds in relation to its Creditors' accounts) in accordance with the Rulebook
- pay the amount of each Refund or Return to the relevant Debtor Bank, regardless of the status of the Creditor's account or the Creditor itself
- upon request by a Debtor Bank to whom it has sent a Collection (including any Collection which has become subject to a Reject), seek all relevant information and, if requested, a copy of the relevant Mandate, from the Creditor and provide to the Debtor Bank without undue delay such information relating to the relevant Collection and Mandate as has been made available to it by the relevant Creditor (👁 e-Mandates)
- monitor the use by its Creditors of SEPA Direct Debits to ensure continuing compliance with the Rulebook and in order to mitigate all the risks
- in the event that it has credible evidence that its Creditor has effected or proposes to effect one or more SEPA Direct Debits with intent to defraud any person, cease forthwith to effect further Collections for such Creditor
- ensure that, in its agreements with Creditors governing the provision and use of services relating to the Scheme, it has the right to terminate such agreements in the event that Creditors misuse the Scheme and that it exercises such right in such an event
- pay compensation to Debtor Banks in respect of Refunds as determined in accordance with the Rulebook

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:

- to obtain and use a Creditor Identifier when effecting SEPA Direct Debits
- to use a Mandate that complies with the set of requirements defined by the Rulebook
- to comply with the terms of Mandates agreed with its Debtors
- to collect, process and store data related to its Mandates in accordance with the relevant provisions of the Rulebook



- to pre-notify its Debtors in relation to Collections it proposes to initiate in accordance with the relevant Mandate
- to initiate Collections with the Creditor Bank in accordance with the relevant timing requirements set out in the Rulebook
- to perform all operational tasks allocated to Creditors under the Rulebook
- to effect all Rejects, Returns and Refunds in relation to its Collections presented through the Creditor Bank,
- without delay, to provide the Creditor Bank with information relating to its Collections and Mandates, and a copy of any Mandate, when requested by the Creditor Bank (e-Mandates)
- to comply with any guidance for Creditors issued from time to time in relation to risk mitigation
- to resolve any disputes concerning the underlying contract and the related payments directly with the Debtor

Where a Debtor Bank has suffered a Loss as a result of effecting a Refund in accordance with the Rulebook and the relevant Creditor Bank does not indemnify the Debtor Bank in respect of such Loss in accordance with the Rulebook, the Debtor Bank shall be entitled to take the benefit, in whole or in part and whether by way of subrogation or otherwise, of the Creditor Bank's rights against the relevant Creditor, and the Creditor Bank shall take all reasonable steps to secure such rights for the Debtor Bank.

The Creditor Bank will indemnify the Debtor Bank for the financial loss incurred in the case of a Refund request honoured by the Debtor Bank according to the rule described in PT-04.16.

## 5.8 Obligations of a Debtor Bank

(AMI)

In respect of each of its Debtors, a Debtor Bank shall:

- enter into an agreement governing the provision and use of services relating to the Scheme
- ensure that such agreement is consistent with the Rulebook
- ensure that such agreement makes adequate provision for a Debtor moving its account from a Debtor Bank to another Debtor Bank, as provided for in the Rulebook
- ensure that such agreement makes adequate provision for the Debtor Bank's succession (e.g. through merger or acquisition), in accordance with the Rulebook
- provide Debtors and prospective Debtors with adequate information on the respective rights and obligations of the Debtor, Creditor and Debtor Bank in relation to the SEPA Direct Debit in question, in advance of the first initiation of a SEPA Direct Debit to be debited from each relevant Debtor's account and in accordance with the relevant provisions in the Rulebook on the content of such information
- allow Debtors to prohibit the application of SEPA Direct Debits to its account
- comply with applicable principles issued from time to time in relation to risk mitigation as set out in the Rulebook and Annex II

- perform all operational tasks allocated to Debtor Banks under the Rulebook and comply with the standards set out in the SEPA Core Direct Debit Scheme Interbank Implementation Guidelines
- effect all Rejects, Returns and Refunds in relation to its Debtors' accounts, in accordance with the Rulebook, even if the Debtor's account is closed
- effect Refunds requested by the Debtor after the closure of his account in the Debtor Bank, in accordance with the Rulebook
- without delay, if requested by a Debtor in respect of whom a Collection has been received, seek all relevant information and a copy of the relevant Mandate from the Creditor Bank and provide to the Debtor without undue delay such information relating to the relevant Mandate as has been made available to it by the relevant Creditor Bank

A Debtor Bank shall oblige each of its Debtors, in accordance with the relevant requirements set out in the Rulebook:

- to comply with the terms of Mandates agreed with its Creditors
- to claim Refunds only in accordance with the relevant timing requirements set out in the Rulebook
- to resolve any disputed Collection directly with the Creditor concerned, and accept that the obligations of the Debtor Bank and the Creditor Bank under the Scheme are not subject to claims or defences under the contractual or other arrangements in place between Debtor and Creditor

## 5.9 Indemnity and Limitation of Liability

(👁️ e-Mandates see the indicated points below)

### 5.9.1 No-fault Reimbursement of Refunds and Returns

(👁️ e-Mandates)

In respect of each SEPA Direct Debit which is the subject of a Collection received by a Debtor Bank from a Creditor Bank, such Creditor Bank shall indemnify the Debtor Bank in respect of:

- a) Any amount paid by the Debtor Bank to the Debtor by way of Refund and Refund compensation as set out in PT-04.16 or PT-04.24 or
- b) The amount of any Collection subject to a Return

### 5.9.2 Compensation for Breach of the Rulebook

A Participant who is a party to a SEPA Direct Debit shall be liable to the other Participant who is also a party to that SEPA Direct Debit for all foreseeable losses, costs, damages and expenses (including reasonable legal fees), taxes and liabilities for any claims, demands or actions (each referred to as a 'Loss'), where the Loss arises out of or in connection with:

- a) Breach of the Rulebook relating to the Collection by the relevant Participant, its employees or agents;
- b) Any negligent acts or omissions of the relevant Participant, its employees or agents, relating to the Collection insofar as relevant to the operation of the Scheme; or

- c) Any operational failures of the relevant Participant, its employees or agents relating to the Collection insofar as relevant to the operation of the Scheme.

### 5.9.3 Limits on Liabilities

A Participant's liability under the Rulebook is limited as follows:

- The maximum amount which may be claimed in respect of a Loss is the amount of the Collection plus, where due, Refund compensation under PT-04.16. In particular, if a Creditor Bank has paid the amount of a Refund and Refund compensation due under PT-04.16, the Debtor Bank may not make any further claim against that Creditor Bank in respect of the Collection, even if it has suffered additional losses as a result of the breach, negligence or operational failure of the Creditor Bank, its employee or agents.
- The cap on liability applies even if there has been gross negligence by the liable Participant, its employees or agents.
- The cap on liabilities does not apply in the event of wilful intent by the Participant or by the Participant's employees or agents.
- The maximum amount which may be claimed in respect of a Loss is subject to proportionate reduction in the case of contributory negligence of the Participant making the claim, its employees or its agents.
- A Loss which results from action taken to limit or manage risk shall not be claimed.
- A Loss can be regarded as foreseeable only if it is regularly experienced by Participants active in making cross border payments to SEPA countries.

### 5.9.4 Force Majeure

Further, a Participant shall not be liable for any failure, hindrance or delays in performance in whole or part of its obligations under the Rulebook if such failure, hindrance or delay arises out of circumstances beyond its control. Such circumstances may include, but are not limited to acts of God, fire, flood and unavailability of energy supplies.

### 5.10 Liability of the EPC

The EPC, its agents, employees or the employees of its agents shall not be liable for anything done or omitted in the exercise of any discretion under the Rulebook unless it is shown that the act or omission was effected in bad faith.

The EPC, its agents, its employees and the employees of its agents shall not be liable for any losses which are not foreseeable.

### 5.11 Termination

A Participant may terminate its status as a Participant by giving no less than six months' prior written notice to the SMC of the EPC, such notice to take effect on a designated day (for which purpose such a day will be designated at least one day for each month). As soon as reasonably practicable after receipt of such notice, it or a summary shall be published to all other Participants in an appropriate manner.

Notwithstanding the previous paragraph, upon receipt of the participant's notice of termination by the SMC, the Participant and the SMC may mutually agree for the termination to take effect on any day prior to the relevant designated day.

A former Participant shall continue to be subject to the Rulebook in respect of all activities which were conducted prior to termination of its status as a Participant and which were subject to the Rulebook, until the date on which all obligations to which it was subject under the Rulebook prior to termination have been satisfied. In particular, in each case by the former Participant and in favour of the former Participant, as appropriate:

- all SEPA Direct Debit obligations incurred prior to termination of its status as a Participant are preserved and shall be performed in accordance with the Rulebook;
- partly-completed SEPA Direct Debit obligations shall be fully completed; and
- all rights accrued prior to such termination are preserved.

Upon termination of its status as a Participant, an undertaking shall not incur any new obligations under the Rulebook. Further, upon such termination, the remaining Participants shall not incur any new obligations under the Rulebook in respect of such undertaking's prior status as a Participant. In particular, no new SEPA Direct Debit obligations may be incurred by the former Participant or in favour of the former Participant.

The effective date of termination of a Participant's status as a Participant is (where the Participant has given notice in accordance with the first paragraph of section 5.11) the effective date of such notice, or (in any other case) the date on which the Participant's name is deleted from the Direct Debit Scheme List of Participants, and as of that date the Participant's rights and obligations under the Rulebook shall cease to have effect except as stated in this section 5.11.

This section, sections 5.9, 5.10, 5.12 and Annex II of the Rulebook shall continue to be enforceable against a Participant, notwithstanding termination of such Participant's status as a Participant.

## **5.12 Intellectual Property**

The Participants acknowledge that any copyright in the Rulebook belongs to the EPC. The Participants shall not assert contrary claims, or deal with the Rulebook in a manner that infringes or is likely to infringe the copyright held by the EPC in the Rulebook.

## **5.13 Interchange Fees**

Subject to the SEPA Regulation and Regulation (EC) No 924/2009 of the European Parliament and of the Council on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001, Participants may have interchange fee arrangements. For R-transactions an Interchange Fee may be charged either as part of the R-transaction or through other means.

### **Unresolved Issues and Compliance**

- Sections 2.3 and 2.4 of the Internal Rules will not apply in the event of an Unresolved Issue relating to Interchange Fee arrangements.

## **5.14 Contractual Provisions**

The Rulebook contains legal obligations which are binding on the Participants and which are enforceable against a Participant by the SMC or another Participant. The whole Rulebook is intended to have legal effect. In the event of any inconsistency between the provisions of the Rulebook, the provisions of this Chapter 5 shall prevail. Subject to the prevalence of provisions in this Chapter 5, the provisions of Chapter 4 shall prevail over any other provision in the Rulebook.

This Rulebook constitutes the entire agreement between any Participants, and between any Participant and the EPC, relating to each SEPA Direct Debit. Accordingly, the provisions of this Rulebook shall prevail over any conflicting previous agreement, rules or practices (including rules or practices of national payment schemes) which purport to apply to SEPA Direct Debits. This provision does not prohibit any Participant from continuing to make payments through a national payment scheme.

Each Mandate and the terms of each agreement governing the provision and use of services relating to the Scheme between respectively the Debtor and Debtor Bank and the Creditor and Creditor Bank shall continue for the benefit of the successors and permitted assignees of any relevant party.

For the purposes of the computation of time or any period of time under the Rulebook, only days which are Inter-Bank Business Days shall be included in such computation, unless a particular period of time is expressed in Banking Business Days, Calendar Days, or other calendar time units, for example, weeks, months or years.

Where reference is made to Banking Business Days, a Participant will only be required to execute its obligations under the Rulebook on days on which it is open for business, as required for the execution of a SEPA Direct Debit. Therefore, where an obligation falls to be executed by a Participant on a day which is not a Banking Business Day, the Participant must execute this obligation on the next Banking Business Day. The definition of Banking Business Day is therefore to be construed in accordance with this provision.

Every document that is required to be provided by one party to another or by a party to the EPC or vice versa, under the Rulebook shall be provided in the English language.

Any reference in the Rulebook to a person or an undertaking (however described) shall include its successors.

Headings in the Rulebook are used for ease of reference only.

The Rulebook is governed by, and shall be construed in accordance with, Belgian law.

The Rulebook is drawn up in the English language. If the Rulebook is translated into any other language, the English language text prevails.

### **5.15 Application of the EU legislation between Participants**

Each Participant that is not subject to the Payment Services Directive under its national law shall vis-à-vis other Participants and vis-à-vis its Customers and to the extent permitted by the national law applicable to such Participant, comply with and perform obligations that are substantially equivalent to those provisions in Title III and IV of the Payment Services Directive which are relevant for SEPA Direct Debits.

Further, each Participant (whether or not subject to the Payment Services Directive) shall refrain, to the extent reasonably possible, from exercising any rights accorded to it under its national law vis-à-vis other Participants and vis-à-vis its Customers that either conflict or that could potentially conflict with the provisions in Title III and IV of the Payment Services Directive.

The obligations of each Participant (whether or not subject to the Payment Services Directive) under the Rulebook shall apply notwithstanding that the Payment Services Directive is limited in its geographical scope (art. 2 Payment Services Directive).

The above principles apply mutatis mutandis to each Participant with respect to the provisions of Articles 5, 6(3) and 8 and the Annex of the SEPA Regulation.

## 5.16 Rules to migrate legacy mandates

The tables below set out rules relating to mandates which have been issued under a legacy direct debit scheme before the Creditor completes the process of changing to the Scheme and which the Creditor would like to migrate to SEPA Direct Debit Mandates in line with procedures agreed at a national level or, if applicable, in accordance with Article 7 of the SEPA Regulation. These mandates may not comply fully with the requirements of the Rulebook and are called “legacy mandates”.

These migration rules do not impose any obligation on Participants or national communities to carry out migration of legacy mandates in any particular fashion (or at all).

The rules do not apply to new SEPA Direct Debit Mandates entered into after the launch of the Scheme and the Creditor has transferred to the Scheme; the Creditor and Creditor Bank must comply with all Process Steps and Datasets, and all other relevant Rulebook requirements, in respect of Mandates created after that date.

The Creditor and Creditor Bank will agree on the dates for the Creditor to begin the process of changing to the Scheme and the date when those changes are completed. The start date for the Creditor Bank to provide direct debit collection services to the Creditor under the Rulebook will be the date when those changes have been completed.

Many legacy schemes are Creditor mandate flow schemes - as is the case with the Scheme. However, a relatively small number of legacy schemes will be Debtor mandate flow (“DMF”) schemes. A DMF scheme is basically a direct debit scheme under which the Debtor Bank, rather than the Creditor, receives and retains the mandate. This different mandate flow has different implications on the migration rules. Therefore the migration rules applicable to legacy Creditor mandate flow schemes are set out in Table 1 below and the rules applicable to legacy DMF schemes are set out in Table 2.

**Table 1 - Creditor mandate flow schemes**

| Rule number | Material to which the migration rule applies | Description of requirement  | Migration rule  |
|-------------|--|---|---|
| 1.          | PT-01.01/02                                  | Mandate can be executed in a paper-based process (PT-01.01) or, by an electronic process (PT-01.02) | In respect of legacy mandates: <ul style="list-style-type: none"> <li>compliance with the requirements of PT-01-01 is waived provided that migration rule 3 has been complied with</li> <li>compliance with the requirements of PT-01-02</li> </ul> |

| Rule number | Material to which the migration rule applies                         | Description of requirement  | Migration rule   |
|-------------|--|---|--|
| 2.          | PT-04.23; PT-06.03; PT - 06.04; 5.7 - (I); 5.7 - (ii), (iv) and (ix) | Creditor to provide to Creditor Bank a copy of the Mandate, if requested by the Debtor Bank | <p>In respect of legacy mandates, compliance with the requirement to provide a copy of the Mandate is waived provided that:</p> <p>(a) the applicable legacy scheme rules include no obligation for a paper-based mandate;</p> <p>(b) the Creditor Bank can provide evidence acceptable under the legacy scheme rules that the mandate had been properly constituted under those rules; and</p> <p>(c) the mandatory data elements have been collected and stored in accordance with migration rule 3.</p>   |
| 3.          | DS-01  | Mandatory data elements in the SDD Mandate.   | <p>In respect of legacy mandates, the following rules provide for how the mandatory elements in the SDD Mandate may be addressed if not available as part of the legacy mandate:</p> <p><b>Unique Mandate reference</b> - Creditor must provide an individual mandate reference number.</p> <p><b>Name of Debtor</b> - Debtor's name is always part of legacy direct debit schemes.</p> <p><b>Address of Debtor</b> - Address to be extracted from the underlying contract or requested from the Debtor.</p> <p><b>Account number (IBAN) of the account to be debited</b> - either provided by the Debtor Bank, calculated by or on behalf of the Creditor Bank based on Debtor account information, or requested by the Debtor.</p> <p><b>BIC code of Debtor Bank</b> - either provided by the Debtor Bank, calculated by or on behalf of the Creditor Bank based on Debtor account information, or requested from the Debtor.</p> <p><b>Identifier of the Creditor</b> - Must be applied either by the Creditor or Creditor Bank from the issuing authority of Creditor's country of residence or any other issuing authority within the SEPA member states.</p> <p><b>Name of the Creditor</b> - Creditor's name is always part of legacy direct debit schemes.</p> <p><b>Address of the Creditor</b> - Creditor's address is always part of legacy direct debit schemes.</p> |

| Rule number | Material to which the migration rule applies | Description of requirement | Migration rule  |
|-------------|--|----------------------------|---|
|             |  |                            | <p><b><i>Date of signing</i></b> - Where the actual date of the legacy mandate is not known, the date should be the date on which the legacy mandate is converted to a SEPA Mandate (e.g. the date on which the Debtor's legacy mandate is first treated as a SEPA Mandate in accordance with the SEPA migration plan agreed between Creditor and Creditor Bank). The instrument of migration (e.g. notification to Debtor, legislation or regulation) should be stored together with the legacy mandate.</p>               |
|             |  |                            | <p><b><i>Signature(s) of the Debtor</i></b> - This is the signature of the legacy mandate. If a written signature is not a requirement of the legacy mandate, the signature can be replaced by the instrument of migration (e.g. notification to Debtor, legislation or regulation) stored together with the legacy mandate.</p> <p><b><i>Transaction type</i></b> - This should be taken from the nature of the legacy mandate. It is assumed that mandates to be migrated from legacy schemes are normally recurrent.</p> |
| 4.          | 7  | Definition of "Mandate"    | <p>The term "Mandate" when used in the Rulebook includes legacy mandates created before the date the Creditor completes the process of changing to the Scheme and which comply with these rules.</p>  |



**Table 2 - Debtor mandate flow schemes**

| <b>Rule number</b> | <b>Material to which the migration rule applies</b>                                     | <b>Description of requirement</b>   | <b>Migration rule</b>  |
|--------------------|---|---|--|
| DMF 1.             | PT-01.01/02   | Mandate can be executed in a paper-based process (PT-01.01) or, by an electronic process (PT-01.02) | In respect of legacy DMF mandates: <ul style="list-style-type: none"> <li>compliance with the requirements of PT-01-01 is waived provided that: <ul style="list-style-type: none"> <li>(a) migration rule DMF 4 has been complied with; and</li> <li>(b) the Creditor has been supplied with, or has access to, the mandate information held by the Debtor Bank.</li> </ul> </li> <li>compliance with the requirements of PT-01-02</li> </ul>  |
| DMF 2.             | PT-01.03  | Creditor dematerialises the paper Mandate   | In respect of legacy DMF mandates, compliance with PT-01.03 is waived provided that the Creditor: <ul style="list-style-type: none"> <li>(a) dematerialises the information of the mandate it receives from the Debtor Bank under migration rule 1; and</li> <li>(b) sends such information after dematerialisation to the Creditor Bank as part of each transaction based on the Mandate as described in PT-04.03.</li> </ul>   |
| DMF 3.             | PT-04.21; PT-04.23; PT-06.01; PT-06.03; PT -06.04; 5.7 - (I); 5.7 - (ii), (iv) and (ix) | Creditor or Creditor Bank to provide a copy of the Mandate, if requested by the Debtor Bank         | In respect of legacy DMF mandates, compliance with the requirement to provide a copy of the Mandate is waived provided that: <ul style="list-style-type: none"> <li>(a) the applicable legacy scheme rules include a requirement for the Debtor Bank to hold the signed mandate; or</li> <li>(b) the applicable legacy scheme rules include no obligation for a paper-based mandate; and</li> <li>(c) the mandatory data elements have been collected and stored in accordance with migration rule 4.</li> </ul> |

| Rule number | Material to which the migration rule applies | Description of requirement                  | Migration rule   |
|-------------|--|---|--|
| DMF 4.      | DS-01  | Mandatory data elements in the SDD Mandate. | <p>In respect of DMF legacy mandates, the following rules provide for how the mandatory elements in the SDD Mandate may be addressed if not available as part of the legacy mandate:</p> <p><b>Unique Mandate reference</b> - Creditor must provide an individual mandate reference number.</p> <p><b>Name of Debtor</b> - Debtor's name is always part of legacy direct debit schemes.</p> <p><b>Address of Debtor</b> - Address to be extracted from the underlying contract or requested from the Debtor.</p> <p><b>Account number (IBAN) of the account to be debited</b> - Either provided by the Debtor Bank, calculated by or on behalf of the Creditor Bank based on Debtor account information, or requested by the Debtor.</p> <p><b>BIC code of Debtor Bank</b> - Either provided by the Debtor Bank, calculated by or on behalf of the Creditor Bank based on Debtor account information, or requested from the Debtor.</p> <p><b>Identifier of the Creditor</b> - Must be applied either by the Creditor or Creditor Bank from the issuing authority of Creditor's country of residence or any other issuing authority within the SEPA member states.</p> <p><b>Name of the Creditor</b> - Creditor's name is always part of legacy direct debit schemes.</p> <p><b>Address of the Creditor</b> - Creditor's address is always part of legacy direct debit schemes.</p> |
|             |  |   | <p><b>Date of signing</b> - Where the actual date of the legacy mandate is not known, the date should be the date on which the legacy mandate is converted to a SEPA Mandate (e.g. the date on which the Debtor's legacy mandate is first treated as a SEPA Mandate in accordance with the SEPA migration plan agreed between Creditor and Creditor Bank). The instrument of migration (e.g. notification to Debtor, legislation or regulation) should be stored together with the legacy mandate.</p> <p><b>Signature(s) of the Debtor</b> - This is the signature of the legacy mandate. If a written signature is not a requirement of the legacy mandate, the signature can be replaced by the instrument of migration (e.g. notification to Debtor, legislation or regulation) stored together with the legacy mandate.</p>   |

| Rule number | Material to which the migration rule applies | Description of requirement | Migration rule  |
|-------------|--|----------------------------|---|
|             |  |                            | <i>Transaction type</i> - This should be taken from the nature of the legacy mandate. It is assumed that mandates to be migrated from legacy schemes are normally recurrent.                      |
| DMF 5.      | 7  | Definition of "Mandate"    | The term "Mandate" when used in the Rulebook includes DMF legacy mandates created before the date the Creditor completes the process of changing to the Scheme and which comply with these rules. |

## **6 SEPA SCHEME MANAGEMENT**

The Scheme Management Entity is EPC AISBL acting in accordance with the EPC Charter.

SEPA Scheme Management comprises two functions. The first function involves managing the development and evolution of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules. The detailed rules that describe the operation of these functions are set out in the Internal Rules of SEPA Scheme Management in Annex IV of the Rulebook.

### **6.1 Development and Evolution**

The development and evolution function of SEPA Scheme Management establishes formal change management procedures for the Scheme. The change management procedures aim to ensure that the Scheme is kept relevant for its users and up-to-date, with structured processes for initiating and implementing changes to the Scheme, the Rulebook and related documentation. An important component of change management is the innovation of ideas for enhancing the quality of the existing Scheme as well for developing new schemes, based always on sound business cases.

The development of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Scheme Participants, SEPA service suppliers, end-users as well as other concerned groups.

The development and evolution function shall be performed by the EPC Plenary, supported by the SEPA Payment Schemes Working Group ('SPS WG') or by such other working and support group as the EPC Plenary may designate. The EPC Plenary and the SPS WG shall perform the development and evolution function in accordance with the procedures set out in the Internal Rules.

### **6.2 Administration and Compliance**

The administration and compliance function of SEPA Scheme Management establishes rules and procedures for administering the adherence process for the Scheme, for addressing cases of claimed non-compliance by Participants with the rules of the Scheme and for addressing situations where Participants are unable to resolve their grievances through local, national dispute resolution methods.

In addition, the Internal Rules provide for an appeals process on decisions taken by the SMC on adherence and complaints matters.

The administration and compliance function aims to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebook and general principles of applicable law.

The administration and compliance function shall be performed by the SMC as set out in detail in the Internal Rules.

The roles, rights and powers of the SMC and the EPC Plenary are set out in detail in the Internal Rules and in the EPC Charter.

The SMC and the EPC Plenary are supported by a common EPC Secretariat in the exercise of their SEPA Scheme Management functions.

The parties to this Rulebook are the EPC and each Participant. The SMC and the EPC Plenary are established by the EPC in accordance with the EPC Charter and are organs of the EPC. In this Rulebook, references to the rights, obligations and entitlements of the SMC and the EPC Plenary may be read as references to the rights, obligations and entitlements of the EPC.



The Internal Rules form part of this Rulebook and may only be amended in accordance with the procedures set out in section 3 of the Internal Rules.

The Internal Rules shall be binding on Participants in accordance with section 1.4 and 5.2 of the Rulebook.

## 7 TERMS DEFINED IN THE RULEBOOK

Definitions taken from other documents are acknowledged. Terms defined elsewhere in this document are not repeated here, but only referenced.

|   | <b>Definition</b>  |
|---|--|
| <b>Additional Optional Services</b>       | Complementary features and services based on the Scheme, as described in section 2.4 of the Rulebook.  |
| <b>Adherence Agreement</b>                | The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found as Annex I of the Rulebook.  |
| <b>AOS</b>                                | <i>See 'Additional Optional Services'.</i>   |
| <b>Banking Business Day</b>               | <i>Defined in section 4.3</i>  |
| <b>BIC</b>                                | <i>See 'Business Identifier Code'.</i>   |
| <b>Business Identifier Code (BIC)</b>     | An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions (ISO 9362).   |
| <b>Calendar Day</b>                       | A Calendar Day means any day of the year.  |
| <b>Category purpose of the Collection</b> | <i>Defined in section 4.8.50</i>   |
| <b>Clearing</b>                           | The process of transmitting, reconciling and, in some cases, confirming payment orders prior to Settlement, possibly including the netting of instructions and the establishment of final positions for Settlements.                   |
| <b>CSM</b>                                | A Clearing and Settlement Mechanism. For more info see section 3.1   |
| <b>Collection</b>                         | A Collection is the part of a Direct Debit Transaction starting from the Collection initiated by the Creditor until its end through the normal debiting of the Debtor's account or until the completion by a Reject, Return or Refund. |
| <b>Core Scheme</b>                        | <i>See 'SEPA Core Direct Debit Scheme'</i>   |
| <b>Creditor</b>                           | <i>Defined in section 3.1.</i>   |
| <b>Creditor Bank</b>                      | <i>Defined in section 3.1.</i>   |
| <b>Creditor Reference Party</b>           | <i>Defined in section 4.8.32</i>   |
| <b>Customer</b>                           | Non-bank Creditor or Debtor.   |
| <b>Customer Account</b>                   | The account held by a Customer in the books of a Participant.  |
| <b>Cut-off Time</b>                       | The Rulebook defines time cycles expressed in the time-unit "day". More detailed time limits expressed in "hours-minutes" must be specified by all Participants and CSMs, for operating the Scheme.                                    |
| <b>D</b>                                  | <i>Defined in section 4.3.1</i>  |
| <b>Debtor</b>                             | <i>Defined in section 3.1</i>  |
| <b>Debtor Bank</b>                        | <i>Defined in section 3.1</i>  |

## Definition

|                                 |  |
|---------------------------------|--|
| <b>Debtor Reference Party</b>   | <i>Defined in section 4.8.16</i>   |
| <b>Direct Debit Collection</b>  | <i>See ‘Collection.’</i>   |
| <b>Direct Debit Transaction</b> | A Direct Debit Transaction is the whole process of the execution of a payment made by the use of direct debit, starting from the Collection initiated by the Creditor up to its finality, being or the normal execution, or the Reject, or the Return or the Refund of the Collection. It is the end-to-end execution of a direct debit payment. |
| <b>Due Date</b>                 | <i>Defined in section 4.3.1.</i>   |
| <b>EBA</b>                      | Euro Banking Association.  |
| <b>ECSA</b>                     | European Credit Sector Association.  |
| <b>EONIA Interest Rate</b>      | A measure of the effective interest rate prevailing in the euro interbank overnight market. It is calculated as a weighted average of the interest rates on unsecured overnight lending transactions denominated in euro, as reported by a panel of contributing banks.  |
| <b>EPC</b>                      | The European Payments Council.   |
| <b>EPC Charter</b>              | The Charter of the European Payments Council dated 18 June 2004, as amended from time to time.   |
| <b>EU</b>                       | The European Union.  |
| <b>File</b>                     | An electronic envelope containing a number of transactions that allows the receiver of the File to control its integrity. A File may contain a single transaction, or several single transactions, or batches of transactions.   |
| <b>Funds</b>                    | In relation to a payment transaction shall mean cash, scriptural money and electronic money as defined in Directive 2000/46/EC.  |
| <b>IBAN</b>                     | International Bank Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616).   |
| <b>Inter-Bank Business Day</b>  | <i>Defined in section 4.3</i>  |
| <b>Interchange Fee</b>          | A fee paid between the Debtor Bank and the Creditor Bank for direct debit transactions   |
| <b>Intermediary Bank</b>        | A bank which is neither that of the Creditor nor that of the Debtor and which participates in the execution of a Collection.   |
| <b>Internal Rules</b>           | The Internal Rules of SEPA Scheme Management, as set out in Annex IV of this Rulebook, and as amended from time to time.   |
| <b>Loss</b>                     | <i>Defined in section 5.7.</i>   |
| <b>Mandate</b>                  | <i>Defined in section 4.1.</i>   |
| <b>Original Amount</b>          | Original ordered amount for each Collection, as specified by the Creditor to the Creditor Bank.  |

## Definition

|   |  |
|---|--|
| <b>Participant</b>  | An entity accepted to be a part of the Scheme in accordance with section 5.4 of the Rulebook.  |
| <b>Payment Services Directive</b>                             | Directive 2007/64/EC on Payment Services in the Internal market published in the Official Journal of the European Union on 5 December 2007 ( <b>PSD</b> ).   |
| <b>Pre-notification</b>                                       | The notification provided by the Creditor to the Debtor of the amount and time schedule prior to the date on which the debits are to be collected. The notice can be provided as a separate piece of information, or via inclusion in a regular statement, bill, or invoice.<br><i>Defined in section 4.8.49</i>   |
| <b>Purpose of the Collection</b>                              |  |
| <b>Reachability</b>   | Reachability is the concept that all Customer Accounts in SEPA are accessible for the receipt of direct debits in the Scheme.  |
| <b>Refund</b>   | <i>Defined in section. 4.4.</i>  |
| <b>Refusals</b>   | <i>Defined in section 4.4.</i>   |
| <b>Rejects</b>  | <i>Defined in section 4.4.</i>   |
| <b>Remittance Information</b>                                 | Information supplied by the Creditor in the direct debit collection and transmitted to the Debtor in order to facilitate the payment reconciliation.   |
| <b>Request for Cancellation</b>                               | <i>Defined in section 4.4.</i>   |
| <b>Returns</b>  | <i>Defined in section 4.4.</i>   |
| <b>Reversal</b>   | <i>Defined in section 4.4.</i>   |
| <b>Revocation</b>   | <i>Defined in section 4.4.</i>   |
| <b>R-transactions</b>   | Direct debit transactions that result in exception processing are referred to as ‘R-transactions’.   |
| <b>Scheme</b>   | The SEPA Direct Debit Scheme.  |
| <b>Scheme Management Committee (SMC)</b>                      | The committee of the EPC that shall perform the administration and compliance function of SEPA Scheme Management.  |
| <b>SEPA</b>   | SEPA is the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within all the EU Member States, whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location. For the geographical scope, see the EPC list of SEPA countries (Reference [20]). |
| <b>SEPA Business-to-Business Direct Debit Scheme</b>          | The SEPA Business-to-Business Direct Debit Scheme is the payments scheme for making direct debits across SEPA by Business Customers, both the Debtor and the Creditor, as set out in the SEPA Business-to-Business Direct Debit Scheme Rulebook.   |
| <b>SEPA Business-to-Business Direct Debit Scheme Rulebook</b> | The Rulebook setting out rules and business standards for the SEPA Business to Business Direct Debit Scheme.   |



## Definition

|   |   |
|---|---|
| <b>SEPA B2B Direct Debit Scheme</b>           | <i>See ‘SEPA Business-to-Business Direct Debit Scheme’</i>  |
| <b>SEPA Core Direct Debit</b>                 | A SEPA Core Direct Debit is the payment instrument governed by the rules of the SEPA Core Direct Debit Scheme for making direct debit payments in euro throughout SEPA from bank accounts to other bank accounts. |
| <b>SEPA Core Direct Debit Scheme</b>          | The SEPA Core Direct Debit Scheme is the payments scheme for making direct debits across SEPA, as set out in the SEPA Core Direct Debit Scheme Rulebook.  |
| <b>SEPA Core Direct Debit Scheme Rulebook</b> | The Rulebook setting out rules and business standards for the SEPA Core Direct Debit Scheme.  |
| <b>SEPA Credit Transfer Scheme</b>            | The SEPA Credit Transfer Scheme is the payments scheme for making credit transfers across SEPA, as set out in the SEPA Credit Transfer Scheme Rulebook.   |
| <b>SEPA Credit Transfer Scheme Rulebook</b>   | The Rulebook setting out rules and business standards for the SEPA Credit Transfer Scheme.  |
| <b>SEPA Direct Debit</b>                      | A SEPA Direct Debit is the payment instrument governed by the rules of the SEPA Direct Debit Scheme for making direct debit payments in euro throughout SEPA from bank accounts to other bank accounts.           |
| <b>SEPA Direct Debit Scheme</b>               | The SEPA Direct Debit Scheme is the payments scheme for making direct debits across SEPA, as set out in the SEPA Core Direct Debit Scheme Rulebook.   |
| <b>SEPA Direct Debit Scheme Rulebook</b>      | The Rulebook setting out rules and business standards for the SEPA Core Direct Debit Scheme.  |
| <b>SEPA Regulation</b>                        | Regulation (EU) 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (the ‘SEPA Regulation’)                         |
| <b>SEPA Scheme</b>                            | A SEPA payment scheme is a common set of business rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at an inter-bank level in a competitive environment.         |
| <b>SEPA Scheme Management</b>                 | SEPA Scheme Management denotes the administration, compliance and development functions in relation to a SEPA Scheme.   |
| <b>Settlement</b>                             | An act that discharges obligations with respect to the transfer of Funds between Creditor Bank and Debtor Bank.   |
| <b>Settlement Cycle</b>                       | The time taken to achieve Settlement.   |
| <b>Settlement Date</b>                        | The date on which obligations with respect to Funds transfer between Debtor Bank and Creditor Bank are discharged.  |
| <b>SMC</b>                                    | Scheme Management Committee, see Chapter 6.   |

## Definition

|                                 |   |
|---------------------------------|---|
| <b>Supporting Documentation</b> | A legal opinion in the form set out on the website of the EPC, duly executed by the undertaking's internal or external counsel in accordance with the Internal Rules.   |
| <b>TARGET Calendar</b>          | <i>Defined in section 4.3.</i>  |
| <b>Terms and Conditions</b>     | The general Terms and Conditions that a bank has with its Customers (and which may contain dispositions about their rights and obligations related to Scheme-debits. These dispositions may also be included in a specific agreement, at the Participant's choice). |
| <b>Time Cycle</b>               | This describes the time constraints of a process in terms of days per key process step.   |
| <b>Transaction Type</b>         | <i>Defined in section 4.8.21.</i>   |
| <b>Unauthorised Transaction</b> | <i>Defined in section 4.4.</i>  |

**Annex I Draft SEPA Direct Debit Adherence Agreement**  
**Draft Adherence Agreement to the SEPA Core Direct Debit Scheme**

**This is included as an example only.**

**The definitive version is to be found on the EPC Website**  
**As part of the Guide to the SDD Schemes Adherence [16]**

## SEPA Core Direct Debit Scheme Adherence Agreement

To: The European Payments Council (the “**EPC**”)

From: *[Insert the Name and the address of the Applicant [s]:], hereafter “the Applicant”*

*[As set out in the list annexed to this Adherence Agreement]\**

-----

(*[each]\** an “**Applicant**”)

\*Please include the text in square brackets if this Adherence Agreement covers more than one entity.

### **PREAMBLE**

- (A) The SEPA Core Direct Debit Scheme (the “**Scheme**”) is a pan-European Direct Debit Scheme that operates in all SEPA countries as listed in the SEPA Country List.
- (B) The EPC oversees the operation of the Scheme in accordance with the terms and conditions set out in the SEPA Core Direct Debit Scheme Rulebook (the “**Rulebook**”).
- (C) The Rulebook sets out the rights and obligations of all institutions bound by its terms (the “**Participants**”), and the EPC Plenary and binds each Participant to comply with their obligations to the EPC and to all other Participants pursuant to the rules set out therein.
- (D) The EPC, acting on its behalf and on behalf of all Participants, will notify the Applicant of the date following the Readiness Date on which this Adherence Agreement becomes effective (the "Effective Date") as between the Applicant , the EPC and other Participants.
- (E) As of the Effective Date the Applicant shall become a **Participant** and be bound to all the obligations, and entitled to all the benefits, set out in the Rulebook.

### **IT IS HEREBY AGREED AS FOLLOWS:**

1. The Applicant hereby undertakes to all Participants and to the EPC to perform the obligations imposed by and to comply with the provisions of the Rulebook, as modified from time to time, with effect from the Effective Date.
2. The Applicant makes the following representations and warranties:
  - 2.1 The Applicant has the power and authority to enter into and has taken all corporate action to authorise its entry into the Scheme and to perform the obligations and comply with the provisions of the Rulebook.
  - 2.2 The signatories of the Applicant [and the agent signing on behalf of the Applicant] have all necessary corporate authorisations and the power and authority to bind the Applicant to the Rulebook.
  - 2.3 The Applicant shall ensure that it satisfies and will at all times during its participation in the Scheme satisfy the eligibility criteria for participation in the Scheme as set out in the Rulebook. If at any time,

the Applicant has reason to believe that it no longer satisfies such criteria, or may be unable to satisfy such criteria, it shall notify the EPC immediately of the circumstances.

- 2.4 The Applicant is in a position to comply with all of the obligations set out in the Rulebook by the “**Readiness Date**” as stated in the accompanying Schedule.
3. By submitting this completed form of Adherence Agreement the Applicant agrees to be bound by the provisions of the EPC's Scheme Management Internal Rules governing applications for participation in the Scheme, whether or not it becomes a Participant.
4. Any communication, including service of process, to be made with the Applicant under or in connection with the Rulebook shall be made in writing and addressed to the Applicant at the address set out above.
5. The Applicant consents to the publication of its name and basic details of its adherence application on the public website of the EPC.
6. This Agreement is governed by Belgian law.

FOR AND ON BEHALF OF THE APPLICANT

Signed by

-----

Name/Position -----

Date of signature -----

Signed by

-----

Name/Position -----

Date of signature -----

Where this Adherence Agreement was signed by two signatories on different dates, it shall be considered as being dated the later date.



## **Annex II Risk Mitigation**

## **RISK MITIGATION**

The document (EPC261-06) has a restricted distribution and is therefore not included here.

Should Participants wish to provide suppliers with a copy of this Risk Mitigation Annex, they must do this under a non-disclosure agreement. A suggested text is included here, but Participants may use their own document if they prefer.

## Example non-disclosure agreement

**[To be typed on headed notepaper of the Bank disclosing information]**

[Insert name and address of person receiving information]

[Insert date]

Dear Sirs,

### **SEPA DIRECT DEBIT SCHEME - RISK MITIGATION ANNEX**

This letter, which is to be understood as a legally binding agreement (hereinafter referred to as "Agreement") is to agree the basis upon which we will supply and/or have supplied to you Confidential Information in relation to the SEPA Direct Debit Scheme. In consideration of us supplying you with certain Confidential Information necessary for you to perform your functions under the commercial arrangements between us, you agree as follows:

#### **1. KEEPING CONFIDENTIAL INFORMATION CONFIDENTIAL**

You shall keep the Confidential Information confidential and, in particular, you shall:

- a) keep all documents and other material containing, reflecting, or which are generated from the Confidential Information separate from all other documents and materials and at your usual place of business in [insert name of country];
- b) exercise in relation to the Confidential Information no lesser security measures and degree of care than those which you apply to your own confidential information (and which you warrant as providing adequate protection against any unauthorised disclosure, copying or use).

#### **2. DEFINITIONS**

In this Agreement:

2.1 "Confidential Information" means any information contained within the Risk Mitigation Annex to the SEPA Core Direct Debit Scheme Rulebook disclosed (whether before or after the date of this Agreement and whether in writing, orally or by any other means and whether directly or indirectly) by us or by another person on our behalf to you or to another person on your behalf.

2.2 Shall not be considered as "Confidential Information" information which:

2.2.1 is already known to you, unless this information too was provided subject to a non-disclosure undertaking; and/or

2.2.2 has been gathered by you independently of us; and/or

2.2.3 has lawfully been obtained by you from a third party, without any duty of secrecy; and/or

2.2.4 has already been released into the public domain by the person lawfully entitled.

#### **3. DISCLOSURE OF CONFIDENTIAL INFORMATION**

3.1 You shall not disclose the Confidential Information to another person except that you may disclose the Confidential Information:

- a) to your employees [professional advisors, authorised representatives or sub-contractors] to the extent that it is essential to enable you to perform your functions (need to know basis).
- b) if disclosure is required by law, by a court of competent jurisdiction or by another appropriate regulatory body provided that you shall use all reasonable efforts to give us not less than [two business days'] notice in writing of that disclosure.

3.2 You shall use all reasonable efforts to prevent the disclosure of the Confidential Information except as mentioned in paragraph 3.1.



3.3 You shall ensure that each person to whom Confidential Information is disclosed pursuant to paragraph 3.1(a) complies with the terms of this Agreement as if that person was a party to this Agreement.

#### **4. ENTRY INTO FORCE AND DURATION**

4.1 This Agreement shall enter into force upon signature by both parties to this Agreement.

4.2 All the undertakings fixed in this Agreement shall be of indefinite duration.

4.3 The provisions of this Agreement shall remain in force even after the termination of the commercial arrangements/agreements between the parties to this Agreement.

4.4 You shall, within [7 (seven) business days] of a written request from us, and in any event upon termination of our commercial arrangements/agreement, return to us all documents and other material in the possession, custody or control of you or any of the persons falling within the exception mentioned in paragraph 3.1 (a) that contain any part of the Confidential Information and shall ensure that both you and such persons erase all Confidential Information held in electronic form on any computer, electronic file storage system or other electronic device (other than copies of computer records and/or files containing any Confidential Information which have been created pursuant to automatic archiving or back-up procedures).

#### **5. FURTHER AGREEMENTS**

5.1 We accept no responsibility for and make no representation or warranty, express or implied with respect to the truth, accuracy, completeness or reasonableness of the Confidential Information. We are not liable to you or another person in respect of the Confidential Information or its use.

5.2 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

#### **6. GOVERNING LAW**

6.1 This Agreement is governed by [insert choice of law].

6.2 Disputes resulting from or in connection with the Agreement shall be referred to the competent court in [insert competent court].

6.3 Please indicate your full acceptance of this Agreement by signing and returning the enclosed copy of this Agreement to us.

Yours faithfully

---

for and on behalf of

[ ]

Agreed and accepted by

---

for and on behalf of

[ ]

Dated [ ]



## **Annex III Rulebook Amendments and Changes since version 8.0**

**THIS ANNEX IS NOT A PART OF THE RULEBOOK AND IS INCLUDED IN THE  
RULEBOOK FOR INFORMATION PURPOSES ONLY**

## List of Changes in SDD Rulebook v9.0 Compared to v8.0

**Key:**

Column one contains the rulebook reference

Column two contains a description of the amendment

Column three contains the type of amendment, as classified below:

- TYPO: typing and layout errors
- CLAR: clarification of the text
- CHAN: change of the Rulebook content

| Reference | Description   | Type |
|-----------|---|------|
| 4.2       | Rewording of the contents in the fourth paragraph specifying that the Debtor Bank must receive the Collection latest by D- 1 Inter-Bank Business Day (D-1) irrespective if the Collection is presented as an one-off or a recurrent Collection. | CHAN |
|           | Removal of the entire fifth paragraph and the text box below outlining important changes with respect to D-1 and the sequence type 'FRST' as of the November 2016 version of the Rulebook   | CHAN |
| 4.3.4     | Removal of a text box outlining important changes with respect to D-1 and the sequence type 'FRST' as of the November 2016 version of the Rulebook  | CHAN |
|           | Update of Figure 1 taking out the D-5 and D-2 time cycles   | CHAN |
|           | Rewording of the contents in the third bullet point   | CHAN |
|           | Entire removal of fourth bullet point + removal of a text box outlining important changes with respect to D-1 and the sequence type 'FRST' as of the November 2016 version of the Rulebook  | CHAN |
|           | Entire removal of fifth bullet point + removal of a text box outlining important changes with respect to D-1 and the sequence type 'FRST' as of the November 2016 version of the Rulebook   | CHAN |
| 4.6.1     | Process step PT-01.01:<br>Under 'Starting day/time': additional specification referring now to ' <b>..first initiation of a Collection..</b> '  | CHAN |
| 4.6.2     | Process step PT-02.02 under 'Description':<br>Removal of two text boxes outlining important changes with respect to D-1 and the sequence type 'FRST' as of the November 2016 version of the Rulebook.   | CHAN |
|           | Removal of the last two sentences   | CHAN |

| Reference | Description  | Type                                |
|-----------|--|-------------------------------------|
| 4.6.4     | <p>Process step PT-04.03:</p> <p>Under ‘Starting day/time’: Removal of last part of the last sentence on first/one-off Collections and subsequent Collections.</p> <p>Under ‘Closing day/time’:</p> <ul style="list-style-type: none"> <li>– Change of D-2 into D-1 and rewording of first paragraph</li> <li>– Removal of wording on the optional D-1 timecycle</li> <li>– Addition of a new second paragraph</li> <li>– Removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook.</li> </ul> <p>Process step PT-04.04: Under ‘Description’:</p> <ul style="list-style-type: none"> <li>– Removal of entire second paragraph</li> <li>– Removal second part of sentence in the third paragraph</li> <li>– Addition of a new fourth paragraph</li> <li>– Removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook</li> </ul> | <p>CHAN</p> <p>CHAN</p> <p>CHAN</p> |
| 4.6.4     | <p>Process step PT-04.05: Under ‘Closing day/time’:</p> <ul style="list-style-type: none"> <li>– Change of D-2 into D-1 and rewording of first paragraph</li> <li>– Removal of entire second paragraph</li> <li>– Removal of wording on the optional D-1 timecycle</li> <li>– Removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook</li> </ul>  | CHAN                                |
| 4.6.4     | <p>Process step PT-04.06: Under ‘Description’:</p> <ul style="list-style-type: none"> <li>– Removal of entire second paragraph</li> <li>– Removal second part of sentence in the third paragraph</li> <li>– Addition of a new fourth paragraph</li> <li>– Removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook</li> </ul>  | CHAN                                |
| 4.6.4     | <p>Process step PT-04.07: Under ‘Closing day/time’:</p> <ul style="list-style-type: none"> <li>– Change of D-2 into D-1 and rewording of first paragraph</li> <li>– Removal of entire second paragraph</li> <li>– Removal of wording on the optional D-1 timecycle</li> <li>– Removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook</li> </ul>  | CHAN                                |

| Reference | Description   | Type                                 |
|-----------|---|--------------------------------------|
| 4.6.4     | Process step PT-04.08: Under ‘Description’: <ul style="list-style-type: none"> <li>– Removal of entire second paragraph</li> <li>– Rewording second part of sentence in the third paragraph</li> <li>– Addition of a new fourth paragraph</li> <li>– Removal of the last three paragraphs</li> <li>– Removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook.</li> </ul>   | CHAN                                 |
| 4.6.4     | Process step PT-04.10: Under ‘Description’:<br>Removal of entire fourth and fifth paragraph   | CHAN                                 |
| 4.7.2     | Description: <ul style="list-style-type: none"> <li>– Removal of references to and the line numbering of the Mandate illustration already removed in version 8.0 of the Rulebook</li> <li>– Extra sentence added in brackets after “The BIC code of the Debtor Bank”</li> </ul> Attributes contained: <ul style="list-style-type: none"> <li>– Rewording of the sentence in brackets after attribute 13 “The BIC code of the Debtor Bank”</li> </ul> Guidelines for the design of the SEPA Direct Debit mandate:<br>Removal of the sentence “...Please complete all the fields marked *.” | TYPO<br>CLAR<br><br>CLAR<br><br>TYPO |
| 4.7.4     | <u>‘Description’</u> : Entire removal of second paragraph in relation to an important change for attribute 21.<br><u>‘Attributes contained’</u> : <ul style="list-style-type: none"> <li>– Removal of (<i>recurrent, one-off, first, last or Reversal</i>) after attribute 21.</li> <li>– Rewording of the sentence in brackets after attribute 12 “The BIC code of the Creditor Bank”</li> <li>– Rewording of the sentence in brackets after attribute 13 “The BIC code of the Debtor Bank”</li> </ul>   | CHAN<br><br>CHAN<br>CLAR<br><br>CLAR |
| 4.7.5     | ‘Description’: Entire removal of second paragraph in relation to an important change for attribute 21.<br>– ‘Attributes contained’: Removal of ( <i>recurrent, one-off, first, last or Reversal</i> ) after attribute 21.   | CHAN<br><br>CHAN                     |
| 4.7.6     | Description of R8: removal of “agreed between the Debtor Bank and the Creditor Bank”  | CHAN                                 |
| 4.7.7     | ‘Attributes contained’: typo correction in attribute 20   | TYPO                                 |
| 4.8.1     | Description of AT-R8: removal of “agreed between the Debtor Bank and Creditor Bank”   | CHAN                                 |

| Reference | Description  | Type  |
|-----------|--|---|
| 4.8.22    | <p>‘Value range’:</p> <ul style="list-style-type: none"> <li>– Removal of ‘the first or’ in point 2</li> <li>– Addition of ‘optional’ at the end of point 3</li> <li>– Removal of a text box outlining important changes with respect to the sequence type ‘FRST’ as of the November 2016 version of the Rulebook</li> </ul> <p>‘Remarks’: addition of the second sentence</p> | <p>CHAN</p> <p>CHAN</p> <p>CHAN</p> <p>CHAN</p> |
| 4.8.24    | ‘Value range’: merge of the Change 1 and Change 2 sentences on AT-07 into a single sentence  | CHAN  |
| 4.8.53    | Removal of the bullet point ‘Direct debit type incorrect’ under the reasons for a Reject and for a Return  | CHAN  |
| 5.7       | Sixth bullet point: additional specification referring now to ‘.first <b>initiation of a SEPA Direct Debit..</b> ’   | CHAN  |
| 5.8       | Fifth bullet point: additional specification referring now to ‘.first <b>initiation of a SEPA Direct Debit..</b> ’   | CHAN  |
| Annex II  | Point 6.2.: correct typo in ‘refereed’   | TYPO  |
| Annex V   | Item 2.2: copy entire text from the “B2B Scheme” column in the “Core Scheme” column. Removal of all other text.  | CHAN  |
| Annex VII | p.23: removal of text in brackets at the end of PT-08.06   | CHAN  |
| Annex IX  | Introduction page: removal of the first paragraph + removal of a text box outlining important changes with respect to D-1 and the sequence type ‘FRST’ as of the November 2016 version of the Rulebook.  | CHAN  |



## **Annex IV SEPA Scheme Management Internal Rules**

## SEPA SCHEME MANAGEMENT INTERNAL RULES

(Approved by Plenary)

|                  |   |
|------------------|---|
| Abstract         | This document contains descriptions of the internal organisation, structure, rules, and processes that make up Scheme Management of the SEPA Credit Transfer and Direct Debit Schemes. Such processes cover administration and compliance, and change management, including structured dialogue with stakeholders |
| Reason for Issue | Updates resulting from 2012 Scheme change management cycle. Main changes are the inclusion of a cost recovery model for conciliation, appeals and complaints and the inclusion of a new procedure for changes to the schemes for regulatory reasons   |



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## 0 DOCUMENT INFORMATION

### 0.1 References

This section lists documents referred to in this document. The convention used throughout is to provide the reference number only, in square brackets.

|     | Document Number     | Title  | Issued by: |
|-----|---------------------|--|------------|
| [1] | PRES-EPC109-04-V2.1 | Realisation of the Single Euro Payments Area – Roadmap 2004 – 2010 | EPC        |
| [2] | EPC125-05           | SEPA Credit Transfer Scheme Rulebook                               | EPC        |
| [3] | EPC016-06           | SEPA Core Direct Debit Scheme Rulebook                             | EPC        |
| [4] | EPC222-07           | SEPA Business to Business Direct Debit Scheme Rulebook             | EPC        |

### 0.2 Change History

| Issue number           | Dated      | Reason for revision   |
|------------------------|------------|---|
| 1.0 approved           | 15/03/2007 | National consultation until 30 April 2007   |
| 1.6 approved           | 19/06/2007 | Approved by 19 June Plenary   |
| 1.6 approved (amended) | 26/07/2007 | Par.2.12. rewritten to reflect Plenary decision on composition of SMC.  |
| 2.0 approved           | 29/10/2009 | Amendments resulting from Scheme change management cycle 2009 including public consultation on suggested changes to the SEPA Scheme Rulebooks |
| 2.1 approved           | 29/09/2010 | Amendment to allow removal of Scheme Participants from the register in case of them ceasing to exist. See paragraph 2.2.6.                    |
| 3.0 approved           | 17/11/2011 | Amendments resulting from Scheme change management cycle 2011   |
| 4.0 Approved           | 06/11/2012 | Amendments resulting from Scheme change management cycle 2012   |

### 0.3 Purpose of Document

This document sets out the internal rules ("**Internal Rules**") that govern SEPA Scheme Management. This document covers the following topics:

1. Rules for the administration and compliance functions of SEPA Scheme Management, as performed by the Scheme Management Committee ("**SMC**").
2. Rules for the development and evolution function of SEPA Scheme Management, as performed by the EPC Plenary and the SEPA Payment Schemes Working Group ("**SPS WG**").

## 1 INTRODUCTION

### 1.1 The European Payments Council ("EPC")

#### *EPC Objectives and Roles*

The EPC is the decision-making and co-ordination body of the European banking industry in relation to payments. The objective of the EPC is to provide leadership and support for the establishment of the Single Euro Payments Area ("SEPA").

The vision for SEPA was formulated in 2002 at the time of the launch of the EPC, when some 42 banks, the three European Credit Sector Associations ("ECSAs") and the Euro Banking Association ("EBA") came together and, after an intensive workshop, released the White Paper *Euroland: Our Single Payments Area*, in which the following declaration was made and subsequently incorporated into the EPC Charter:

"We, the European banks and European Credit Sector Associations ("ECSAs"), the European Banking Federation ("FBE") and the European Savings Banks Group ("ESBG") and the European Association of Co-operative Banks ("EACB"):

- share the common vision that Euro land payments are domestic payments;
- join forces to implement this vision for the benefit of European customers, industry and banks, and accordingly;
- launch our Single Payments Area."

As part of its role, the EPC is responsible for defining common positions on core payments services (retail and commercial payments) in euro in Europe and their settlement, giving strategic guidance on standards and best practice models for payments as well as monitoring the implementation of decisions taken on SEPA-related issues to ensure that SEPA payment service providers can maintain self-regulation and meet the expectations of users in an effective and efficient manner.

The EPC is established as an international, not-for-profit association under Belgian law, with its headquarters in Brussels.

#### *Organisation of the EPC*

This section sets out an overview of the organisational structure of the EPC, as described in detail in the EPC Charter.

The EPC Plenary is the main decision-making body of the EPC, comprising the members of the EPC<sup>1</sup> acting in accordance with the EPC Charter and these Internal Rules. The role of the EPC Plenary is to define the strategy and objectives for the EPC, decide on matters of policy in relation to the work of the EPC, approve amendments to rules governing SEPA schemes and oversee the appointment of members of the SMC. In relation to SEPA Scheme Management, the EPC Plenary is responsible for carrying out the development and evolution function for SEPA schemes. The EPC Plenary convenes at least once every year at its annual general meeting.

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<sup>1</sup> A full list of EPC members can be found on the website [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)

The EPC Plenary is supported by the following bodies in the exercise of its functions:

- the EPC Secretariat (the “**Secretariat**”) – the Secretariat performs administrative and secretarial functions in relation to the management of the SEPA schemes as well as providing technical and co-ordination support to the working and support groups and to the SMC as required. The Secretariat is further responsible for managing an information service on SEPA issues.
- the EPC Co-ordination Committee – the EPC Co-ordination Committee is charged with preparing the agenda for EPC Plenary meetings, making recommendations on matters to be decided by the EPC Plenary as well as preparing the annual accounts and budget for the EPC. It is further charged with monitoring the implementation of EPC decisions, in conjunction with the ECSAs and banking communities.
- the SMC – the SMC is responsible for performing the administration and compliance functions of SEPA Scheme Management. Its members are approved by the EPC Plenary and may, in certain exceptional cases, be removed from office by a resolution of the EPC Plenary. The SMC is a body with decision-making power. This power may only be exercised in relation to the specific functions of SEPA Scheme Management for which it is responsible pursuant to these Internal Rules. The SMC is required to report to the EPC Plenary at each EPC Plenary meeting and may do so more regularly, if required.
- the Nominating and Governance Committee (“**NGC**”) – the NGC is charged with making recommendations to the EPC Plenary on potential candidates for positions in the various EPC bodies in accordance with the EPC Charter.
- Working and support groups and task forces, as established by the EPC Plenary in accordance with the EPC Charter – the working and support groups are established by the EPC Plenary to carry out a variety of different functions in relation to the conception, creation and technical development of SEPA and SEPA schemes. Working and support groups may make recommendations to the EPC Plenary after consulting the EPC Co-ordination Committee. The working and support groups can set up task forces to assist in the performance of their functions.
- the CASB (the Certification Authority Supervisory Board) is responsible for governing the “EPC Approved Certification Authorities” in support of the e-Mandates Scheme for SEPA Direct Debit. EPC will allow any established CA which has been approved by the EPC following the dedicated approval process for e-Mandate Service CAs (as specified in document EPC292-09) to provide certificates to the market. The CASB has been established in September 2010.

## 1.2 SEPA and the SEPA Schemes

### *SEPA*

The Single Euro Payments Area (SEPA) is the area where citizens, companies and other economic participants can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. The aim of SEPA therefore is to create a single market for making payments, where cross border payments can be made on the same terms and conditions as national payments. SEPA is supported by the European Commission and the European Central Bank, amongst others, as a key component of the Internal Market. SEPA will create the conditions for enhanced competition in the provision of payment services. It will also generate, through harmonisation, more efficient payment systems and deliver tangible benefits for the economy and society as a whole. The common currency will be systemically strengthened by a harmonised set of euro payment instruments..

SEPA comprises the countries listed in the official EPC list of SEPA countries as published by the EPC from time to time.

#### *SEPA Schemes*

An important step in the creation of SEPA is the development and implementation of SEPA schemes for making credit transfer and direct debit payments (the “**Schemes**”) throughout SEPA.

To this effect, the EPC has produced the SEPA Credit Transfer Scheme Rulebook, the SEPA Core Direct Debit Scheme Rulebook and the SEPA Business to Business Direct Debit Scheme Rulebook (the “**Rulebooks**”) which set out binding rules and technical standards governing each of the Schemes. The Rulebooks have legal effect between participants in the Schemes (“**Participants**”).

The SEPA Schemes are open to eligible payment service providers regardless of their status as “banks”, “payment institutions” or other eligible Participants. References in these Internal Rules to “banks” and “banking” should be interpreted broadly so as to encompass all types of eligible Participant, except where the context otherwise requires.

The EPC is responsible for the implementation and operation of Scheme Management.

These Internal Rules set out the rules in accordance with which the Schemes are administered and enforced by the EPC, as well as detailing procedures for the innovation and development of both the existing Schemes and new SEPA schemes going forward.

The document “SEPA CSM Market Practices” is a high-level set of policies and technical standards for clearing and settlement mechanisms (“**CSMs**”) in SEPA, adopted by the EPC. All Scheme Participants and CSMs are expected to comply with its provisions.

The EPC has produced the SEPA Cards Framework that sets out high-level guidelines for establishing a harmonised market in card payments in SEPA. This document is not intended to have legal effect but rather to set out over-arching principles for creating a SEPA market in card payments. The EPC will not be responsible for any implementation action in respect of the SEPA Cards Framework and its operations are outside the scope of these Internal Rules.

The Single Euro Cash Area Framework provides non-binding guidance on harmonising the distribution and processing of SEPA cash with a view to encouraging merchants and consumers to migrate to electronic payment methods. The EPC is not responsible for the implementation of strategies set out in this document and its operations are outside the scope of these Internal Rules.

### **1.3 SEPA Scheme Management**

#### *Introduction*

SEPA Scheme Management comprises two functions. The first function involves the administration of the Schemes and the process of ensuring compliance with their rules, as set out in each of the respective Rulebooks, and the second function involves managing the development and evolution of the Schemes.

#### *Administration and Compliance*

The administration and compliance function of SEPA Scheme Management establishes rules and procedures for administering the adherence process for each of the Schemes, for addressing cases of claimed non-compliance by Participants with the rules of the Schemes and for addressing situations where Participants are unable to resolve their grievances through local or national dispute resolution methods.

The administration and compliance processes aim to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebooks and general principles of applicable law.

The administration and compliance function shall be performed by the SMC, with some input from the EPC Plenary on matters relating principally to the policy of the Schemes. The SMC shall have wide decision-making power in respect of each of its functions however; it shall be accountable to the EPC Plenary. The EPC Plenary shall exclusively have the power to appoint members of the SMC, and if required, to remove them from office, as set out in detail in these Internal Rules. The SMC shall perform the administration and compliance function in accordance with the procedures set out in these Internal Rules.

#### *Development and Evolution*

The development and evolution function of SEPA Scheme Management establishes formal change management procedures for the Schemes. The change management procedures aim to ensure that the Schemes are kept relevant for their users and up-to-date, with structured processes for initiating and implementing changes to the Schemes, the Rulebooks and related documentation. An important component of change management is the inclusion of innovative ideas for enhancing the quality of existing Schemes. In addition, scheme change management might lead to developing new schemes, based always on sound business cases.

The development of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Scheme Participants, suppliers and end-users as well as other interested groups. That is to say, the development and evolution function provides a structured and transparent means through which Participants, users and suppliers can participate in a dialogue with the EPC, so that proposals for change are openly considered by all relevant parties.

The development and evolution function shall be performed by the EPC Plenary, supported by the SPS WG. The EPC Plenary and the SPS WG shall perform the development and evolution function in accordance with the procedures set out in these Internal Rules.



## **2 ADMINISTRATION AND COMPLIANCE**

### **2.1 Definition of Administration and Compliance Roles**

#### **2.1.1 Role of the Scheme Management Committee**

The SMC is responsible for performing the administration and compliance functions of SEPA Scheme Management. The role of the SMC is limited to the following:

- Adherence – the SMC shall be responsible for administering the adherence process for becoming a Participant in the Schemes;
- Conciliation – the SMC shall be responsible for establishing and administering a conciliation process for Participants who are unable to resolve grievances relating to the Schemes through local dispute resolution methods; and
- Complaints – the SMC shall be responsible for investigating complaints made against Participants for alleged breaches of the Rulebooks, evaluating such complaints and determining appropriate sanctions against Participants who are found to be in breach.
- Appeals - the SMC shall be responsible for hearing appeals brought in respect of decisions taken by the SMC in accordance with a fair process that is separate from the process of decision-making at first instance.
- Oversight of the Certification Authority Supervisory Board ('CASB') – the SMC shall be responsible for overseeing the activities of the CASB which has been established by the EPC in September 2010.

The SMC has wide decision-making power in relation to the exercise of the functions outlined above. The SMC shall be accountable to the EPC Plenary. The Chair of the SMC is required to report to the EPC Plenary at each EPC Plenary meeting and may report to the EPC Plenary more regularly if required. The EPC Plenary has the power to remove members of the SMC, or the SMC as a whole in accordance with section 2.1.4.

#### **2.1.2 Composition of the SMC**

The definition of an Independent Member is set out in section 2.1.6 of these Internal Rules.

The SMC shall be composed of 12 members, one of which shall be the Chair of the SMC. The SMC shall be required to have 3 Independent Members. The Chair of the SMC shall be an Independent Member. The Chair of the SMC is appointed by the Plenary in accordance with the Nominating Process set out in section 2.1.7 of these Internal Rules. Upon NGC recommendation, the EPC Plenary may increase the maximum number of SMC members with up to 4 additional members for a short-term appointment of maximum one year.

#### **2.1.3 Duration of Appointment**

Each member shall hold office for a term of 3 years, with the possibility of re-election for a further term of 3 years. Therefore, a member of the SMC may serve on the SMC for a maximum duration of 6 years.

Notwithstanding the above, Independent Members may be re-elected two times, each time for a further term of 3 years. As such, Independent Members of the SMC may serve on the SMC for a maximum duration of 9 years.

Each member who does not act as the Chair, may resign from the SMC by giving notice in writing to the Chair and the NGC not less than 30 Calendar Days' prior to leaving the SMC.

A Chair may only resign from the SMC by giving notice in writing to the NGC not less than 60 Calendar Days' prior to leaving the SMC.

#### **2.1.4 Termination of Appointment by Resolution of the EPC Plenary**

The EPC Plenary may by resolution vote to remove from office either an individual SMC member, a group of such members or the SMC as a whole.

This power may only be exercised if the EPC Plenary, after due and proper consideration, reasonably believes that either an individual SMC member, a group of such members or the SMC as a whole is performing the functions of the SMC in a manner evidencing serious misconduct, a dereliction of duty, bad faith, or gross negligence. The EPC Plenary may further exercise this power where, after due and proper consideration, the EPC Plenary reasonably believes that a member of the SMC does not have the capacity to perform the function of the SMC.

Any SMC member removed from the SMC by resolution of the EPC Plenary shall cease to be a member of the SMC with either immediate effect or on such a date as the EPC Plenary may specify taking into account the outstanding obligations of the SMC member to the SMC and to Scheme Management.

A member of the SMC removed in this manner shall be notified in writing of his or her removal from the office of SMC member.

#### **2.1.5 Criteria for Membership (EPC Related Member)**

A member of the SMC shall be chosen on the basis of his or her suitability and expertise for the position ahead of any other consideration. A prospective member of the SMC must therefore be of good repute, possess appropriate academic and vocational qualifications together with relevant work experience and a proven track record at a senior level in the payments services sector.

Subject to the foregoing, the SMC shall aim to represent as far as reasonably practicable the composition of Scheme Participants, ensuring at all times that this composition fairly represents a balance of the country, size, and industry sectors of Scheme Participants and includes an appropriate representation of members from SEPA countries where the euro is the official currency.

A member of the SMC may not also act as a representative of an EPC member in the EPC Plenary. If a Plenary representative of an EPC member wishes to be considered for the position of SMC member, he or she is obliged to cease acting as a Plenary representative of an EPC member before assuming the role of an SMC member.

#### **2.1.6 Criteria for Membership (Independent Member)**

An Independent Member is a member who can display the highest standard of professional integrity and objectivity in relation to Scheme Management. An Independent Member should be a professional of good repute, with appropriate skills, who has a reasonable knowledge of the payments services sector but who is not employed or is otherwise affiliated with a Scheme Participant or its banking communities, service providers or a payment services user group or user association. A prospective Independent Member must possess appropriate academic and vocational qualifications for the position together with relevant work experience and a proven track record in a profession.

It is envisaged that an Independent Member shall provide expertise to the SMC as well as adding breadth to the knowledge base of the SMC membership.

After NGC consultation, the EPC Plenary shall have complete discretion in deciding whether a member is an Independent Member in accordance with this section 2.1.6.

### **2.1.7 Criteria for Membership (Chair)**

A Chair of the SMC shall be an Independent Member chosen on the basis of his or her suitability and expertise for the position ahead of any other consideration. A prospective Chair of the SMC must therefore be of good repute, possess appropriate academic and vocational qualifications together with relevant work experience and expertise.

A Chair shall be required to demonstrate a proven track record of leadership in his or her professional field together with relevant management experience.

After NGC consultation, the EPC Plenary shall have complete discretion in choosing a Chair in accordance with these criteria.

### **2.1.8 Duties of SMC Members**

All SMC Members shall be required to act in accordance with the following general principles:

- each SMC member shall act in accordance with the provisions of these Internal Rules at all times for the duration of his or her term in office;
- each SMC member shall owe a duty to act in the best interests of the Schemes with a view to ensuring that the Schemes are administered efficiently, fairly and professionally;
- each SMC member shall observe the highest standards of integrity, fairness and professionalism at all times;
- as and when arising, each SMC member is obliged to disclose and manage any conflict of interest, as set out in further detail in Appendix 2;
- each SMC member shall act in a timely manner in respect of cases before the SMC;
- each SMC member shall be subject to a duty of confidence in respect of cases pending before the SMC. A member shall not discuss details of cases pending before the SMC with persons other than those on the SMC or persons engaged by the SMC to assist the SMC with the performance of its tasks and who are at all times subject to a duty of confidentiality in respect of their engagement;
- each SMC member agrees to act impartially in fulfilling the obligations of the SMC, notwithstanding his or her membership of a particular banking community, industry sector or position of employment. As part of this duty, an SMC member must be mindful of and refuse any inducements, rewards, or other gifts offered to him or her in the performance of his or her duties, ensuring at all times that he or she acts and is seen to act in accordance with the highest standards of independence and impartiality;
- each SMC member must ensure that decisions taken by him or her in the course of carrying out the functions of the SMC are based upon a sound understanding of the relevant issues and after due and proper consideration of the issues before the SMC; and
- each SMC member shall endeavour as far as reasonably practicable to carry out his or her duties in the SMC with reasonable skill, care and diligence.

### 2.1.9 EPC Plenary Role in Policy of SMC

The EPC Plenary shall be able to raise issues arising from the work of the SMC at meetings of the EPC Plenary. The EPC Plenary shall not comment on specific cases pending before the SMC, but may discuss matters of SMC policy to ensure that the SMC is acting within its scope and performing its role in a proper manner.

The EPC Plenary shall be able to raise issues arising from the work of the SMC in order to discuss policy issues arising in respect of the Rulebooks.

The SMC may report to the EPC Plenary to raise issues relating to the substance or interpretation of the Rulebooks and the operation of the Schemes.

### 2.1.10 SMC - Key Roles and Responsibilities

The SMC shall be responsible for performing the following functions of SEPA Scheme Management:

- Adherence
- Conciliation
- Complaints
- Oversight of the CASB

(together, the "**Compliance Functions**")

- Appeals

(the "**Appeals Function**")

#### *Compliance Functions*

SMC members who are not charged with carrying out the Appeals Function shall perform the Compliance Functions of Scheme Management.

In respect of the Compliance Functions, relevant SMC members shall be responsible for performing investigation, evaluation and decision-making functions in respect of a particular case appearing before it. It shall be open to the SMC to carry out any or all tasks in respect of such cases either as a whole, or to delegate the performance of its tasks to a group of such members of the SMC.

All determinations by the SMC in adherence and complaints cases shall be taken by all of the members of the SMC acting together, excluding those members of the SMC that are charged with carrying out the Appeals Function. The Appeals Function of Scheme Management shall be comprised of three persons constituting the Appeals Panel. The Appeals Panel will be chaired by an independent member of the SMC. One EPC related member of the SMC will in principle sit on the Appeals Panel. The SMC may appoint one or more persons from the group of experts on a case-by-case basis as additional member(s) of the Appeals panel (see section 2.5.2 of these Internal Rules).

The SMC will oversee the activities of the CASB (the Certification Authority Supervisory Board) which is responsible for governing the "EPC Approved Certification Authorities" in support of the e-Mandates Scheme for SEPA Direct Debit. EPC will allow any established CA which has been approved by the EPC following the dedicated approval process for e-Mandate Service CAs (as specified in document EPC292-09) to provide certificates to the market. The CASB has been established in September 2010.

### *Appeals Function<sup>2</sup>*

In respect of the Appeals Function, the SMC shall be responsible for performing evaluation and decision-making functions in respect of a particular case appearing before it. Members of the SMC that are responsible for performing the Appeals Function may not generally participate in decisions or discussions concerning any cases arising from the Compliance Functions of Scheme Management.

The SMC shall make reasonable efforts to ensure that members of the SMC who are responsible for carrying out the Appeals Function remain in this role for the duration of their term in office.

The duties of the SMC in respect of each of the Compliance Functions and the Appeals Function are set out in detail in these Internal Rules.

#### **2.1.11 Meetings of the SMC**

The SMC shall meet on a regular basis and generally not less than 4 times every year. The SMC may convene more regularly if it is appropriate to do so in the exercise of its duties. The SMC is not obliged to convene if it is not charged with any tasks in respect of its Scheme Management duties.

Meetings of the SMC may be held either face-to-face or by telephone or teleconference. A member of the SMC shall be deemed to be present at a meeting of the SMC if he or she is able to participate through any of these means.

The SMC may meet as a whole to discuss general issues relating to the policy, strategy and role of the SMC. Such meetings shall not involve discussions of specific cases appearing before the SMC. All members of the SMC may be present at such meetings.

Alternatively, the SMC may meet to discuss the conduct of cases appearing before it. Where the SMC meets to discuss the conduct of particular cases, members of the SMC that are charged with performing the Appeals Function may never participate in any capacity in meetings to discuss cases arising under the Compliance Functions. Similarly, except as otherwise indicated below, members of the SMC that perform duties in respect of the Compliance Functions may never participate in meetings held to discuss the conduct of appeals cases.

Meetings of the SMC are generally called by the Chair on giving reasonable notice in writing to the SMC members, in either paper or electronic format.

Members of the SMC are required to make every reasonable effort to attend a meeting convened in accordance with this section. Where a member is unable to attend, he or she must give reasonable notice to this effect to the Chair.

For general meetings, an SMC member who is unable to attend may wish to appoint a proxy from amongst the remaining SMC members to vote at the meeting on his or her behalf. For meetings to discuss cases before the SMC, members carrying out the Appeals Function may never be appointed as proxies in respect of other SMC members. Where a member carrying out an Appeals Function is unable to attend a meeting, he or she may appoint another member from the SMC to attend the meeting on his or her behalf, ensuring at all times that any SMC member appointed in this manner is not connected in any way, nor has had any influence in respect of any appeal discussed at the meeting.

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<sup>2</sup> The Appeals Function of the SMC is being reviewed by the EPC. One option is to separate the Appeals Function from the SMC altogether, such that appeals are carried out by entirely independent person(s). Any modifications of the Internal Rules intended to give effect to that review may be implemented in the November 2011 release of the Rulebooks (or as provided under section 3.2.3 of the Internal Rules).

An SMC member wishing to appoint a proxy must give reasonable notice to the Chair in writing. A notice to appoint a proxy may be given either electronically or in paper format.

An SMC member may not hold a proxy for more than 2 other SMC members at any SMC meeting.

Where an SMC member is unable to attend SMC general meetings and if the SMC member is unable to attend 3 consecutive general meetings of the SMC, the matter will be brought to the attention of the NGC.

The Chair must make every reasonable effort to attend a meeting convened in accordance with this section. Where the Chair is unable to attend in a particular instance, he or she may appoint another SMC member in writing to carry out the functions of the Chair. In such cases, the Chair must notify other members of the SMC in writing of this appointment. Where a Chair is unable to attend SMC general meetings and if the Chair is unable to attend 3 consecutive general meetings of the SMC, the matter will be brought to the attention of the NGC.

Minutes of each meeting must be prepared and filed.

#### **2.1.12 Quorum**

For a meeting involving all of the members of the SMC, the quorum for the meetings is at least 2/3rds of the total membership of the SMC present either in person or by proxy. Where the quorum is not reached, a further meeting may be called within 30 Calendar Days of the date of the first meeting and this second meeting may properly convene and carry out SMC business, if 50% of SMC members are present either in person or by proxy and as long as the Chair is present.

Where tasks have been delegated to a group of SMC members, the quorum shall include at least 2/3rds of those members of the SMC to whom such authority has been delegated, present either in person or by proxy.

#### **2.1.13 Voting**

Each member of the SMC shall be entitled to one vote.

A resolution to nominate a member of the SMC to perform the Appeals Function in accordance with section 2.1.10 requires the approval of at least 75% of those present and voting on the resolution at a validly convened meeting of the SMC.

In respect of all other matters discussed by the SMC as a whole or by a sub-set of the SMC acting under its delegated authority, resolutions may be passed with the approval of more than 50% of those present and voting on the resolution at a validly convened meeting of the SMC or of its relevant members.

On a vote, a member of the SMC must disclose and manage any conflict of interest that exists or that might reasonably be expected to arise in accordance with Appendix 2.

#### **2.1.14 Other Support**

The SMC may engage any appropriate person in order to carry out tasks related to the work of the SMC at the cost of the EPC and within the budget of the SMC. The SMC shall ensure that any person engaged in this manner shall be subject to a duty of confidentiality in respect of information acquired in the course of its engagement with the SMC.

The SMC shall be entitled to consult third party advisors at its discretion, provided always that the SMC is able to carry out its duties in accordance with the general principles set out in section 2.1.8. The SMC shall ensure that any person consulted in this manner shall be subject to a duty of confidentiality in respect of information acquired in the course of its engagement with the SMC.

### **2.1.15 Nominating Process**

The nomination of candidates for the position of SMC member shall be carried out by the EPC Plenary. The NGC shall recommend suitable candidates for this position to the EPC Plenary in accordance with its role, as set out in Article 11.2 of the EPC Charter.

On an annual basis, 4 SMC members, including one Independent Member, shall be nominated by the EPC Plenary. As such, one third of the total number of SMC Members will be appointed each year, allowing a three-year rotating policy.

Subject always to the criteria set out in 2.1.5-2.1.7, the EPC Plenary shall endeavour to ensure that the composition of the SMC reflects a balanced composition of Participants, bringing together a fair representation of the country, size and industry sectors of Scheme Participants, including an appropriate representation of members from SEPA countries where the euro is the official currency.

The NGC shall provide a list of candidates for the position of SMC member to the EPC Plenary 30 Calendar Days in advance of an EPC Plenary meeting. This list shall include a summary of the candidates' qualifications for the position. The NGC should only include details of suitable candidates on such a list.

The EPC Plenary shall approve suitable candidates by resolution.

The NGC may not recommend and the EPC Plenary may not appoint a Plenary representative of an EPC member to the position of SMC member or propose his or her name to the EPC Plenary, without first ensuring that such a candidate has ceased to act as a Plenary representative of an EPC member.

The NGC may not recommend and the EPC Plenary may not appoint a candidate to the position of SMC member, or propose his or her name to the EPC Plenary, if such a candidate has already served on the SMC for the maximum term set out in these Internal Rules.

The NGC may not recommend and the EPC Plenary may not appoint a candidate to the position of SMC member, or propose his or her name to the EPC Plenary, if there are reasonable grounds to believe that such a candidate is subject to personal insolvency proceedings in his or her local jurisdiction or may be imminently subject to such proceedings.

The NGC may not recommend and the EPC Plenary may not appoint a candidate to the position of SMC member, or propose his or her name to the EPC Plenary, if there are reasonable grounds to believe that such a candidate is a person of ill-repute who may bring the SMC and the Schemes into disrepute.

### **2.1.16 Role of the Secretariat**

The Secretariat shall provide secretarial and administrative support to the SMC.

The Secretariat shall be responsible for referring cases arising in respect of Scheme Management to the SMC, as necessary.

### **2.1.17 Information Service**

The Secretariat shall be responsible for administering an information service on SEPA issues. The information service shall be open to everyone. Requests for information to the information service shall be in written format only, either by letter, fax or email.

The information service shall endeavour to respond to requests for information within 30 Business Days from the date of receiving the request for information.

### **2.1.18 Additional Optional Services ("AOS")**

The following principles will apply to AOS:

1. All AOS must not compromise interoperability of the Schemes nor create barriers to competition. The SMC should deal with any complaints or issues concerning these requirements brought to its attention in relation to compliance with the Rulebooks as part of its normal procedures.
2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the EPC may incorporate commonly used AOS features into the Schemes through the SEPA Schemes change management processes.
3. There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 message standards (including any community usage rules for the SEPA core mandatory subset) should be disclosed on a publicly available website (in both local language(s) and English).

The SMC may receive complaints from Participants in relation to the operation of community AOS in respect of the above principles. Complaints received by the SMC on this matter shall be dealt with in an appropriate manner in accordance with these Internal Rules.

### **2.1.19 Expenses**

Independent Member(s) of the SMC shall be entitled to claim reasonable expenses. The SMC Independent Member shall also be able to claim a daily stipend for each full day spent on working on SMC related matters. The level of the stipend paid to the SMC member shall depend on the work undertaken and the time spent on carrying out such work.

### **2.1.20 Record Keeping**

The Secretariat shall keep a record of all agendas and minutes of meetings of the SMC. The Secretariat shall use reasonable efforts to keep records relating to appeals separately from those relating to other compliance aspects of Scheme Management. Records may be held in either paper or electronic format. The SMC shall in its absolute discretion decide whether these minutes and related documentation may be made publicly available on the EPC website or on the internal extranet of the EPC.

### **2.1.21 Rapid Response Mechanism**

The EPC Plenary has withdrawn its earlier decision about the installation of the Rapid Response Mechanism and decided that after the publication of the EU SEPA Regulation a new Task Force be installed to reassess the actual or potential risks for SDD scheme participants and to make recommendations as to whether or not a need for any risk-mitigating mechanism for SDD scheme participants at an EPC scheme level is confirmed, and, if required, to identify a suitable alternative to the Rapid Response Mechanism for further consideration by the relevant EPC Working and Support Groups and for final consideration by the Plenary.



## **2.2 Rules for Adherence<sup>3</sup>**

### **2.2.1 Eligibility for Participation in Schemes**

In order to be eligible to participate in the Schemes, each applicant must satisfy the eligibility criteria set out in Chapter 5.4 of the Rulebooks.

The SMC shall accept any applicant that fulfils the criteria set out in Chapter 5.4 of the Rulebooks and will only reject applications on the basis of failure to meet these criteria.

### **2.2.2 Rules for Adherence by an Entity in a Group/Decentralised Structure**

Each legal entity that seeks to adhere to a Scheme must agree to accept the rights and obligations of a Participant in relation to the relevant Scheme (SEPA Credit Transfer Scheme and / or SEPA Core Direct Debit Scheme and / or SEPA Business to Business Direct Debit Scheme). Upon admission to a Scheme, the adhering legal entity shall assume all of the rights and responsibilities arising from admission to a Scheme.

A subsidiary entity or affiliate of an adhering entity, i.e. each entity that has a separate and distinct legal personality within the adhering entity's group or organisational structure, must adhere separately from a parent or group entity. A subsidiary or affiliate shall be a Scheme Participant in its own right and shall assume all the rights and responsibilities arising from admission to a Scheme.

A branch of an adhering entity, i.e. an entity that does not have separate legal personality, whether located in the jurisdiction of the adhering entity or in another SEPA jurisdiction, shall be deemed to be legally part of the adhering entity and able to carry out SEPA transactions in accordance with the Rulebooks.

### **2.2.3 Rules for Signing the Adherence Agreement**

An entity may sign the Adherence Agreement on its own behalf. Alternatively, an entity may give legal authority to an agent to sign the Adherence Agreement on its behalf (for example, an agent could be a parent company, another adhering entity or banking association). An entity that appoints an agent to sign the Adherence Agreement on its behalf must ensure that the agent is given the necessary legal authority to sign. An agent must demonstrate that it possesses the legal authority to bind an adhering entity in accordance with the local law of the entities involved. An agent signing the Adherence Agreement on behalf of other entities must demonstrate by way of legal opinion of external or internal legal counsel in a form specified by the EPC that it possesses the requisite legal authority to bind such entities.

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<sup>3</sup> This section sets out a description of the general rules relating to adherence to the Schemes. The EPC has produced separately detailed documents for describing the practical steps that must be taken to adhere together with guidance on the adherence process: EPC125-07 Guide to the Adherence Process for the SEPA Credit Transfer Scheme; EPC329-08 Guide to the Adherence Process for the SEPA Core Direct Debit Scheme and for the SEPA B2B Direct Debit Scheme; EPC103-08 Application Pack for Adherence to the SEPA Credit Transfer Scheme and the SEPA Direct Debit Schemes for Applicants that are neither licensed credit institutions in accordance with Article 6 of Directive 2006/48/EC (or licensed Swiss banks) nor entities listed under Article 2 of Directive 2006/48/EC (hereafter “non credit institutions”). These documents are available for download on the EPC web site at [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu).

This provision permits members of a banking community to adhere to a Scheme at the same time by nominating an agent to complete the Adherence Agreement in respect of each member. Similarly, a parent company may sign an Adherence Agreement in respect of some or all of its subsidiaries and an entity in a group or de-centralised structure may sign an Adherence Agreement in respect of each of the other entities in the group or de-centralised structure. In each case, an entity signing the Adherence Agreement that acts as an agent on behalf of another must show that it possesses the legal authority to do so.

#### **2.2.4 National Adherence Support Organisation ("NASO")**

The EPC has, in conjunction with a national banking community, identified one or more NASOs in respect of each SEPA community. A NASO is responsible for providing basic guidance on the adherence process and on adherence applications through a helpdesk, for liaising with the SMC in respect of an application (as required) and for such other tasks as the EPC or any organ of the EPC may request it to perform from time to time. A NASO also carries out a basic preliminary review of an adherence application, if requested to do so. The EPC publishes a list of NASOs on the EPC website. A NASO could be a national banking association(s) or a regulatory body, which has agreed to conduct the task on behalf of the national community.

Except as otherwise indicated in this section, an adhering entity must consult a NASO on its adherence application.

Only multi-country entities that are signing in their own right or as agent on behalf of four or more of their subsidiaries located in four different SEPA jurisdictions or arranging the completion of the adherence application by such subsidiaries may submit an adherence application directly to the EPC without first consulting a NASO. Such entities are nevertheless free to consult a NASO before submitting their application to the EPC, should they wish to do so. In such cases, where an entity wishes to consult a NASO, it may use the NASO of any of the adhering entities on whose behalf it is signing the adherence application.

#### **2.2.5 Becoming a Participant**

An application to become a Participant in one or both of the Schemes shall be made using the form of Adherence Agreement set out in the official Adherence Guide an example of which is in Annex 1 of each of the Rulebooks.

An application shall be accompanied by a legal opinion in the form specified by the EPC provided by either internal or external counsel on the capacity and authority of the applicant to become a Participant in one or both of the Schemes.

The application for adherence shall be finally submitted to the EPC Secretariat. Except as otherwise indicated in section 2.2.4 of these Internal Rules, before submitting the application, an applicant must consult with the relevant NASO for preliminary guidance on eligibility and documentation involved in the adherence process.

The Secretariat uses reasonable efforts to send a written acknowledgement of receipt of the application to the applicant within 10 Business Days of receiving the application.

The SMC, supported by the Secretariat, shall use reasonable efforts to determine the application within 60 Calendar Days of receiving the application. In the event that the SMC requires more time to arrive at a determination, it shall notify the applicant as soon as it is reasonably practicable to do so

The SMC may request the applicant to provide such additional information as may be required by the SMC in the course of determining the application.

In the course of determining the application, the SMC may take into consideration views expressed by the following bodies in relation to the application:

- other Participants;
- banking communities; and
- national regulators (this term extends to include such bodies as insolvency officers, law enforcement authorities and local courts).

It is also open to the SMC to take into account views expressed by such other persons or bodies as it considers appropriate. In the case of a successful application, the applicant or its agent will receive a written notification of admission to a Scheme. The applicant becomes a Participant and becomes subject to the Rulebooks on an Admission Date specified by the SMC or, where requested by the applicant and agreed by the SMC, on a deferred Admission Date specified by the applicant in advance to the SMC. The Secretariat may send the written notification to the applicant in paper or electronic format.

### **2.2.6 Register of Participants**

The Secretariat shall maintain a separate register of Participants for each of the Schemes. The register shall contain the name, contact address and other details determined by the EPC in respect of the Participant.

The registers shall be updated by the Secretariat regularly as specified in the relevant schedule published on the EPC web site.

If the Participant changes its details, so that the register does not carry accurate data in respect of the Participant, the Participant shall notify the Secretariat as soon as it is reasonably practicable to do so. It is the responsibility of the Participant to ensure that the Secretariat is provided with information in relation to the Participant that is accurate and up-to-date at all times. In the event of Participants having ceased to exist the SMC may decide to rectify the register of Participants after verification of such change with the relevant national regulator or national authority.

The register may be accessed and searched through a website of the EPC, available to all users. The register is not an operational database in respect of Scheme usage. Any operational data needed by Participants in relation to other Participants shall be supplied outside of the Schemes.

### **2.2.7 Fees**

The EPC reserves the right to recover costs. The policy of the EPC with regard to fees related to the adherence process will be decided from time to time by the EPC Plenary.

### **2.2.8 Unsuccessful Applications**

The SMC may reject an application for participation in one or both of the Schemes if an applicant fails to satisfy the eligibility criteria set out in chapter 5.4 of the Rulebooks.

Where an application is rejected, the SMC shall provide the applicant with a letter setting out the reasons for rejecting the application.

An applicant may not re-apply to become a Participant until 3 months after the determination of its application by the SMC or after a determination in an appeal begun in accordance with these Internal Rules or after a final determination of a tribunal or court responsible for determining the case.

## 2.2.9 Appeals

An applicant whose application for participation in one or both of the Schemes has been rejected may appeal to the SMC for a re-consideration of its application. A notice of appeal in such cases must be filed within 21 Calendar Days of the applicant receiving a notification of rejection of its adherence application. The appeals notice must include a copy of the adherence application together with a letter supplied to the applicant under section 2.2.8 and any other information required by section 2.5.4 of these Internal Rules. The appeal shall be determined in accordance with section 2.5 of these Internal Rules.

## 2.3 Conciliation Undertaken by the SMC

### 2.3.1 SMC Role in Conciliation

The SMC shall provide a voluntary conciliation service to Participants and to the EPC. Conciliation may be used for resolving Unresolved Issues that arise in respect of the Rulebooks only.

Issues concerning SMC determinations on adherence applications or on complaints must be addressed through the appeals process rather than through conciliation.

Conciliation services shall be available with regard to the following:

- Unresolved Issues arising out of the Rulebooks between Participants;
- Unresolved Issues arising out of the Rulebooks between a Participant and the EPC.

Conciliation services shall only be available to a Participant where the Participant can demonstrate that it has used reasonable endeavours to resolve the matter amicably, after dialogue with banking communities and by using conciliation or other dispute resolution processes at a local level. SEPA banking communities are expected to make a body available to Scheme Participants for this purpose.

Conciliation services shall be administered in a manner that is efficient and cost-effective, with a view to ensuring a rapid conclusion to the Unresolved Issue.

The SMC shall appoint one or more conciliators either from the body of relevant SMC members to hear the Unresolved Issue on a case-by-case basis and/or, as appropriate, appoint experienced individuals from outside the SMC and EPC to adjudicate on Unresolved Issues. The conciliators shall make a recommendation to the parties involved. This recommendation shall not be binding upon them and will be without prejudice to further proceedings between the parties.

As set out in further detail in Appendix 2, conciliators must be mindful of any conflict of interest arising in relation to the subject matter of the conciliation or to any of the parties to the conciliation. In the event that a conciliator is aware that a conflict of interest exists, he or she shall make this known to the SMC immediately and the SMC can appoint another conciliator(s) from the relevant members of the SMC to carry out the conciliation. If the SMC is unable to find a conciliator(s) from the SMC to act in respect of the Unresolved Issue, the Chair may appoint a conciliator(s) from outside of the SMC and the EPC, provided always that the parties to the Unresolved Issue agree to this appointment.

In cases where the conciliation is between a Participant and the EPC, the SMC shall ensure that conciliators from outside the SMC and the EPC are appointed, provided that both the EPC and the Participant agree to this appointment.

### **2.3.2 Application for Conciliation**

An application for conciliation shall be made in writing and filed with the Secretariat. The application shall clearly state the name of the other party involved together with details of the Unresolved Issue. The application shall also be accompanied with a written statement of consent from the other party stating that it wishes to submit to conciliation.

The Participant shall give a copy of the application and accompanying information to the other party involved in the Unresolved Issue.

Within 15 Business Days starting from the date that the application was filed, the Secretariat shall request the other party to file with the Secretariat any statement of facts in relation to the Unresolved Issue.

The other party may withdraw from the conciliation at any time. If the other party withdraws in this manner, the conciliation proceedings shall be terminated with immediate effect and the conciliator shall not deliver a recommendation. The costs provisions set out in section 2.3.6 of these Internal Rules continue to apply.

### **2.3.3 Conciliation Proceedings**

The conciliator shall aim to resolve the Unresolved Issue between the parties in a manner that is fair, open and amicable.

Unless otherwise agreed, conciliation proceedings shall be in private.

The conciliator shall consider all the evidence put before the conciliator and allow both parties to provide clarification and elaboration on the points raised in the Unresolved Issue.

The conciliator shall then recommend a proposed settlement to the Unresolved Issue.

If a settlement is reached, the settlement shall be written down by the conciliator and signed by the parties. The parties may keep a copy of the settlement.

If the parties cannot reach settlement, the conciliator shall close the conciliation proceedings. The parties may take such procedures as they consider appropriate and may take the matter to arbitration or litigation in accordance with section 2.3.7.

### **2.3.4 Conciliation Involving the EPC**

Where conciliation involves the EPC, the conciliators shall always be individuals who are not connected to either the EPC or to the Participant in any way. The costs of engaging conciliators in such cases shall be determined in accordance with Section 2.3.6. In all other respects, the conciliation proceedings shall follow the procedure set out in this section.

### **2.3.5 Report of Conciliators**

Following the conclusion of conciliation proceedings, whether by way of settlement or voluntary termination by parties to the conciliation, the conciliators may prepare a report on the conciliation for the SMC. The report may contain such details relating to the conciliation proceedings as the conciliators wish to include. The report shall be confidential and may only be made available to relevant members of the SMC.

Where the conciliators become aware of serious misconduct by the Participant such as behaviour evidencing fraud or other such serious violations of the law, they may bring this to the attention of the relevant national regulator or national authority.

### 2.3.6 Costs

An upfront, non-refundable administrative fee outlined in Appendix 3 of the SMIRs on the SMC cost recovery mechanism will be payable to the EPC prior to the initiation of the proceeding, by the Scheme Participant who wishes to initiate the proceeding, to cover basic administrative costs. This fee will be recoverable from the losing party, as appropriate. Appendix 3 of the SMIRs listing this fee will be reviewed and adjusted in line with any actual costs incurred in the first year plus a reasonable amount for anticipated increases in costs in the year in question and will be adjusted accordingly in subsequent years.

The EPC will ensure that any fee set under this section is quantified so as to be consistent with the costs incurred by the EPC and the EPC's status as a non-profit organisation under Belgian law.

The upfront, non-refundable administrative fee shall be equally split between the two parties where they are both jointly seeking conciliation.

In addition, any relevant non-administrative SMC costs incurred during the course of the proceedings shall be recovered from the losing party, or divided between the parties based on the principles established by the Rules of Arbitration of the International Chamber of Commerce.

Where the conciliation is terminated before either a settlement is reached or before the conciliators close the conciliation, the upfront, non-refundable administrative fee payable to the EPC and the SMC's costs incurred to handle the conciliation up to that point in time will be recovered from the party requesting the termination of the conciliation process.

### 2.3.7 Further Steps - Arbitration v Litigation

Following consultation with the SMC, if the parties are unable to settle an Unresolved Issue through conciliation, or where such a conciliation process has not taken place, if a Participant gives another Participant notice that an Unresolved Issue exists and if the Unresolved Issue has not been resolved within 30 Calendar Days of service of the notice, the Unresolved Issue shall be referred by the SMC to arbitration.

No Participant shall resort to arbitration against another Participant under the Rulebook until 30 Calendar Days after the referral of the Unresolved Issue to the SMC.

Unless parties to the Unresolved Issue otherwise agree, any Unresolved Issue which is unresolved 30 Calendar Days after the referral of the Unresolved Issue to the SMC shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those Rules. The seat of the arbitration shall be Brussels. The EPC, as represented by an appropriate member of the SMC, shall have the right to participate in the arbitration.

However, if the Unresolved Issue is referred to arbitration in accordance with this section, the parties to the Unresolved issue may agree to submit to local arbitration in a SEPA jurisdiction. If the relevant Participants elect to submit to such local arbitration, they shall conduct the arbitration under rules agreed between them. The jurisdiction chosen by the relevant parties for such local arbitration must be substantially connected to the conduct of the Unresolved Issue. The EPC, as represented by an appropriate member of the SMC, shall have the right to participate in the arbitration.

Any arbitration between Participants under the Rulebook shall (unless the relevant Participants agree otherwise, and in an Unresolved Issue in which the EPC is participating, with the consent of the EPC) be conducted in the English language.

Alternatively, following a failure by the relevant Participants to resolve an Unresolved Issue in accordance with the steps set out above, the parties to the Unresolved Issue may agree to submit to such other dispute resolution process (other than arbitration) as they consider appropriate, including litigation. If the relevant parties submit to litigation in accordance with this section, the relevant Participants shall conduct the litigation in a jurisdiction, and under such processes as are determined by established principles of conflicts of laws.

In arbitration or litigation proceedings, the Rulebooks shall be governed by and interpreted in accordance with Belgian law. A court or arbitrator may however apply such rules of process in relation to the proceedings as may be applicable under established principles of conflicts of laws.

The parties shall inform the SMC of the outcome of any litigation or arbitration or other dispute resolution methods conducted by them. The parties may consult the SMC on matters relating to the interpretation of the Rulebooks in the course of any such arbitration or litigation proceedings.

## **2.4 Complaints Submitted to the SMC**

### **2.4.1 Role of SMC in Complaints**

The SMC shall oversee the implementation of the Rulebooks by Scheme Participants. The SMC may investigate breaches or potential breaches of the Rulebooks following a complaint made by a Scheme Participant to the SMC. The SMC may also receive complaints from Participants in relation to the operation of community AOS, as set out in section 2.1.18 of these Internal Rules.

Unless otherwise stated, a complaint may be submitted by any Scheme Participant and must be filed in writing with the Secretariat. A complaint that is filed with the Secretariat must state the name of the Participant that is the subject of the complaint (the "**Affected Participant**") together with details of the complaint.

Members of the SMC that are charged with carrying out the Appeals Function may never file a complaint against a Participant.

In addition, the SMC may investigate breaches or potential breaches of the Rulebooks of its own accord.

For the purposes of this section, investigations made by the SMC into breaches or potential breaches of the Rulebooks, whether or not initiated by the SMC itself, shall be referred to as complaints.

References to the SMC include any person nominated by the SMC to carry out a function in relation to a complaint, and where a complaint is made by or on behalf of the SMC itself, references to the "parties" are to the Affected Participant only.

### **2.4.2 Key Principles**

In the course of carrying out its function in relation to complaints, the SMC shall ensure that it acts in accordance with the following general principles:

- the SMC shall act in a manner that is impartial and objective at all times;
- the SMC shall act in a manner that is fair to all parties, taking into account the circumstances of each case;
- the SMC shall ensure that, as far as possible, it acts in a manner that is transparent, open and intelligible to the parties; and

- the SMC shall ensure that it acts in a manner that is proportionate to the seriousness of the matter before it.

The deliberations of the SMC and any discussions held in the course of evaluating and investigating the complaint shall be private and confidential, unless otherwise agreed between the parties.

### **2.4.3 Investigation of Complaints**

The SMC may nominate a group of members of the SMC to investigate and evaluate a complaint or the SMC may delegate its power to investigate a complaint to the EPC Secretariat or any other person.

The SMC shall as soon as reasonably possible notify the Affected Participant that it is subject to investigation by the SMC. The Affected Participant shall have 28 Calendar Days from receipt of such notification to file written representations in respect of the Complaint. The Affected Participant may be required to cease any activity that could constitute conduct suspected of being in breach of one or both of the Rulebooks.

Members investigating the complaint may in the course of the investigation call for such information and documentation from the Affected Participant as may be relevant for determining whether a breach of a Rulebook has taken place. The Affected Participant shall use reasonable efforts to provide such information to the relevant SMC members as is within the Affected Participant's possession, custody or control. The Affected Participant shall have 28 Calendar Days to respond to such requests for information and documentation.

The SMC may additionally require the Affected Participant to give all reasonable assistance in the course of the SMC investigation. A failure to provide such assistance shall be deemed to be a breach of Scheme rules and may therefore be actionable in accordance with this section.

In addition, in the course of the investigation, relevant SMC members may consult Participants as well as end-users and suppliers and may call for information and documentation from such bodies, liaising through Scheme Participants.

Members investigating the complaint may engage any person in order to carry out tasks related to the investigation at the cost of the EPC and within the budget of the EPC. The SMC may also engage a legal professional to give legal advice on any aspects of the investigation. Where this is done, the cost incurred by the SMC and paid by the EPC may be added by the SMC to the costs payable under section 2.4.9 below.

### **2.4.4 Evaluation of Complaint**

The SMC shall evaluate any information that it may obtain in the course of the investigation. It may engage a skilled person in order to carry out tasks related to the evaluation of the complaint as well as a legal professional to give legal advice on any aspects of the evaluation and adjudication of the complaint at the cost of the EPC and within the budget of the EPC. The SMC may request advice from the EPC SEPA Payment Schemes Working Group (“SPS WG”) and the EPC Legal Support Group (“LSG”) to determine whether a Scheme Participant is in breach of a Rulebook. The SMC shall ensure that any person engaged in this manner shall be subject to a duty of confidentiality in respect of information acquired in the course of its engagement with the SMC.

In the course of this evaluation, the Affected Participant shall be invited to discuss the complaint with the SMC. The Affected Participant may seek legal advice at any stage of this process at its own cost.



When evaluating any complaint, the SMC shall take into account the date of the alleged breach and, except in exceptional circumstances at the discretion of the SMC or where a breach is continuing, shall determine a complaint to be invalid which relates to a breach which occurred three years or more before the complaint is filed.

#### 2.4.5 Sanctions<sup>4</sup>

On completion of the evaluation, the SMC shall prepare a report on the conduct of the case, setting out the facts of the case and a preliminary evaluation of the complaint.

The SMC shall review the contents of this report, following which the SMC may consider that :

- no further action should be taken in relation to the alleged breach of the Rulebook if the SMC considers that either there is no evidence of a breach, or that the breach is of a trivial nature;
- discussions should take place with the Affected Participant to decide how to proceed in respect of a breach that has already occurred or one that is continuing - no sanctions are contemplated at this stage;
- discussions should take place with the Affected Participant and the Affected Participant should be sanctioned.

If the SMC considers that the Affected Participant should be sanctioned, the SMC shall send a written notice to the Affected Participant setting out details of the complaint and the sanction proposed, the report and any material that is believed to be relevant to the matter.

Subject to section 2.4.7, the Affected Participant shall have 30 Calendar Days following receipt of the notification to accept the sanction, or to present written or oral representations to the SMC (the "**Representation Right**"). The Affected Participant may consult legal counsel at any stage of the sanctioning process.

In considering any representations made to it, the SMC is not bound to follow rules of evidence, as followed in a court or tribunal. It will not normally consider oral evidence. Any party may however adduce written evidence in the course of the deliberations of the SMC and make such representations as it considers appropriate in accordance with this section.

Within 30 Calendar Days of hearing representations from the Affected Participant, the SMC shall determine the sanction to be made against the Affected Participant. The SMC shall notify the Affected Participant of its determination.

The sanctions available to the SMC are the following:

- private warning
- written notification of complaint
- public warning
- report to a national regulator or equivalent national authority, including a NASO
- termination

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<sup>4</sup> Modification of the Internal Rules, designed to guide the SMC as to the circumstances in which a particular sanction may be appropriate, may be introduced in the November 2011 release of The Rulebooks (or as provided under section 3.2.3 of the Internal Rules).

### *Private Warning*

The SMC may give a private warning to the Affected Participant. The private warning shall constitute a formal notice to the Affected Participant and aims to deter the Affected Participant from committing a further breach of a Rulebook or to cease conduct that is in breach of a Rulebook. A record of the private warning shall be made by the SMC. This record shall be confidential.

### *Written Notification of Complaint*

The SMC may give a written notification of a complaint to the Affected Participant. A written notification constitutes a formal reprimand to the Affected Participant. The written notification shall set out details of the breach and is aimed to deter the Affected Participant from committing a further breach of a Rulebook or to cease conduct that is on breach of a Rulebook. The SMC may publish details of this sanction on the website of the EPC.

### *Public Warning*

The SMC may give a public warning to the Affected Participant. The public warning shall constitute a formal notice to the Affected Participant and aims to deter the Affected Participant from committing a further breach of a Rulebook or to cease conduct that is in breach of a Rulebook. The public warning shall publish the name of the Affected Participant, together with details of the breach, on the website of the EPC.

### *Circumstances which may indicate which Warning Sanctions may be applied*

The decision as to which sanction or sanctions may be appropriate in respect of any Affected Participant shall be entirely at the discretion of the SMC. However, the following circumstances would tend to indicate that one of the above three sanctions would be more appropriate than the sanction of termination (described below):

- the conduct of the Affected Participant did not display bad faith nor was it due to gross negligence towards other Participants or to the Scheme(s) of which the Affected Participant is part;
- the conduct of the Affected Participant did not display dishonesty and the Affected Participant did not act in a grossly unprofessional manner;
- the breach was not of such a serious nature as to potentially undermine the operation and integrity of one or both of the Schemes;
- the Affected Participant had not committed a breach, or a breach of this type, in the past;
- the breach was of a nature that the SMC believes would be best addressed by deterrent action envisaged by these three sanctions and that it remains appropriate for the Affected Participant to continue as a Participant in the relevant Scheme(s) rather than facing expulsion under the sanction of termination; and
- the breach can be rectified without loss or cost to any other Participant or user or the EPC

As regards which of the three Warning Sanctions might be applicable to any case:

- a private warning may generally be considered more appropriate for a first breach where the breach was not of a serious nature, had not adversely affected other Participants or the Scheme(s), and there would be no merit in other Participants being informed of the breach;

- a written notification of complaint, being a formal reprimand, would be applied where the SMC considered the breach to be of a sufficiently serious nature to record a reprimand against the firm. The SMC may consider publishing the notification on its website if it believed this would be in the interests of other Participants and/or the Scheme(s)

a public warning, being a formal notice, would be applied in the case of a more serious breach and where the SMC believes it would be in the interests of other Participants and/or the Schemes to publicise the notice. This sanction is the most likely of the three to be used in conjunction with the sanction of termination.

#### *Report to National Regulator*

In addition to giving a private warning, public warning or written notification of breach, the SMC may report the Affected Participant to its national regulator, NASO or to an equivalent national authority. The regulator shall be provided with the name of the Affected Participant together with details of the conduct of the Participant.

Considerations which may indicate the appropriateness of this sanction would be if the SMC believed that the breach by the Affected Participant may also constitute a breach of the rules or guidelines of a relevant regulator or if the Affected Participant's conduct cast doubt on its fitness and propriety to continue as a regulated entity. However, the decision whether or not to report a breach by an Affected Participant to a regulator will be entirely at the SMC's discretion.

#### *Termination*

In addition to making a report to a relevant national regulator or giving a private warning, written notification of breach or public warning to the Affected Participant, the SMC may terminate the participation of an Affected Participant in a Scheme in the following circumstances:

- where the breach committed by the Affected Participant is sufficiently serious to undermine the operation and integrity of a Scheme;
- where the Affected Participant has committed a repeated breach of a Rulebook, notwithstanding any earlier sanctions given to the Affected Participant by the SMC;
- where the conduct of the Affected Participant displays bad faith or gross negligence towards other Participants or towards the Scheme(s) of which it is part; or
- where the conduct of the Affected Participant displays dishonesty or is grossly unprofessional.

Before making a termination order, the SMC may consult with relevant groups to determine the impact of the sanction. Such groups may include other Scheme Participants, the EPC Plenary, clearing and settlement mechanisms or banking communities. The SMC shall consult with relevant regulators before applying the termination sanction.

If the SMC decides to terminate the participation of an Affected Participant, it shall make a termination order setting out the terms and conditions on which the termination is to be effected. Such an order shall set out the steps to be taken by the Affected Participant to ensure the continued orderly and efficient operation of the Schemes.

In the event of termination, the Affected Participant shall be barred from exercising rights under the Rulebooks in accordance with the terms and conditions set out in the termination order. The Affected Participant shall fulfil all obligations arising under the Rulebooks in accordance with the termination order.

If the participation of an Affected Participant is terminated, the Affected Participant may re-apply to join the relevant Scheme after 6 months, starting from the date of the termination of its participation. However, an Affected Participant may re-apply earlier if it can demonstrate to the SMC that it has remedied the breach and/or that there is no reasonable likelihood of the Scheme Participant committing the breach in future.

The SMC shall publish details of a termination of participation on the website of the EPC together with the relevant order and details of the conduct giving rise to the complaint.

#### **2.4.6 Emergency Injunction Procedure**

Where a termination order is issued to an Affected Participant, such Affected Participant may within 21 Calendar Days of receiving notification of the order, apply for an injunction against such order to a competent court in Belgium, during which time the sanction shall be suspended pending the court's determination of the matter. Where the court decides not to grant the injunction requested by the Affected Participant, the SMC may enforce the conditions of the termination order. The courts of Belgium shall have exclusive jurisdiction in respect of proceedings brought in accordance with this section.

#### **2.4.7 Appeals Arising from Complaints**

Within 30 Calendar Days of receiving the notification of a sanction, the Affected Participant may appeal to an Appeals Panel in accordance with section 2.5.

#### **2.4.8 Timing of Sanctions**

Except in exceptional circumstances described in more detail below, a determination by the SMC of a sanction to be made against an Affected Participant shall not take effect until the conclusion of appeals proceedings before the SMC that may be commenced in accordance with these Internal Rules, or until such time as the time period for referring a matter to an appeal to the SMC has expired in accordance with these Internal Rules.

Of all sanctions available to the SMC, the imposition of the following sanctions only shall be suspended awaiting the determination of the appeal: (i) public warning, (ii) report to national regulator or equivalent national authority, including NASO, and/or (iii) termination.

The following applies only if the SMC considers that the conduct or circumstances of the Affected Participant will undermine the operation of any of the Schemes or would cause a serious risk of undermining the operation of any of the Schemes. The SMC may impose a sanction of which it has notified the Affected Participant with immediate effect, or at any other time specified by the SMC. In particular, the SMC may impose a sanction in such circumstances even though:

- the Representation Right has not expired; or any appeal under section 2.5 has not yet been determined.

However, both the Representation Right and the right to appeal against any sanction will remain available to any Affected Participant notwithstanding the expedited imposition of any sanction.

The decision whether or not to expedite the imposition of sanctions under this section 2.4.7 shall be entirely at the discretion of the SMC, however, issues which would tend to indicate the need for such action would be insolvency, loss of regulatory licence(s), or criminal conviction of the Affected Participant.

In cases where a sanction takes effect with immediate effect or at any other time specified by the SMC, the sanction shall remain in force for as long as determined by the SMC or until it is revoked by a determination of the case at appeal. No Affected Participant will have any right of recourse against the SMC for any loss suffered due to the imposition of a sanction if a sanction is subsequently revoked on appeal or under any other circumstances.

#### **2.4.9 Eligibility, Merger and Acquisition of a Participant**

In addition to the circumstances set out in section 2.4.1, the SMC may investigate, initiate or respond to a complaint in the following circumstances:

- a Participant has failed to satisfy one or more of the Scheme eligibility criteria; and
- a Participant has failed to notify the EPC of its intention to terminate its participation under section 5.11 of the relevant Rulebook,

The SMC may treat evidence of the existence of these circumstances coming to its attention as if it were a formal complaint, and deal with the matter in accordance with section 2.4.1 of these Internal Rules. Any references to a 'breach' of the Rulebooks in section 2.4.1 shall include a breach of the Adherence Agreement (including the representations and warranties set out in the Adherence Agreement) entered into by the Participant and may be treated by the SMC as being references to the circumstances set out in this section 2.4.8.

#### **2.4.10 Costs**

An upfront, non-refundable administrative fee outlined in Appendix 3 of the SMIRs on the SMC cost recovery mechanism will be payable by the complainant to the EPC, upon lodging the complaint, to cover basic administrative costs. This fee will be recoverable from the losing party, as appropriate. Appendix 3 of the SMIRs listing this fee will be reviewed regularly and adjusted in line with any actual costs incurred in the first year plus a reasonable increase uplift for anticipated increases in costs in the year in question and will be adjusted accordingly in subsequent years.

The EPC will ensure that any fee set under this section is quantified so as to be consistent with the costs incurred by the SMC and paid by the EPC and the EPC's status as a non-profit organisation under Belgian law. In addition, any relevant non-administrative SMC costs incurred during the course of the proceedings will be recovered from the losing party.

Where the complaint is withdrawn by the complainant before a formal SMC decision on the complaint has been made, the SMC's costs incurred to handle the complaint proceedings up to that point in time will be recovered from the complainant.

Where the SMC initiates a complaint, it may require the Affected Participant to contribute to any costs incurred by the SMC in relation to the complaint, if the Affected Participant were found to be in breach of the Rulebook(s).

## 2.5 Appeals

### 2.5.1 Introduction to the Appeals Process

In this section and unless the context otherwise indicates, a reference to the SMC shall be read as a reference to those persons comprising the Appeals Panel who have been nominated to carry out the Appeals Function of Scheme Management in accordance with section 2.1.10 of these Internal Rules including SMC members and representatives of the expert group described in section 2.5.2 of these Internal Rules.

Where the decision under appeal is a decision in which the SMC had initiated a complaint under section 2.4.1 of these Internal Rules, the SMC (including, for the avoidance of doubt, any sub-committee of the SMC, such as the CAC) is not to be regarded as a "party" to the appeal.

The role of the SMC shall be to determine whether, on the basis of the material put before it by the appellant, a decision reached in complaints and adherence matters was correct and justified. The SMC may request advice from a third party professional, including a legal professional in the course of its deliberations.

Deliberations before the SMC shall be conducted in private and shall be confidential unless otherwise agreed between the parties.

In considering any representations made to it, the SMC is not bound to follow rules of evidence, as followed in a court or tribunal. The SMC will not normally consider oral evidence.

The SMC shall act in accordance with the principles set out in section 2.5.2 to ensure that a matter is handled fairly and impartially. It may stipulate such conditions as it considers appropriate in order to ensure that this obligation is fulfilled.

Members of the SMC must ensure that all written information in respect of its Appeals Function, whether in electronic or paper format, is kept separately from documentation held by the SMC in relation to its Compliance Functions so that information is stored in proper manner and is available only to the relevant members of the SMC.

The SMC may never have access to information held in respect of cases arising under the Compliance Functions, whether oral or written, until such time as such information is referred to appeal.

In the course of determining an appeal, the Appeals Panel must not discuss details of the case with other members of the SMC, without first ensuring that such discussions are carried out with the agreement of the parties to the appeal.

The SMC may engage skilled professionals or the Secretariat to carry out administrative duties arising out of the conduct of appeals before the SMC at the cost of the EPC and within the budget of the EPC. The SMC shall ensure that any person engaged in this manner shall be subject to a duty of confidentiality in respect of information acquired in the course of its engagement with the SMC.

## 2.5.2 Group of Experts

In accordance with section 2.1.10 of the Internal Rules and taking into account possible scenarios of temporary SMC vacancies, potential cases of conflict of interests and non-availability of expertise, the SMC may appoint up to two persons who are not SMC members on an *ad hoc* basis to sit on the Appeals Panel at such time as a case is presented to the SMC. It is not necessary for any such person to be appointed as a member of the SMC; they would instead be vested with delegated power to convene and consider appeals cases. They shall be engaged solely for the purpose of hearing appeals and their skills shall be appropriate for this purpose. An initial proposal regarding the appointment of such a person or persons to sit on the Appeals Panel for a particular case will be made to the SMC by the SMC Chair together with the Chair of the Appeals Panel.

Once an appeal has arisen, the SMC Chair may select such experts from a group of experts comprising selected skilled professionals. The nomination of any person to become a member of the group of experts must be approved at a validly convened meeting of the SMC in accordance with section 2.1.13 of the Internal Rules. In addition, each member of the group of experts shall have the prior approval of the EPC Plenary as technically competent to assist in fulfilling the Appeals Function. The SMC in consultation with the EPC Nominating and Governance Committee will identify candidates to sit on the group of experts.

In order to be selected as a member of the group of experts, a prospective expert would be requested to:

- state the reason for applying to be included on the group of experts;
- describe in details their technical skills, experience and professional qualifications;
- set out any actual or potential conflicts of interest;
- agree to be subject to the Internal Rules;
- set out their likely availability and any possible time constraints; and
- agree a rate for their costs;

## 2.5.3 Key Principles

In carrying out the Appeals Function, the SMC shall perform its functions in accordance with the following principles:

- the SMC shall act in a manner that is impartial and objective at all times;
- the SMC shall act in a manner that is fair to all parties, taking into account the circumstances of each matter before it;
- the SMC shall act in a timely manner to determine matters arising before it;
- the SMC shall allow all parties to make representations and present written material to the SMC;
- the SMC shall ensure that, as far as possible, matters referred to it are dealt with in a way which is transparent, open and intelligible to the parties; and
- the SMC shall ensure that it acts in a manner that is proportionate to the seriousness of the matter before it.

- each member shall be subject to a duty of confidence in respect of appeals cases pending before the SMC. A member shall not discuss details of such cases other than with other members of the SMC that are nominated to carry out the Appeals Function, persons engaged by the SMC to assist the SMC in the exercise of this function, or with relevant parties in the course of appeals proceedings;

#### **2.5.4 Submission of Appeals Notice**

A person with the right to an appeal under these Internal Rules must file an appeals notice with the Secretariat. An appeals notice shall set out details of the case under appeal, reasons supporting the appeal, together with a copy of the determination that is the subject of the appeal.

Within 21 Calendar Days of receiving the appeals notice, the Secretariat shall provide a copy of the appeals notice to those members of the SMC whose decision is the subject of the appeals notice. These SMC members shall have 21 Calendar Days to file written representations in respect of the appeal. They may appoint one or more representatives from their number to take the appeal forward on their behalf. A representative appointed in this manner must be an SMC member who has been nominated to carry out the Compliance Functions of Scheme Management in accordance with section 2.1.10.

The SMC shall then consider the appeals notice and any representations filed and, within 21 Calendar Days of receiving representations from each party, shall notify all parties of the date of the appeal meeting.

At any time before the date of the meeting, the SMC may, but is not obliged to make such directions to the parties as may be useful for the swift and fair determination of the appeal. Such directions may include the following:

- directions to exchange documents relevant for the appeal; and
- directions to exchange names and written statements of any witnesses, including expert witnesses (if any).

The SMC shall ensure that all documents and evidence received from the SMC by the SMC or by one or other of the parties is provided to all the parties to the appeal in a timely manner in advance of the appeal meeting.

#### **2.5.5 Meeting**

The SMC shall aim to determine the appeal between the parties in a manner that is fair, open and amicable at a meeting involving all relevant parties.

Unless otherwise agreed, this meeting shall be private. Parties may bring legal representatives to a meeting.

In the event that a party does not attend the meeting, or if both parties do not attend, the SMC may arrive at such determination as it considers appropriate, or may postpone the date of the meeting.

The SMC shall consider all the material put before it and allow the parties to make oral representations during the meeting.

The SMC shall then deliver a decision on the appeal.

The SMC may make either of the following determinations:

- confirm, vary, or reverse the decision of the SMC at first instance;



- impose any sanction that may have been imposed, but was not imposed by the SMC at first instance.

The SMC may publish the details of the appeals decision on the website of the EPC. Any decisions of the SMC at first instance that are published on the website of the EPC, if varied or reversed at appeal, shall be amended accordingly on the EPC website.

A party to an appeal may withdraw from the appeal at any time by giving notice to the SMC. The appeal shall be closed with immediate effect and the SMC may make such determination in respect of the subject matter of the appeal and in respects of the allocation of costs for the appeal as may be appropriate.

### **2.5.6 Costs**

An upfront, non-refundable administrative fee outlined in Appendix 3 of the SMIRs on the SMC cost recovery mechanism will be payable to the EPC upon lodging the appeal, by the party filing the appeal in question, to cover basic administrative costs. This fee will be recoverable from the losing party, as appropriate. Appendix 3 of the SMIRs listing this fee will be reviewed and adjusted in line with any actual costs incurred in the first year plus a reasonable amount for anticipated increases in costs in the year in question and will be adjusted accordingly in subsequent years.

The EPC will ensure that any fee set under this section is quantified so as to be consistent with the costs incurred by the EPC and the EPC's status as a non-profit organisation under Belgian law. In addition, any relevant non-administrative costs incurred by the SMC during the course of the proceedings will be recovered from the losing party.

Where the appeal is withdrawn by the appeal filing party before a formal SMC decision on the appeal has been formulated, the SMC's costs incurred to handle the appeal proceedings up to that point in time will be recovered from the appeal filing party.

Where there is a sole party to the appeal, the SMC shall have the power to require that party to bear the SMC's costs in respect of the appeal, if that party were found to be in breach of the Rulebook(s).

### **2.5.7 Further Steps**

Following the determination of the SMC, if a party to the appeal does not consider the issue to have been correctly resolved, it shall be open to that party to attempt to resolve the matter through such means as it considers appropriate, including litigation in a competent court in Belgium. As the EPC shall always be a defendant in such proceedings, the courts of Belgium shall have exclusive jurisdiction in respect of proceedings brought in accordance with this section. Such a party may challenge the decision before the courts of Brussels, but only on the grounds of a serious breach by the SMC of these Internal Rules or of a breach of mandatory rules of law, or on the grounds that the decision, when subject to a *prima facie* review (*examen marginal / marginale toetsing*) by the court, appears manifestly incorrect.

### 3 DEVELOPMENT AND EVOLUTION

#### 3.1 Change Management Processes

##### 3.1.1 Change Management - Guiding Principles

It is a key objective of the EPC that the Schemes are able to develop with an evolving payment services market. To meet the demands of Participants, end-users and banking communities, the Schemes shall be subject to a change management process that is structured, transparent and open, governed by the rules of the development and evolution function of SEPA Scheme Management.

The key principles underpinning change management are the following:

- Innovation - the Schemes shall be open to innovative proposals to improve delivery of the Schemes with a view to ensuring that the Schemes are competitive, efficient and able to benefit from the latest developments in payments technology. Innovation shall provide the basis for the conception, design and implementation of new schemes for SEPA going forward.
- Transparency - the change management process shall be transparent and open so that changes implemented into the Schemes are carefully considered and scrutinised. Establishing open channels for Scheme Participants, users and suppliers to propose changes is a key aim of change management.
- Cost-benefit analysis - proposals for change shall be supported by careful analysis weighing up its costs and benefits to ensure that changes implemented into the Schemes are viable for all concerned.
- Development of SEPA - the Schemes are seen as an important platform for Scheme Participants to develop SEPA-enabled products and services that allow both end-users and Participants to take advantage of the development and investment in SEPA.

##### 3.1.2 Change Management - Terminology

The change management process shall involve ideas for changes being formulated as follows:

**Submission of Suggestion** - A Suggestion denotes any idea for making a change to the Schemes. A Suggestion may be devised by any person and then submitted to the SPS WG in accordance with the procedures set out in these Internal Rules. An Initiator refers to a person that submits a Suggestion in accordance with these Internal Rules;

**Preparation of Change Request** - A Change Request is formulated by the SPS WG. A Change Request is prepared if a Suggestion is accepted into the change management process, as set out in these Internal Rules. A Change Request involves detailed analysis into the change set out in the Suggestion and can include cost-benefit analysis and market research. Where the change proposes to modify the Rulebooks and any related documentation, a Change Request shall include a mark-up of the Rulebooks and any related documentation to show the amendments required to be made to the Rulebooks and related documentation as a result of implementing the change; and

Preparation of Change Proposal - A Change Proposal is prepared after consultation on the Change Request, as set out in detail in these Internal Rules. A Change Proposal sets out a detailed framework for making a change to the Schemes, taking into consideration comments made during consultation. Where the change proposes to modify the Rulebooks and any related documentation, the Change Proposal shall include a mark-up of the Rulebooks and any related documentation to show the amendments required to be made to the Rulebooks and any related documentation as a result of the change proposed. The Change Proposal is accompanied by a Change Proposal Submission Document. The Change Proposal Submission Document certifies that each stage of the change management process has been completed.

### **3.1.3 Role of EPC Plenary and Working and Support Groups**

The development and evolution function of SEPA Scheme Management shall be performed mainly by the EPC Plenary and the SEPA Payment Schemes Working Group ("**SPS WG**").

The EPC Plenary shall implement changes, taking into account the overall strategy and policy goals of SEPA and the EPC, identifying key needs and finding appropriate solutions.

The EPC Plenary shall be supported by the SPS WG. The SPS WG is the co-ordination and administration body for change management whose role involves liaising with Initiators, accepting Suggestions, formulating Change Requests and guiding these through the change management process. The SPS WG shall operate in accordance with its terms of reference.

### **3.1.4 Sending a Suggestion to the Secretariat**

A Suggestion is an idea for making any change to the Schemes. A Suggestion may be devised by any person and is to be submitted to the Secretariat in accordance with the rules set out in this section. Suggestions can then be sent to the SPS WG for consideration.

The SPS WG, supported by the Secretariat, shall look to receive Suggestions from the following sources:

- Scheme Participants (or representatives)
- end-users (or representatives )
- suppliers (or representatives)

The Secretariat may also accept Suggestions made by bodies within the EPC, such as the SMC, that have insight into the operation of the Schemes and ideas about enhancing the delivery of SEPA services to Participants and users. Such Suggestions may also be sent directly to the SPS WG.

#### *Scheme Participants*

Scheme Participants must submit a Suggestion to their relevant banking community. The Suggestion should be submitted in a format that can be understood by the banking community.

Upon receiving a Suggestion, the banking community shall carry out a preliminary evaluation of the Suggestion to determine whether the Suggestion is appropriate for the change management process. The banking community may conduct an initial consultation of its members on the Suggestion at this stage. In the course of carrying out its evaluation, the banking community may consult with the SPS WG at any time on any aspect of the evaluation process.

If the banking community determines that the Suggestion is likely to be appropriate for the change management process, it shall submit this Suggestion to the Secretariat for the attention of the SPS WG. The SPS WG shall then analyse the Suggestion further in accordance with these Internal Rules. The banking community shall notify the relevant Participant of the outcome of its evaluation as soon as it is reasonably possible to do so.

A banking community that wishes to submit its own Suggestion may do so directly to the Secretariat at any time and the Secretariat shall send this Suggestion to the SPS WG.

#### *End-users and suppliers*

End-users and suppliers may send Suggestions to the EPC, or to a relevant stakeholder forum at a national or SEPA level.

If a Suggestion is sent to the EPC, the EPC shall send the Suggestion to an appropriate stakeholder forum in a timely manner after receiving the Suggestion.

Where a stakeholder forum receives a Suggestion either from such an Initiator or from the EPC, it shall discuss this Suggestion with a view to determining whether the Suggestion is appropriate for the change management process and whether there is substantial consensus in support of the Suggestion within the relevant stakeholder forum. In the course of this process, a stakeholder forum may send the Suggestion to a relevant banking community for discussion and for possible consultation nationally or at the European level. In the course of conducting its discussions, the stakeholder forum may consult with the SPS WG at any time.

If the forum determines that the Suggestion is suitable for the change management process and if there is substantial consensus in support of the Suggestion, it shall submit the Suggestion to the Secretariat. The SPS WG shall then analyse the Suggestion further in accordance with these Internal Rules. The stakeholder forum shall notify the Initiator of the outcome of its discussions as soon as it is reasonably possible to do so.

A stakeholder forum that wishes to submit its own Suggestion may do so at any time directly to the Secretariat, provided always that such a Suggestion is supported by substantial consensus within the forum.

### **3.1.5 Acknowledgement of Receipt of Suggestion**

The Secretariat shall acknowledge receipt of the Suggestion to the Initiator within 21 Calendar Days of receiving the Suggestion.

An acknowledgement of receipt does not imply that a Suggestion has been accepted but only that the Suggestion has been received for consideration by the SPS WG.

### **3.1.6 Consideration of a Suggestion**

The SPS WG shall be responsible for deciding (a) whether the change should be accepted into the change management process or rejected and (b) whether the change proposed by the Suggestion is a Minor Change or a Major Change.

In respect of (a), the SPS WG will only accept Suggestions into the change management process that propose ideas that fall within the scope of the Schemes. As part of this analysis, the SPS WG shall consider the change proposed by a Suggestion in accordance with the following broad criteria:

- the change presents a case for wide SEPA market-acceptance;
- the change is underpinned by cost-benefit analysis;
- the change is aligned with the strategic objectives of the EPC;

- the change is feasible to implement; and
- the change must not impede SEPA-wide interoperability of the Schemes.

Suggestions that are not within the scope of the Schemes, or ones that fail to meet these criteria will generally not be accepted into the change management process.

In respect of (b), the SPS WG shall decide whether a Suggestion proposes a change can be defined as a Minor Change or a Major Change.

A Minor Change is a change of an uncontroversial and usually technical nature that facilitates the comprehension and use of the Rulebooks. Clarifications of existing rules shall not be deemed to affect the substance of the Rulebooks or the Schemes and will therefore be a Minor Change. Examples of such changes include corrections of spelling mistakes, grammatical corrections, or minor adjustments to technical standards in the Rulebooks to take account of upgrades. If a change is classified as a Minor Change, it can be approved through a simplified procedure, as set out below in these Internal Rules.

A Major Change by contrast is a change that affects or proposes to alter the substance of the Rulebooks and the Schemes. Examples of such changes include the addition or development of new technical standards, proposals for new services to be offered in the Schemes, changes affecting policy, or the innovation of new SEPA schemes. Any change to chapters 5 and 6 of the Rulebooks shall always be a Major Change. Changes that are classified as Major Changes are approved through detailed consultation with relevant SEPA groups, as set out in these Internal Rules.

### **3.1.7 Acknowledgement of Acceptance or Rejection of Suggestion to Initiator**

After considering the Suggestion, the SPS WG shall decide whether or not to formulate a Change Request on the basis of the Suggestion made and whether the Suggestion should be accepted into the change management process.

After arriving at its determination, the SPS WG shall notify the Initiator of its decision in a timely manner. The SPS WG may notify an Initiator either directly or indirectly using the EPC website.

All Suggestions, irrespective of whether they have been accepted into the change management process shall be published on the EPC website, with a view to permitting such a list to be openly viewed by all groups.

## **3.2 Process for Submitting Major Scheme and Rulebook Changes**

### **3.2.1 Preparation and Development of Change Request by SPS WG**

Once a Suggestion has been accepted and the change proposed by the Suggestion classified as a Major Change by the SPS WG, the SPS WG is responsible for carrying out detailed work to prepare and develop a Change Request on the basis of the Suggestion made.

The SPS WG shall conduct research and carry out a cost-benefit analysis on the Suggestion, in accordance with Appendix 2 of these Internal Rules. This work will involve developing a business case for making a Change Request and eventually a Change Proposal. The analysis of the SPS WG should also show how the Suggestion meets the criteria set out in section 3.1.6 of these Internal Rules.

The SPS WG will determine whether any Suggestion which includes a request for expedited implementation in accordance with section 3.2.8 of these Internal Rules on grounds that the proposed change constitutes a non-operational change does indeed qualify as such. If the SPS WG is satisfied that a Suggestion would have no operational impact on Participants and that it is suitable for the fast track process, the SPS WG will make a recommendation to the EPC Plenary that the Suggestion is implemented as a non-operational change in accordance with section 3.2.8.

Where the change proposes to modify the Rulebooks and any related documentation, a Change Request shall also show the likely amendments to be made to the Rulebooks and related documentation as a result of implementing the change proposed in the Suggestion.

The SPS WG shall make all reasonable efforts to develop the Change Request in a timely manner. The SPS WG shall publish a regular update on the EPC website to indicate the stage of development of the Change Request.

Suggestions for change pertaining to the Internal Rules shall generally be submitted to the Scheme Management Committee and/or the Legal Support Group for a first assessment unless the suggestion was initiated by one of these bodies. The decision not to integrate a suggestion for change to the Internal Rules into the change request to be submitted for public consultation must be endorsed by the Coordination Committee.

### **3.2.2 Dialogue with the Initiator**

In the course of developing the Change Request, the SPS WG shall consult with the Initiator, so that, as far as reasonably feasible, the Change Request is in line with the Suggestion submitted by the Initiator.

### **3.2.3 Consultation on Change Request**

Once the SPS WG has developed a Change Request, the SPS WG shall begin the process of consulting Participants, end users and service suppliers on the Change Request.

#### *Scheme Participants*

The SPS WG shall consult Scheme Participants, through all banking communities, on the Change Request. Banking communities will be asked to consult all of their members who are part of the Schemes with a view to ensuring that the views of the payment services constituency are considered in the consultation process.

Banking communities shall ask their Scheme Participants to approve the Change Request, or alternatively, indicate their disapproval. A banking community shall notify the SPS WG of the outcome of such a consultation with its members. A Change Request shall be deemed to be approved by SEPA Participants if the Change Request is supported by those Scheme Participants who carry out at least 2/3rds of the volume of SEPA payment transactions in SEPA as a whole. For this purpose, a SEPA payment transaction is defined as a transaction under one or both Schemes, or under such other scheme as the EPC may devise from time to time. The EPC and the SPS WG shall not be obliged to verify the correctness of any notification made by the banking community or any evaluative methods used by the banking community in the consultation process. In addition to either approving or rejecting the Change Request, Scheme Participants, through their banking community may provide comments on the Change Request to the SPS WG.

The SPS WG shall aim to conclude consultations within 90 Calendar Days of first calling for consultation. However, in cases where the Change Request requires further consideration or clarification, the SPS WG shall be free to extend any deadline for completing the consultation to ensure that Scheme Participants have an opportunity to provide their contributions.

### *End-user and suppliers*

End-users and suppliers will be invited to contribute to the consultation through stakeholder forums organised at the European level and at the level of the national community. In addition to consultation with national banking communities, the SPS WG may also consult other SEPA banking communities. The composition of stakeholder forums for end-users and suppliers, and their role in the change management process, is set out in greater detail below.

Stakeholder forums shall be requested to give their views on the Change Request to the SPS WG.

#### **3.2.4 Feedback from National Consultation**

The SPS WG shall collect and analyse the comments received from both Participants and end-users and suppliers. The SPS WG shall prepare a feedback report on the consultation and make this report available on the EPC website to all groups. The SPS WG shall additionally give feedback on the consultation to the Initiator.

A Change Request that is not approved by Scheme Participants during the consultation process shall generally not be taken forward by the SPS WG. However, notwithstanding this general position, the SPS WG may, after due and proper consideration, raise issues arising from the national consultation for discussion at the EPC Plenary in accordance with the EPC Charter.

#### **3.2.5 Preparation of Change Proposal and the Change Proposal Submission Document**

If the SPS WG decides to proceed with the change following consultation, the SPS WG shall prepare a Change Proposal, taking into account comments received during the national consultation. The Change Proposal shall set out details of the change proposed and the likely costs and benefits involved in implementing the change. The Change Proposal shall detail non-confidential comments received from the different banking communities of Scheme Participants and from end-users and suppliers in the stakeholder forums. Where the change proposes to modify the Rulebooks and any related documentation, the Change Proposal shall include a mark-up of the Rulebooks and related documentation to show the amendments to be made to the Rulebooks and related documentation as a result of implementing the change.

A Change Proposal may bring together more than one change, as developed from one or more Suggestions.

The SPS WG shall complete a Change Proposal Submission Document for submission to the EPC Plenary alongside the Change Proposal. The Change Proposal Submission Document shall certify that each stage of the change management process, from initiation to consultation, has been properly completed in respect of the change proposed.

#### **3.2.6 Submission of Change Proposal to the EPC Plenary**

Following its consideration by the Co-ordination Committee in accordance with the EPC Charter, the Change Proposal and the Change Proposal Submission Document shall be submitted to the EPC Plenary for determination. The EPC Plenary shall determine whether or not to accept the Change Proposal by resolution.

#### **3.2.7 Publication**

A Change Proposal that has been considered at the EPC Plenary shall be published on the EPC website together with the Change Proposal Submission Document and the decision of the EPC Plenary. The SPS WG shall use reasonable efforts to publish all Change Proposals, irrespective of whether the change has been accepted or rejected at the EPC Plenary, as soon as reasonably practicable after the relevant meeting of EPC Plenary.

### 3.2.8 Change Release Process and Cycle

In order to ensure that the Schemes are not disrupted by the rapid implementation of numerous Change Proposals in a short space of time, it shall not be possible for the EPC Plenary to approve more than 1 Change Proposal in any year, except in exceptional circumstances. The EPC Plenary may only approve a further Change Proposal(s) in exceptional circumstances, for example, where the failure to implement a Change Proposal may result in disruption to the Schemes or to users of the Schemes. In implementing the changes set out in a Change Proposal, the EPC Plenary shall take into account current, mandated changes in the payments industry.

Subject to the following paragraph and section 3.2.9, except in exceptional circumstances, the EPC may only implement a Change Proposal, as approved by the EPC Plenary, 6 months after the date on which the Change Proposal is published on the EPC website in accordance with section 3.2.7. In respect of complex changes, the EPC may specify a longer period of notice before implementing a Change Proposal. The EPC may implement a Change Proposal on shorter notice where the change proposed is necessary to ensure the efficient operation of the Schemes or if the change proposed pertains to section 2 of these Internal Rules. Changes proposed to section 2 of these Internal Rules shall take effect on a date to be determined by the Plenary but not earlier than 30 days after EPC Plenary approval.

A change which has been designated by the SPS WG as a non-operational change suitable for fast track implementation under section 3.2.1 of these Internal Rules may be implemented at a date earlier than 6 months after the date on which the Change Proposal is published on the EPC website. Such date will be determined by the EPC Plenary on a case by case basis following consideration of a recommendation from the SPS WG.

### 3.2.9 Change for Regulatory Reasons<sup>5</sup>

The creation of or amendments to relevant rules and regulations (including the technical requirements set out in the Annex to the SEPA Regulation as amended by the European Commission from time to time) might necessitate the urgent alignment of the Schemes with such rules and regulations.

In such case the SPS WG, in close collaboration with the LSG, will prepare a Regulatory Change Proposal. This will be done as soon as reasonably possible, in light of the date on which the new or amended rules and regulations will enter into force. The SPS WG shall complete a Regulatory Change Proposal Submission Document for submission to the EPC Plenary alongside the Regulatory Change Proposal. The Regulatory Change Proposal Submission Document shall specify that the change proposed relates to a mandatory rule of law, and the reasons why the regular change management process could not be followed.

Following its consideration by the Co-ordination Committee in accordance with the EPC Charter, the Regulatory Change Proposal and the Regulatory Change Proposal Submission Document shall be submitted to the EPC Plenary for determination. The EPC Plenary shall determine whether or not to accept the Regulatory Change Proposal by resolution.

A Regulatory Change Proposal that has been considered at the EPC Plenary shall be published on the EPC website together with the Regulatory Change Proposal Submission Document and the decision of the EPC Plenary, as soon as reasonably practicable after the relevant meeting of the EPC Plenary.

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<sup>5</sup> This section will enter into force on 17 November 2013



The EPC may implement a Regulatory Change Proposal, as approved by the EPC Plenary, at the earliest from the business day following the date on which the Regulatory Change Proposal is published on the EPC website in accordance with this section 3.2.9. Such date will be determined by the EPC Plenary on a case by case basis following consideration of a recommendation from the SPS WG.

### **3.3 Process for Submitting Minor Rulebook Changes**

#### **3.3.1 Preparation of List of Minor Changes**

The SPS WG shall prepare a List of Minor Changes not more than twice each year. This List shall take into account Suggestions received by the SPS WG as well as any Minor Changes that the SPS WG considers are required for the Rulebooks.

#### **3.3.2 Publication of List of Minor Changes**

The SPS WG shall publish the List of Minor Changes on the EPC website and ensure that the List may be viewed by all groups.

Any person may submit comments on the List of Minor Changes through the EPC website to the SPS WG. The SPS WG shall permit comments to be sent to it for a period of 90 Calendar Days starting from the date of the publication of the List of Minor Changes on the EPC website. However, the SPS WG shall be free to extend this period, if appropriate.

#### **3.3.3 Re-classification of a Minor Change**

In the event that the SPS WG receives extensive comments on the List of Minor Comments, where some items on the List are identified by contributors as potentially Major Changes, the SPS WG may remove the item from the List and consider re-classifying this item.

The SPS WG may consult with relevant contributors and relevant groups on the status of the item with a view to determining whether a change is a Minor or a Major Change. Following such a consideration, the change may be re-classified as a Major Change and fall to be approved through the approval process for Major Changes, as set out in these Internal Rules.

#### **3.3.4 Submission of List of Minor Changes to the EPC Plenary**

The List of Minor Changes shall be submitted to the EPC Plenary for determination. The EPC Plenary shall determine whether or not to accept the changes proposed in the List of Minor Changes by resolution.

#### **3.3.5 Publication**

A List of Minor Changes that has been considered at the EPC Plenary shall be published on the EPC website together with the decision of the EPC Plenary on the items listed. The SPS WG shall use reasonable efforts to publish the List of Minor Changes, irrespective of whether the changes proposed have been approved or rejected at the EPC Plenary, as soon as it is reasonably practicable to do so after the relevant meeting of the EPC Plenary.

### 3.3.6 Change Release Process and Cycle

In order to ensure that the Schemes are not disrupted by the rapid implementation of numerous changes in a short space of time, it shall not be possible for the EPC Plenary to approve more than 2 Lists of Minor Changes in any year, except in exceptional circumstances. The EPC Plenary may only approve a further List exceeding this limit in exceptional circumstances, for example, where the failure to implement a change may result in severe disruption to the Schemes or to users of the Schemes.

Except in exceptional circumstances, the EPC may only implement the changes set out in the List of Minor Changes 6 months after the date on which the List is published on the EPC website in accordance with section 3.3.5. The EPC may implement one or more of the changes set out in the List on shorter notice where the change(s) proposed is necessary to ensure the efficient operation of one or both of the Schemes.

A change or changes to the Internal Rules shall not be counted as a List of Minor Changes.

## 3.4 Stakeholder Forums at European and National Levels

The SPS WG shall consult stakeholder forums on a Change Request during the change management process. It is envisaged that end-users and suppliers shall have an opportunity to present their views through stakeholder forums. The change management process shall aim to capture a range of stakeholder opinions in SEPA by ensuring that stakeholder forums at the national level are represented alongside those at the European level.

### *Stakeholder Forums - National Levels*

The SPS WG shall invite locally established stakeholder forums in SEPA jurisdictions to provide comments on a Change Request. Consultation at the national level shall take place through banking communities who shall be responsible for collecting and presenting views from established stakeholder forums in their jurisdiction. Banking communities shall consult stakeholder forums from a broad cross-section of interests, so that consumers, small and medium sized businesses, large users of payments services and suppliers are given an opportunity to contribute to the discussion. Banking communities shall be required to demonstrate to the SPS WG that they have made reasonable efforts to consult established stakeholder forums representing these interest groups in their jurisdictions. Banking communities should consult stakeholder groups that are properly established and with a track record in commenting on issues in the payments services industry.

If a national stakeholder forum that wishes to be consulted by its banking community is not so consulted, it may provide its comments directly to the SPS WG. However, it is envisaged that banking communities shall consult broadly, ensuring that appropriate and relevant stakeholder forums in their jurisdictions are given an opportunity to consider and comment on the Change Request.

After carrying out the consultation, banking communities shall prepare a report for the SPS WG in an appropriate format, setting out the views of stakeholders in their community.

The SPS WG may publish stakeholder consultation reports received from communities in different SEPA jurisdictions on the EPC website during the consultation and feedback process.

### *Stakeholder forums - European Level*

In addition to consulting Scheme Participants, the EPC shall facilitate the establishment of a stakeholder forum for various types of payments services users and technology providers in SEPA.

In respect of the stakeholder forum for users, it is envisaged that the stakeholder forum shall represent a wide cross-section of interest groups at the European level, including consumers, large users and small and medium sized enterprises. This stakeholder forum shall operate in accordance with a code of conduct and terms of reference concluded with the EPC. However, it shall be an independent body, with the power to structure its meetings, discussions and decision-making procedure in a manner that it considers appropriate.

The EPC shall request properly established, payments services stakeholder groups at the European level to nominate a representative(s) to this stakeholder forum. The representative(s) nominated by such groups shall form this stakeholder forum. It is open for organisations nominating a representative to withdraw a member from this forum at any stage and replace this member with another representative. However, to encourage continuity in the work of the forum, the forum should aim, as far as reasonably possible to have a stable and committed membership. Stakeholder groups at the European level that wish to have a role in nominating a representative but who have not been invited to submit a nomination, may request the Co-ordination Committee for permission to submit a nominee. The Co-ordination Committee, as advised by the NGC, shall have complete discretion in deciding whether a stakeholder group at the European level is sufficiently established to qualify as a nominating stakeholder group.

A member of a stakeholder forum at the national level that is consulted by its banking community as part of national consultations may also be a member of this stakeholder forum at a European level.

### **3.4.1 Obligations of Stakeholder Forums**

Stakeholder forums at both the European and the national level shall be expected to conduct their affairs in accordance with the following obligations:

- stakeholder forums shall act in the best interests of the Schemes, with a view to always furthering the objectives of SEPA;
- stakeholder forums shall act with diligence and skill, ensuring that Change Requests are carefully considered and discussed;
- representatives of the stakeholder forums and the forum acting together shall ensure that they represent the interests of their constituents when acting in the stakeholder forums;
- stakeholder forums shall establish good management procedures, keeping records of all meetings held and keeping records of documentation considered at forum meetings;
- stakeholder forums shall observe principles of good governance, openness and transparency, ensuring that all interests groups are fairly represented in any governance arrangement established within a stakeholder forum; and
- stakeholder forums shall conduct their affairs with the highest level of integrity and professionalism.

## 4 APPENDIX 1 - COST-BENEFIT ANALYSIS

### 4.1.1 Cost Benefit Analysis ("CBA") - Introduction

CBA is a powerful evaluative tool, used widely in industry and in the public sector to evaluate the costs and benefits involved in making an investment. CBAs provide a monetary evaluation of the impact of a potential investment together with a practical assessment of its benefit for the investor, consumer, industry and society as a whole. CBAs therefore help all parties concerned in determining whether the costs of an investment are worth the benefits that are likely to be garnered from it.

While a CBA gives a good indication of the costs and benefits involved in monetary terms, it forms one component of a broader analysis into the decision of whether an investment is necessary or desired. While the importance of establishing the "business case" is self-evident, the CBA permits the business case to be given due weight while allowing parties to consider the change holistically, taking into account stakeholder opinions on factors that may be more difficult to quantify.

CBAs are conducted on the basis of key ground rules:

- a CBA should take into account all important costs and benefits; and
- a CBA should take full account of the risks and uncertainties involved in a project (technical failures, market disruptions etc.)

### 4.1.2 CBA - Analytical Parameters

Not every Change Request may require a CBA to be performed, for example in cases where the benefit of the innovation is overwhelming and self-evident.

However, where the Change Request requires the CBA to be performed, SPS WG shall be responsible for carrying out, or requesting a third party to carry out, a CBA to evaluate the CBA business case for the proposed change. The SPS WG may also take into consideration CBA received from third parties.

A CBA shall be responsible for showing the following:

- the costs and benefits for industry, including Scheme Participants and suppliers of payments technology and infrastructure; and
- the costs and benefits for consumers and for SEPA as a whole, showing where the costs may be distributed across the different areas of the SEPA payments society.

#### *Costs and Benefits for Industry*

A CBA should clearly show all the monetary costs involved in a Change Request, so that capital as well as operational costs are reflected in this analysis.

The benefits for industry shall be determined mainly by the value added to the service already provided to customers for the new services, or by the value-added to the service already provided to customers. Accordingly, the CBA shall include information on the likely customer uptake of the Change Request by including results of any surveys, research or projections.

### *Benefits for Customers and SEPA*

The CBA shall consider the wide benefit accruing to customers and to society as a whole as part of any analysis.

The wider social benefits of a change may be seen in the benefits it holds for technological innovation, faster service delivery or financial stabilisation.

#### **4.1.3 CBA - Results**

The Change Request shall take into account the results of the CBA for Participants, users and suppliers together with the level of net monetary return expected from the change.

In addition, the Change Request shall set out the costs for upgrading technology and infrastructure to deal with the change together with an analysis of the general risks that may impact on the implementation of the new changes.

If a CBA shows that the benefits do not justify the costs involved, it is expected that this will lead to the rejection of the Change Request by relevant groups and by the EPC Plenary.

In some cases, where the CBA shows that the change would be positive for consumers but costly for industry, this analysis is likely to inform the debate at the level of users, suppliers and the EPC Plenary. Such a debate may focus on the funding arrangements necessary for re-distributing the costs involved, given that Scheme Participants and EPC Plenary members are not obliged to fund measures that are not in their overall financial interest. In such cases, the EPC Plenary shall exercise its discretion in determining the feasibility of changes, taking into account the views expressed in the consultation process.

## **5 APPENDIX 2 - CONFLICTS OF INTEREST**

### **5.1 Rules for Managing Conflicts of Interest**

#### **5.1.1 General Principles**

A member of the SMC may be faced with a situation where the duties owed by him or her under these Internal Rules conflict in some way with another interest, duty or consideration of the member.

A member of the SMC must be extremely alert to such conflicts of interest, or potential conflicts of interest arising in the course of his or her engagement with the SMC.

In order to ensure that the Schemes are administered in accordance with the highest standards of fairness and transparency, a member of the SMC must monitor any conflicts of interest arising or potentially arising in the course of his or her office.

On appointment, a member of the SMC must supply the NGC with a written list of issues that create or that may create a conflict of interest for a member in the course of his or her office. Such a list must constantly be updated in the course of a member's appointment to the SMC.

Members of the SMC shall monitor conflicts of interest arising in respect of any of the other members of the SMC on a continuing basis. A member of the SMC shall be expected to declare any actual or potential conflicts of interests at the start of any meeting involving the SMC. A note of such a declaration must be retained in accordance with section 6.1.2 below.

Any member of either the SMC may inform an appropriate person like the Chair of that body that he or she feels that a member of the body or the body as a whole is subject to a conflict of interest, or that a conflict of interest might reasonably be expected to arise. In such cases, the Chair shall act in an appropriate manner to ensure that the conflict of interest is managed effectively and transparently. Where the Chair is subject to a conflict of interest, he or she may nominate another person within the SMC to manage the conflict on his or her behalf. Where all the members of a body are subject to a conflict of interest, the body must request the NGC to take appropriate action.

Examples of conflicts of interest include situations where a member of the SMC finds him or herself in a position to adjudicate against a competitor of his or her employer, or where such a member may stand to gain in some way from a particular outcome of proceedings before either the SMC.

Where a conflict exists or where one might reasonably be expected to arise, the member must declare the conflict and the Chair, acting together with other members of either of the SMC shall decide whether a conflict does indeed exist and how such a conflict should be managed. Where a conflict of interest is deemed to exist or where one might reasonably be expected to arise, the Chair, acting together with the other members of the SMC, must determine whether the affected member should refrain from voting on the relevant issue before him or her.

#### **5.1.2 Record Keeping**

Members of the SMC shall keep a record of each case where a conflict of interest has arisen or where one has been likely to arise, together with the action taken by the relevant member or body to manage the conflict.

Members of the SMC should also record cases where a conflict of interest was suspected but where, after analysis, such a conflict was deemed not to have arisen.

Such records shall be open to inspection by the EPC and to such other persons as the SMC may consider appropriate.

## **6 APPENDIX 3 - SMC COST RECOVERY MECHANISM**

### **6.1 Main cost types in a dispute resolution procedure**

Three types of costs are identified:

- Administrative costs, incurred by the EPC for administering and monitoring the relevant proceedings (including all disbursements in connection with a particular case, for example, postage, international courier services, telephone, faxes, copies, etc);
- Experts' and SMC legal fees and expenses, incurred by the EPC including costs for their travel, lodging and clerical assistance; and
- Litigation or dispute resolution costs incurred by the parties in question, including fees and expenses of any lawyers engaged, as well as amounts incurred on the presentation and preparation of the case

### **6.2 Rationale for SMC cost recovery mechanism**

The rationale for the SMC cost recovery mechanism centres on a non-refundable administrative fee. This centres on the position that the individual participants benefiting from the SMC's complaints appeals and conciliation activities should be responsible for the costs arising from them (in whole or in part). In addition, given the EPC's core activity is to develop and design payment schemes and frameworks to realise SEPA, it would be unfair for the EPC membership to subsidise the SMC conciliation, complaint and appeal proceedings.

Moreover, there are some initial administrative and handling costs involved in the various stages of the conciliation, complaint and appeal activity. These should be recoverable from the Scheme Participants either requesting or affected by the conciliation, complaint and appeal proceedings.

It is therefore appropriate for the filing Scheme Participant to pay to the EPC a flat fee to cover these costs as an 'upfront fee' for such activities. Such a fee is recoverable from the other Scheme Participant involved in the action if the Scheme Participant initiating the procedure is successful at the end of the proceedings.

In addition, any relevant non-administrative SMC costs incurred during the course of the proceedings shall be recovered from the losing party.

### **6.3 Level of the non-refundable administrative fee**

As a non-profit organisation, the EPC ensures that there is no material 'profit' mark up resulting in a material gain for the EPC when setting the non-refundable administrative fee.

The upfront fee payable to the EPC per single conciliation, complaint and appeal case by the concerned Scheme Participant initiating the proceeding is estimated to be as at [9 February 2012]:

- Conciliation: 2.000 EUR

- Complaint: 2.000 EUR
- Appeal: 3.000 EUR

The level of these fees will be reviewed as a minimum once per annum by the EPC Plenary and will be adjusted in line with any actual costs incurred in the previous year(s) plus anticipated increases in costs and/or proceeding cases in the subsequent year.



## 7 TERMS DEFINED IN THE INTERNAL RULES

Definitions taken from other documents are acknowledged. Terms defined elsewhere in this document are not repeated here, but only referenced.

| <b>Term</b>                                | <b>Definition</b>  |
|--|--|
| <b>Additional Optional Services</b>        | Complementary features and services based on the Schemes, as described in more detail in the Rulebooks.  |
| <b>Adherence Agreement</b>                 | The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found at Annex 1 of the Rulebooks.   |
| <b>Admission Date</b>                      | A date specified for admission to one or both of the Schemes for a group of successful applicants.   |
| <b>Affected Participant</b>                | A Participant that is subject to proceedings before the SMC in accordance with section 2.4 of these Internal Rules.  |
| <b>SMC</b>                                 | The SMC of Scheme Management, as further detailed in these Internal Rules.   |
| <b>Bank Identifier Code (BIC)</b>          | An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions (ISO 9362).   |
| <b>BIC</b>                                 | <i>See 'Bank Identifier Code'.</i>   |
| <b>Business Day</b>                        | A day on which banks in the relevant jurisdiction are generally open for business with customers.  |
| <b>Calendar Day</b>                        | A Calendar Day means any day of the year   |
| <b>CBA</b>                                 | Cost benefit analysis  |
| <b>Chair</b>                               | Chair refers to the Chair of the SMC   |
| <b>Initiator</b>                           | Any person making a Suggestion   |
| <b>Change Proposal</b>                     | A detailed proposal setting out a proposal for change after consultation with relevant groups such as users and suppliers and detailed consideration of the Change Request. A Change Proposal can set out comments received from such groups together with a detailed analysis of the change and the costs and benefits of implementing a change. Where the change proposed in the Change Proposal modifies the Rulebooks or related documentation, a Change Proposal shall include a mark-up of the Rulebooks and related documentation to show the amendments required to be made to the Rulebooks and related documentation as a result of the change proposed. |
| <b>Change Proposal Submission Document</b> | A pro-forma document prepared by the SPS WG to certify that each stage of the change management process has been properly completed.   |

| <b>Term</b>                          | <b>Definition</b>   |
|--------------------------------------|---|
| <b>Change Request</b>                | A Change Request is formulated by the SPS WG on the basis of Suggestions accepted into the change management process. A Change Request takes into account CBA, and other details in relation to the change proposed. Where the change proposed in the Change Request modifies the Rulebooks or related documentation, a Change Request shall include a mark-up of the Rulebooks and related documentation to show the amendments required to be made to the Rulebooks and related documentation as a result of the change proposed. |
| <b>CSMs</b>                          | Clearing and Settlement Mechanisms  |
| <b>Commencement Date</b>             | The date on which the EPC resolves to commence operation of the Scheme in accordance with section 5.1 of the Rulebooks.   |
| <b>Customer Banking Business Day</b> | A Customer Banking Business Day is a day on which banks in the relevant jurisdiction are generally open for business with customers.  |
| <b>EBA</b>                           | European Banking Association  |
| <b>ECSA</b>                          | European Credit Sector Association  |
| <b>EPC</b>                           | The European Payments Council   |
| <b>EPC Charter</b>                   | The Charter of the European Payments Council dated 18 June 2004, as amended from time to time.  |
| <b>EU</b>                            | The European Union  |
| <b>Independent Member</b>            | An Independent Member is a member who can display the highest standard of professional integrity and objectivity in relation to Scheme Management. An Independent Member should be a professional of good repute, with appropriate skills, who has a reasonable knowledge of the payments services sector but who is not employed or is otherwise affiliated with a Scheme Participant or its banking communities, service providers or a payment services user group or user association.  |
| <b>Internal Rules</b>                | These are the internal rules for Scheme Management set out in this document, as amended from time to time.  |
| <b>List of Minor Changes</b>         | As defined in section 3.3.1 of these Internal Rules   |
| <b>Major Change</b>                  | As defined in section 3.1.6 of these Internal Rules   |
| <b>Minor Change</b>                  | As defined in section 3.1.6 of these Internal Rules   |
| <b>NASO</b>                          | National Adherence Support Organisation, as explained in section 2.2.4 of these Internal Rules.   |
| <b>NGC</b>                           | Nominating and Governance Committee   |
| <b>Participant</b>                   | A Participant is an entity that has adhered to one or both of the Schemes in any capacity.  |

| Term  | Definition   |
|---|--|
| <b>Payment Services Directive</b>                             | The EU Directive on payment services in the internal market.   |
| <b>Rapid Response Mechanism</b>                               | <b>The EPC intends to establish a Rapid Response Mechanism in conjunction with the Eurosystem and the European System of Central Banks and / or other national supervisory body in SEPA, to inform the EPC and ultimately Scheme Participants when a Scheme Participant has been prohibited from continuing operations..</b> |
| <b>Scheme</b>   | Each of the SEPA Direct Debit Scheme and the SEPA Credit Transfer Scheme   |
| <b>SMC</b>  | Scheme Management Committee  |
| <b>Secretariat</b>  | The EPC Secretariat  |
| <b>SEPA</b>   | SEPA is the area where citizens, companies and other economic actors are able to make and receive payments in euro within Europe. SEPA comprises the countries listed in the official EPC list of SEPA countries as published by the EPC from time to time.  |
| <b>SEPA Credit Transfer Scheme</b>                            | The SEPA Credit Transfer Scheme is the payments scheme for making credit transfers across SEPA, as set out in the SEPA Credit Transfer Scheme Rulebook.  |
| <b>SEPA Credit Transfer Scheme Rulebook</b>                   | The Rulebook setting out rules and business standards for the SEPA Credit Transfer Scheme, as amended from time to time.   |
| <b>SEPA Core Direct Debit Scheme Rulebook</b>                 | The Rulebook setting out rules and business standards for the SEPA Core Direct Debit Scheme, as amended from time to time.   |
| <b>SEPA Business to Business Direct Debit Scheme Rulebook</b> | The Rulebook setting out rules and business standards for the SEPA Business to Business Direct Debit Scheme, as amended from time to time.   |
| <b>SEPA Scheme</b>  | A SEPA payment scheme is a common set of business rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at an interbank level in a competitive environment.   |
| <b>SEPA Scheme Management</b>                                 | SEPA Scheme Management denotes the governance, development and compliance mechanisms in relation to a SEPA Scheme.   |
| <b>SPS WG</b>   | SEPA Payments Schemes Working Group  |
| <b>Suggestion</b>   | A Suggestion is an idea for change to the Schemes, proposed to the SPS WG.   |
| <b>Unresolved Issue</b>                                       | Any dispute in relation to one or both of the Rulebooks.   |



## **Annex V Major Difference between the SEPA Core Direct Debit Scheme and the SEPA B2B Direct Debit Scheme**

THIS ANNEX IS NOT A PART OF THE RULEBOOK AND IS INCLUDED IN THE  
RULEBOOK FOR INFORMATION PURPOSES ONLY



## **Major differences between the SEPA Core Direct Debit Scheme and the SEPA B2B Direct Debit Scheme**

This annex gives an overview of the major differences between the SEPA Core Direct Debit Scheme and the SEPA B2B Direct Debit Scheme. It does not reflect all the detailed differences in the rules between the two Rulebooks. This annex does not take precedence over the content of either of the Rulebooks.

| Aspect  | Core Scheme   | B2B Scheme   |
|---|---|--|
| <b>1. On the refund right of the Debtor</b>   |   |  |
| 1.1 Refund right for an authorised Collection   | The Debtor is entitled to obtain a refund of an authorised Collection by request to the Debtor Bank during a period of eight weeks after being debited.   | The Debtor is <b>not</b> entitled to obtain a refund of an authorised Collection.  |
| 1.2 Refund right for an unauthorised Collection   | The Debtor is entitled to obtain a refund of an unauthorised Collection by request to the Debtor Bank during a period of thirteen months after being debited.   | The Debtor is entitled to obtain a refund of an Unauthorised Collection by request to the Debtor Bank during a period of thirteen months after being debited, when he considers that the Collection is not covered by a B2B Mandate.                             |
| 1.3 The Debtor Bank may recover the refund paid to the Debtor from the Creditor Bank        | The Debtor Bank is allowed to act as such.  | The Debtor Bank is not allowed to recover the refund paid to the Debtor from the Creditor Bank   |
| 1.4 The Creditor Bank may recover the refund settled with the Debtor bank from the Creditor | The Creditor bank is allowed to act as such   | Out of scope of the Scheme as the refund right of the Debtor only applies to the relation between the Debtor and the Debtor Bank.  |
| <b>2. The time-line of the Collections</b>  |   |  |
| 2.1 Refusal of a Collection   | The Debtor may, before Settlement, initiate a Refusal, requesting the Debtor Bank not to pay a Collection. This Refusal may be handled prior to inter-bank settlement generating a Reject, or after Settlement generating a Return. | The Debtor may, before Settlement, initiate a Refusal, requesting the Debtor Bank not to pay a Collection. This Refusal must be handled prior to inter-bank settlement generating a Reject, or after Settlement, by preference on due date, generating a Return. |
| 2.2 The latest date for the Debtor bank receiving the Collections                           | Any Collection must be received at the latest <b>one</b> Inter-Bank Business Day before Due Date and not earlier than 14 Calendar Days before Due Date.   | Any Collection must be received at the latest <b>one</b> Inter-Bank Business Day before Due Date and not earlier than 14 Calendar Days before Due Date.  |
| 2.3 The latest date for the Return of a Collection  | The latest date for Settlement of the Return of a Collection is <b>five</b> Inter-Bank Business Days after the Settlement Date of the Collection.   | The latest date for Settlement of the Return of a Collection is <b>two</b> Inter-Bank Business Days after the Settlement Date of the Collection.   |
| <b>3. Checking by the Debtor Bank</b>   |   |  |

|   |   |  |
|---|---|--|
| 3.1 Obligations to check                                    | For each Collection presented, the Debtor Bank must debit the Debtor's account if the account status allows this. It may also choose to offer AOS to its Debtors, but it is not obliged to do so by the Scheme. | Due to the absence of the refund right and the potential large amounts involved, the Debtor Bank is obliged to obtain the confirmation from the Debtor on the B2B Mandate data received as part of the Collection presented, before debiting the Debtor's account.   |
| 3.2 Obligation to store instructions                        | The Debtor Bank may choose to offer AOS to its Debtors, but it is not obliged to do so by the Scheme.   | In order to execute this checking, the Debtor Bank must store the Mandate data confirmed by the Debtor and the related instructions given by the Debtor, in order to use these data and the related instructions for the checking of each successive collection presented.   |
| 3.3 Need to inform the Debtor Bank on Mandate cancellations | No Scheme rule present  | The cancellation of the Mandate is carried out between the Creditor and the Debtor. The Debtor Bank must include in the B2B conditions with its Business Customers the obligation for the Debtor to inform the Debtor Bank about the cancellation of a Mandate, so that the Debtor Bank can update its stored instructions for rejecting unauthorised collections. |
| <b>4. Access for Debtors to the Scheme</b>                  |   |  |
| 4.1 Payment Services Directive requirements                 | No Payment Services Directive issues as the Scheme provides a refund right for the Debtors  | In order to have access to the Scheme, Business Customers in the role of a Debtor must be allowed by the applicable national law to opt out of the Refund right defined by law   |
| 4.2 Access for Debtors                                      | The Scheme caters for both businesses and private individuals as potential users.   | The Debtor should be a non-consumer and should be allowed by the applicable national law to opt out of the refund right defined by law.  |
| <b>5. Standards used</b>                                    |   |  |
| 5.1 XML standards   | All datasets and attributes are identical, except: <ul style="list-style-type: none"> <li>• The Scheme identification code (=Core)</li> <li>• References in the Rulebook to refunds</li> </ul>                  | All datasets and attributes are identical, except: <ul style="list-style-type: none"> <li>• The Scheme identification code (=B2B)</li> <li>• Most of the References in the Rulebook to refunds are removed.</li> </ul>   |

|   |  |  |
|---|--|--|
| <p>5.2 References to descriptions of one of the following types:<br/>PR-XX, PT-XX, DS-XX and AT-XX.</p> | <p>The same element is identified with the same identification number as in the other Rulebook</p> | <p>The same element is identified with the same identification number as in the other Rulebook</p> |
|---|--|--|





## **Annex VI Instructions for the Refund Procedure for Unauthorised Transactions**

**Refunds** are claims by the Debtor for reimbursement of a direct debit under the terms agreed by Debtors with their Debtor Bank. If the disputed Collection is not supported by the Debtor's consent, the transaction is considered to be an Unauthorised Transaction. The process for the handling of such claims for Refund for Unauthorised Transactions is an inter-bank process involving staff intervention in both the Debtor Bank and the Creditor Bank. The related process-steps are described in the Rulebook from process-step PT-04.20 up to process-step PT-04.27 included.

This annex defines draft instructions for the Debtor Banks and for the Creditor Banks. Banks should make up their own instructions, but these should include the content described here.

#### 1. Instructions for Debtor Banks

- a. This procedure only applies to claims for Refunds for an unauthorised transaction introduced later than eight weeks after the date on which the Debtor was debited. During the eight weeks, the Refund right of the Debtor always applies without the need for the Debtor to provide any reason to the Debtor Bank.
- b. The Debtor must provide his claim to the Debtor Bank to obtain the Refund of a Collection that was not authorised by him.
- c. The claim must be sent by the Debtor at the latest 13 months after the debit date of the disputed Collection.
- d. The Debtor Bank must examine the request received, and must accept or reject the request. When accepted, the Debtor Bank must forward the claim, without any supporting evidence, to the Creditor Bank, who must forward it to the Creditor.
- e. Four types of request can be distinguished:
  - A copy of the Mandate is requested by the Debtor Bank, the copy must be provided, except if the Creditor accepts the claim.
  - A copy of the Mandate is requested by the Debtor Bank, the copy must be provided, even if the Creditor accepts the claim.
  - No copy of the Mandate is requested by the Debtor Bank as according to the Debtor, the Mandate has already been cancelled by the Debtor.
  - No copy of the Mandate is requested by the Debtor Bank as the Mandate should have been cancelled by the Creditor due to 36 months of inactivity after the latest collection presented

These types are identified by a refund type code part of the request data.

- f. The following technical channels are accepted by the Scheme for sending the request to the Creditor Bank :
  - The suitable SWIFT message. This is the default option.
  - An email with template
  - A fax transmission with template
  - Any other means agreed between both parties, the Debtor bank and the Creditor Bank

The Debtor Bank should use one of the channels indicated by the Creditor Bank in the in Reference and Routing Directories provided by CSMs or other providers of such routing information.

This request should be sent to the Creditor Bank within 4 Banking Business Days starting from the day of receipt of the request by the Debtor Bank.

- g. After having received the response on the request for Refund from the Creditor Bank, the Debtor Bank must accept or reject the Refund claim made by the Debtor.
- h. The Debtor Bank can accept the claim in three situations:
- when the Creditor declares in the response to accept the claim (answer type codes 1 and 2 specified by the Creditor)
  - when the Debtor Bank decides to accept the claim of the Debtor after having confronted the elements of the claim made by the Debtor with the copy of the Mandate and the supporting information received from the Creditor.
  - when 30 Calendar days after the receipt of the claim from the Debtor, the Debtor Bank did not receive any response from the Creditor Bank on the request for copy, the Scheme gives the right to the Debtor Bank to decide on the claim based on the elements of proof presented by the Debtor, disregarding any elements that might be made available later by the Creditor through the Creditor Bank.

It is expected that the 30 days limit will only be reached in exceptional circumstances, as national legislation after the transposition of the Payment Services Directive will require the execution of the Refund immediately after the receipt of the claim by the Debtor Bank. The average end-to-end time-line of the procedure should be much shorter than the 30 days limit.

The Debtor Bank may also reject the claim of the Debtor.

The decision of the Debtor Bank is final for all participants in the Scheme.

This decision should be executed within 4 Inter-Bank Business Days after the day of receipt of the answer from the Creditor Bank.

- i. If accepted, the Debtor bank must credit the account of the Debtor for the amount of the collection disputed, and must present the Refund for Clearing and Settlement to the CSM. The Debtor Bank must apply a value compensation to the benefit of the Debtor's account for a period covering the time between the day of the original debit and the day of the execution of the Refund payment on the Debtor's account.
- j. The Refund compensation may be recovered from the Creditor Bank as part of the Refund transaction by using the same rule applicable for Refund within the eight weeks after the debit date.
- k. The Creditor and the Debtor may use all means to reopen the dispute with the other party, Debtor or Creditor, but this is out of scope of the Scheme. For the Scheme and the adhering banks, the decision taken by the Debtor Bank is the final step of the payment process.

## 2. Instructions for Creditor Banks

1. Each adhering Creditor Bank may use the services offered by CSMs or other providers of Reference and Routing Directories to indicate through which channel(s) the Creditor bank accepts to receive requests for Refund for an unauthorised transaction. The channels accepted by the Scheme are the following:
  - The suitable SWIFT message. This is the default option.
  - An e-mail with formatted template
  - A Fax transmission with formatted template
  - Any other means agreed between both parties, the Debtor bank and the Creditor Bank
2. The Creditor Bank may receive a message for request of Refund of an unauthorised transaction from the Debtor Bank through (one of) the channel(s) indicated by the Creditor bank in Reference and Routing Directories.
3. The Creditor Bank must forward the request received to the Creditor in any format agreed with the Creditor within 3 Banking Business Days after the receipt of the request from the Debtor Bank.
4. After investigation, the response must be sent by the Creditor to the Creditor Bank by using a technical channel agreed between them. The answer must contain sufficient information to allow the Creditor Bank to populate the inter-bank message to be forwarded to the Debtor Bank.
5. The Creditor Bank must forward the response received from the Creditor to the Debtor Bank, while using the channel indicated by the Debtor Bank in the initial request message, within 7 inter-bank Business Days starting from the day on which the Creditor received the request from the Creditor Bank.

6. When the Debtor Bank has not received the response after 30 Calendar Days at the latest starting from the receipt of the claim by the Debtor Bank from the Debtor, the Debtor Bank may proceed with the Refund process without further waiting for the elements of proof provided later by the Creditor Bank or the Creditor.
7. After the handling of the response by the Debtor Bank, the Debtor Bank may decide to initiate a Refund by sending a Refund message to the CSM for clearing and settlement with the Creditor Bank.
8. In this case, the Creditor Bank must debit the account of the Creditor for the amount of the instructions received for refund. For the recovery of the Refund compensation, the Creditor Bank must make his own arrangements with the Creditor. The date for this debit is out of scope of the Scheme.
9. If the account of the Creditor, for whatever reason, could not be re-debited, the unpaid Refund becomes a credit risk for the Creditor Bank to be recovered from the Creditor, or the Creditor Bank must take the loss, as the Creditor Bank is not allowed to debit the Debtor Bank for the unpaid Refund.
10. The Creditor and the Debtor may use all means to reopen the dispute with the other party, Debtor or Creditor, but this is out of scope of the Scheme. For the SDD Scheme and the adhering banks, the decision taken by the Debtor Bank is the final step of the payment process.



## **Annex VII e-Mandates**

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## 0 Introduction

The Core Scheme has been designed to be capable of evolution to permit the development of features to satisfy future needs. Work has been undertaken to add to the Core Scheme, mandates created through the use of electronic channels (called ‘e-Mandates’). Non-electronic SEPA Direct Debit mandates issued under the rules of the Core Scheme are referred to in this Annex as ‘paper mandates’.

The description of the e-Mandate feature is contained in the following documents:

1. This Annex of the Core Scheme Rulebook, containing the service description of the e-Mandate solution.
2. The appropriate (ISO 20022) XML message standards for e-Mandate messages defined as a separate document [17].
3. The description of the Inter-bank transport layer standards to cover rules for issues such as guaranteed delivery, authentication, data integrity, etc., called the EPC e-Operating Model.
4. Requirements and specifications for ‘EPC Approved Certification Authorities’ for e-Mandate Services.

This Annex does not include rules regarding the non-payment-business aspects of e-Mandates, such as:

- a governance model and the roles/responsibilities of the service providers
- the adherence and acceptance of the service providers
- the contractual relations between the service providers and the contracting banks.



## **1. VISION AND OBJECTIVES**

### **1.3 Definition and Objectives**

The e-Mandate process is an optional feature complementing the Core Scheme. This process will allow Debtors and Creditors to agree on mandates in a fully electronic way. If an e-Mandate process is offered then each of the process of issuing, amendment and cancellation of e-Mandates must be possible in an electronic way and cannot be offered separately. In this process the Debtor Bank contributes to easing the process of the e-mandates service provided by the Creditor Banks to their Creditors. In addition, the Debtor Bank has an important role in the authentication of (i.e. checking the due authority of the person claiming to be) the Debtor ("validation"). This will allow the complete avoidance of paper administration in the mandate flow, while the collection process stays the same as in the existing Core Scheme. The Core Scheme provides the possibility of using a paper document as the support for making a SDD Mandate agreement between a Debtor and a Creditor. This is the traditional way of making agreements, with the overall accepted handwritten signature as a way to confirm the Debtor's agreement with the mandate content. The more and more widespread use of electronic channels, creates an environment where Creditors are requesting the use of such channels for the issuing of SDD mandates as a part of e-business, and where Debtors are willing to use such channels for signing SDD mandates. One advantage to the Creditor of receiving an e-Mandate, is that it saves the work of dematerialization and storing of a paper document.

### **1.7 The Business Benefits of the e-Mandate Process**

#### **1.7.1 Advantages for and Expectations of Creditors**

The inclusion of the new possibility for creation of e-Mandates brings new advantages to the Creditors:

- a. The solution allows fully automated end to end processing of e-Mandates, for issuing, amendment and cancellation of such mandates.
- b. The e-Mandate is given in a secure way
- c. The confirmation of the Debtor's right to access the account specified by him
- d. The use of a standardised practice for issuing, amendment and cancellation of e-Mandates without facing local technical or organisational barriers
- e. Allow automatic storage and retrieval of e-Mandate data.

#### **1.7.2 Advantages for and Expectations of Debtors**

The inclusion of the new possibility for creation of e-Mandates brings new advantages to the Debtors:

- a. The Debtor avoids the inconvenience of printing, signing and mailing a paper form to the Creditor by using a full electronic process
- b. The e-Mandate facility is based on secure, widely used Online Banking services of the Debtor Bank.
- c. The Debtor can re-use his user experience of his Online Banking service or other electronic access channels of his Bank. No additional means are necessary.

#### **1.7.3 Advantages for and Expectations of Participants**

The inclusion of the new possibility for creation of e-Mandates brings new advantages to the Participants:

- a. Debtor Banks can leverage investments already made in Online Banking infrastructure with limited adaptations
- b. Debtor Banks can offer additional services to their customers in the area of e-Mandate management based on the e-Mandate related information received in an electronic way through the requested validation service
- c. Debtor Banks and Creditor Banks can increase the commercial attractiveness of the Core Scheme
- d. Creditor Banks can offer additional services to their customers in the area of e-Mandate management

## **2. SCOPE OF THE SCHEME**

### **2.2 Changes in the Nature of the Scheme**

The inclusion of e-Mandates in the Scheme allows Creditors and Debtors on an optional basis to fully eliminate the paper handling of mandates. This applies to the issuing, amendment and cancellation process and for the storage obligations of the Creditor afterwards.

### **2.7 Reachability**

The process for issuing, amendment and cancellation of e-Mandates is optional for banks being a Participant in the Core Scheme. These Participants may choose to act as Debtor Bank, as Creditor Bank, or in both roles, for offering the e-Mandate related services. Creditors are free to use this process, when offered by the Creditor Bank. Debtors are free to use this process, when offered by the Debtor Bank and by the Creditor involved in the e-Mandate to be issued.

### 3. ROLES OF THE SCHEME ACTORS

#### 3.1 The Actors in the Scheme

The actors are the same as in the Core Scheme. The operation of the Scheme involves new parties indirectly:

- Providers of routing services: Providers offer this service, in agreement with and on behalf of Creditor Banks. The service gives Creditors access to validation services made available by Debtor Banks in respect of Debtors initiating e-Mandates through the electronic channels of Creditors. Creditor Banks may provide these routing services themselves.
- Providers of validation services: Providers offer this service in agreement with and on behalf of Debtor Banks for validation of Debtors initiating e-Mandate proposals through the electronic channels of Creditors and the routing services offered by Creditor Banks. Debtor Banks may provide these Debtor validation services themselves.

#### 3.2 The Four Corner Model

The four corner model described in the Core Scheme Rulebook is completed with new parties - the providers of routing services and/or validation services. The lines identified by numbers refer to the relations already part of the four corner model as described in the Core SDD Rulebook.

These new parties will be bound by a number of new specific relationships:

- As applicable, between a Creditor Bank not offering the routing service on its own and any Routing Service Provider (A). The new service providers only have a contractual relation with the contracting/instructing bank. Provisions for these relationships are not governed by the Scheme.
- As applicable, between a Debtor Bank not offering the validation service on its own and any Validation Service Provider (B). The new service providers only have a contractual relation with the contracting/instructing bank. Provisions for these relationships are not governed by the Scheme.

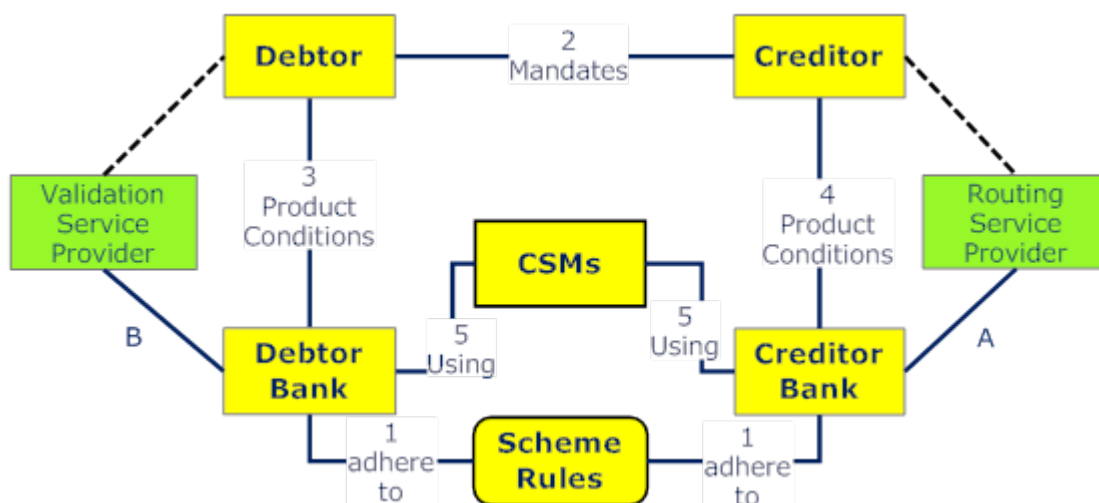


FIGURE 1: FOUR CORNER MODEL: THE ACTORS AND THE NEW PARTIES, THE SERVICE PROVIDERS



This implies that the potential damages resulting from errors in the service delivery by such a Service Provider is a risk for the Creditor Bank (in the case of the routing service) or the Debtor Bank (in the case of the validation service). It means that the Bank having such a contractual relation with a service provider, may have a claim on the service provider, but this is out of scope of the scheme.

## 4. Business and Operational Rules

### 4.1.1. The Mandate

This section completely overrules Section 4.1 of the Core Scheme Rulebook in cases where e-Mandates are used.

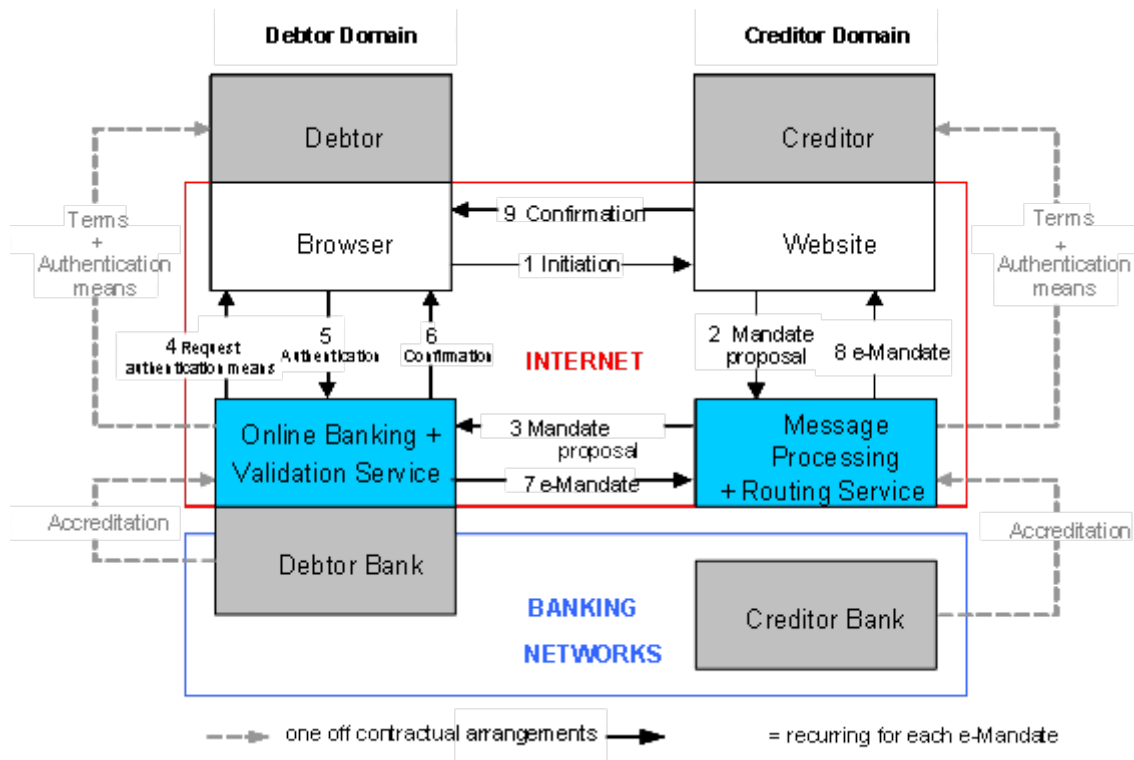


Figure 2: Operational model – e-Mandate process

The Mandate is the expression of consent and authorisation given by the Debtor to the Creditor to allow such Creditor to initiate Collections for debiting the specified Debtor's account and to allow the Debtor Bank to comply with such instructions in accordance with the Rulebook. An e-Mandate is an electronic document which is created and signed in a secure electronic manner.

This section only describes the normal process flow; deviations from the normal flow for any reason are described in sections 4.6.7 to 4.6.9 of this Annex. Complementary rules for amendment and cancellation are described in section 4.1.2 of this Annex.

For issuing an e-Mandate, the Debtor must use (1) an electronic channel offered by the Creditor for the completion of an e-Mandate proposal by entering the e-Mandate data elements required.

After approving the e-Mandate proposal, the Creditor submits (2) the e-Mandate proposal through a routing service to the validation service (3) of the Debtor Bank. The validation service has been selected by the Debtor on the Creditor's e-Mandate proposal system for the validation of the correct use of the Debtor's authentication means and the access right of the legitimate owner of the authentication means to the account specified.

After this stage, the Debtor and the Creditor are not allowed (2) to change the data of the e-Mandate proposal. If late changes are necessary, an amendment of the e-Mandate must be initiated by the Debtor.

The routing service is supplied to the Creditor by the Creditor Bank or by one or more routing service provider(s) acting on behalf of the Creditor Bank. The Creditor and the Creditor Bank should have an agreement on the conditions for use of routing service(s).

The mandate proposal of the Debtor is routed directly by the routing service from the Web Site of the Creditor to the validation service (3) window offered by the selected Debtor Bank to the Debtor (4). The Debtor Bank offers the validation service for e-Mandates itself or through a validation service provider acting on behalf of the Debtor Bank.

The Debtor must be the account holder, or a person in possession of a form of authorisation (such as a power of attorney) completed by the necessary technical means, to be authorised to give consent as a Debtor to debiting the account identified through the means of an e-Mandate. The term ‘means’ is used here in line with the term ‘Payment Instrument’ used in the Directive 2007/64/EC for Payments Services in article 4 23. The Debtor must identify and authenticate (5) himself according to the instructions received from the Debtor Bank. The Debtor Bank defines and provides the authentication means to be used by the Debtors. This authentication process must be technically compatible with the EPC e-Operating Model for e-Mandates [13]. The Debtor Bank and the Debtor should have an agreement on the conditions for use of the means for authentication.

After successful validation of the authentication means and the account access right, the Debtor Bank confirms (6) this result to the Debtor and to the Creditor. The mandate proposal of the Debtor is routed back directly (8) to the Web Site of the Creditor through the intermediary of the initial routing service (7).

The validation process (6) of the Debtor Bank constitutes an e-Mandate according to the following process steps, which are more described in greater detail in the E-Operating Model:

1. The Debtor enters the authentication credentials agreed with the Debtor Bank. The authentication credentials may be composed of personalised device(s) and/or a set of procedures, including its personalized security features.
2. The Validation Service verifies the correctness of the authentication credentials provided and logs the event to an audit trail.
3. Depending on the results of the verification of the authentication credentials:
  - a. If the authentication credentials provided are correct and valid, the Validation Service presents an authorization form that must include all data fields of the e-Mandate and advances the transaction state to “Waiting for authorization”
  - b. If the authentication cannot be correctly verified, an error message must be presented and the transaction must be aborted with no further processing.
4. The Debtor is asked to verify all the data fields of the e-mandate (e.g., the accuracy of the Creditor’s name and address, the Debtor’s account identifier, etc.) along with the mandatory national legal wording and then proceeds with the authorization. The authorization is defined as the set of procedures agreed between the Debtor and the Debtor Bank to assure the clear consent of the Debtor for the issuing, amendment or cancellation of an e-Mandate. The Debtor must choose one of the accounts for which he is the holder and has direct debits rights.
5. The Validation Service verifies the authorization and performs an electronic signature of the XML e-Mandate data using the e-Operating Model X.509 signing certificate issued by an approved EPC Certification Authority.
6. The Validation Service presents a confirmation message to the Debtor along with the e-Mandate data and a link to the Creditor website.

The Debtor is not allowed to make any further changes to his acceptance of the e-Mandate proposal, as the validation service executed by the Debtor Bank refers to the e-Mandate proposal as presented in step (4). If from this point onwards changes are necessary, an amendment of the e-Mandate must be initiated by the Debtor. The Creditor acknowledges receipt of the validation and the e-Mandate and confirms this to the Debtor (9).

The channels accepted are determined by the Creditor and can include the following:

- The Creditor gives access to its Web Site and/or a Web Site hosting the Creditor.
- Any other equivalent electronic channel offering a security level considered sufficient by the Creditor Bank and accepted in the EPC e-Operating Model for e-Mandates (reference [13]).

The connection of the e-Mandate completion on the Creditor's Web-site to the validation service offered by the Debtor Bank is realised in real-time, including all the steps mentioned above. The whole end-to-end process from (1) to (9) inclusive should be organised in such a way that the Debtor can be guided through the successive steps without unacceptable waiting times between the steps.

The e-Mandate electronic data must be stored intact by the Creditor as long as the e-Mandate exists, according to national legal requirements. After cancellation, the e-Mandate data must be stored by the Creditor according to the applicable national legal requirements for a minimum period as long as the Refund period for an Unauthorised Transaction.

The Debtor validation related electronic data (see detailed list of these data in section 4.6.7 PT-07.04) must be stored intact by the Debtor Bank as long as the e-Mandate exists, according to national legal requirements. After cancellation, the validation related data must be stored by the Debtor Bank according to the applicable national legal requirements for a minimum period as long as the Refund period for an Unauthorised Transaction.

After the acceptance of the e-Mandate, the Creditor must forward to the Creditor Bank (1) the Mandate-related data, as part of each one-off or recurrent SEPA Direct Debit Collection. The Mandate-related data must be transmitted (2, 3) by the Creditor Bank to the Debtor Bank in electronic form as part of each Collection in one single flow, using a selected CSM.

The Debtor Bank may choose to offer AOS to the Debtor based on the Mandate content received on request at the validation phase. The Creditor Bank may also choose to offer AOS to the Creditor based on the Mandate content.

#### **4.1.2 Mandate amendments and Mandate cancellations through electronic channels offered by Creditor**

Creditors, who offer the issuing of e-Mandates, must also offer the possibility of amending and cancelling e-Mandates.

An amendment by the Debtor of an e-Mandate may be executed only by using an electronic channel offered by the Creditor, except when the electronic channel and/or the authentication means are not be available any more. Mixing paper channels and electronic channels in the life cycle of a Mandate would create a major problem due to the differences in the liability of the Debtor Bank resulting from the validation service executed. Therefore no Debtor Bank offering e-Mandate validation is obliged to support the amending or cancelling of paper-based mandates through an electronic channel (see PT-04.21 and PT-04.22).

An amendment by the Creditor of an e-Mandate is a matter between the Creditor and the Debtor and the process is out of scope of this Rulebook.



A cancellation by the Debtor of an e-Mandate should be executed by preference through an electronic channel offered by the Creditor, but cancellation through any other channel is allowed, as the rights of the Debtor to cancel a Mandate should not be limited by the availability of a specific channel and the necessary validation service needed for cancelling the e-Mandate through an electronic channel. The Debtor Bank should request the Debtor to inform his bank if he cancelled the mandate through means other than the electronic channel in order to avoid refund requests.

A cancellation by the Creditor of an e-Mandate is a matter between the Creditor and the Debtor and the process is out of scope of this Rulebook.

The use of the electronic channels, offered by the Creditor for issuing, amendment and cancellation of e-Mandates, is allowed by the Scheme for amendment or cancellation of existing paper mandates. It is a decision of the Creditor to offer this service as an optional or as a mandatory channel for making mandate amendments and/or cancellations for existing mandates by all or some of the Debtors. Debtors are free to use this service for amendment or cancellation of Mandates when offered by the Creditor.

## 4.2 Collections

Compared with the rules for the Core Scheme under paper Mandates, the following rules differ for Collections under e-Mandates (as described in sections 4.2 and 4.4, of the Rulebook):

### **Refund claims during the eight weeks after the debit date:**

In the Core Scheme under paper Mandates, the rules for handling refund claims made by the Debtor, during the eight week period after debit date, is identical for authorised transactions (the disagreement of the Debtor relates to the collection) and for unauthorised transactions (the disagreement of the Debtor relates to existence of consent to the collection).

For e-Mandates, the process during the eight week period is identical to the process for the Core Scheme with paper Mandates, except for the situation which is described in the next paragraph.

In order to address the situation where the Creditor is in possession of information indicating that the Debtor or the Debtor Bank made an error in the use of the authentication means provided by the Debtor Bank and/or in the execution of the validation service, a procedure for allowing the Creditor to initiate a claim against the Debtor Bank for obtaining reimbursement of an amount paid by the Creditor Bank in respect of a refunded collection is provided in the Scheme (see process steps PT-04.28 and PT-04.29 in the Annex).

### **Refund claims for unauthorised transactions (after the eight weeks after the debit date until 13 months after the debit date):**

In the same way as described in the Core Scheme for paper Mandates, the Debtor Bank must examine the claim (see detailed description in PT-04.21). In the case of e-Mandates the aspect of the validation executed for the given e-Mandate needs to be examined by the Debtor Bank before sending the claim to the Creditor Bank.

## 4.3 Time-lines for Collections

The time-lines of the Core Scheme Collection process are maintained.

## 4.5 Process Descriptions

The following processes are amended or added to the Scheme when e-Mandates are used:

|                            |   |
|----------------------------|---|
| <b>PR-02<br/>(amended)</b> | Amendment of the Mandate  |
| <b>PR-03<br/>(amended)</b> | Cancellation of the Mandate   |
| <b>PR-04<br/>(amended)</b> | Collection of the Direct Debit Collection (covering both correct transactions and R-transactions arising from the processing of a Collection) |
| <b>PR-06<br/>(amended)</b> | Obtain a copy of an e-Mandate   |
| <b>PR-07 (new)</b>         | Issuing of the e-Mandate  |
| <b>PR-08 (new)</b>         | Amendment of the e-Mandate  |
| <b>PR-09 (new)</b>         | Cancellation of the e-Mandate   |

#### **4.5.2 Amendment of a Paper Mandate (PR-02)**

Paper Mandates may be amended by the Debtor according to the rules of the Core Scheme Rulebook, or through an optional electronic channel offered by the Creditor in combination with a validation service offered by the Debtor Bank as described in this Rulebook. In case of use of an electronic channel, the process steps are the same as for the amendment of an e-Mandate (PR-08).

The paper-based Mandate still remains in force as a paper Mandate (and the provisions of Annex VII do not apply) when mandate elements have been amended electronically. A Debtor Bank offering e-Mandate validation is not obliged to support the amendment of paper-based Mandates electronically.

#### **4.5.3 Cancellation of a paper Mandate (PR-03)**

Paper Mandates may be cancelled by the Debtor according to the rules of the Core Scheme Rulebook, or through an optional electronic channel offered by the Creditor in combination with a validation service offered by the Debtor Bank as described in this Rulebook. In case of use of an electronic channel, the process steps are the same as for the cancellation of an e-Mandate (PR-09).

A Debtor Bank offering e-Mandate validation is not obliged to support the cancellation of paper-based Mandates electronically. The Debtor Bank should request the Debtor to inform his bank if he cancelled the Mandate through means other than the electronic channel in order to avoid refund requests.

#### **4.5.4 Collection of the Direct Debit Transaction (PR-04)**

In the process for collection of Direct Debit transactions, process step PT-04.21 is different in the case of e-Mandates. The other process steps remain unchanged, on the basis that all references to Mandates should be understood as references to e-Mandates.

New process steps (PT-04.28 to PT-04.30) are added to allow the Creditor to initiate a claim on the Debtor Bank in the case described in section 4.2.

PT-04.16 – Debtor Bank Sends Collection Refund Instructions to the CSM

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Debtor Bank must credit the Debtor's account with the Original Amount of the initial Collection. The Debtor Bank sends the Collection Refund instruction to the CSM.</p> <p>The Debtor Bank has the right to receive compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank by the crediting of the Debtor's account with value date = Due Date of the initial Collection.</p> <p>This compensation is a variable amount, being the interest calculated for the number of Calendar Days between the Settlement Date of the original Collection (Settlement Date is included in the number of days) and the Settlement Date of the Refund instruction by the CSM after presentation by the Debtor Bank (Settlement day is not included in the number of days). The rate to be applied for each day in a month is the EONIA rate applicable on the first Banking Business Day of that month based on a 360 days year. The EONIA rate is a daily rate published by the ECB every day.</p> <p>The Debtor Bank must recover this compensation from the Creditor Bank by specifying the compensation amount in AT-R6 in the DS-05 for Refund.</p> <p>However, the Debtor Bank shall not be entitled to make a claim against the Creditor Bank in respect of any amount paid by the Debtor Bank to the Debtor by way of Refund or Refund compensation in respect of an unauthorised transaction where the Debtor Bank had not correctly carried out the checks listed in PT-07.04.</p> |
| <b>Starting day/time</b>  | Debit date (see also section 4.3.1 and 4.3.2)  |
| <b>Duration</b>           | Eight weeks + 2 Inter-Bank Business Days (in relation to Refunds arising from unauthorised payment transactions, refer to PT-04.24)  |
| <b>Closing day/time</b>   | Debit date + eight weeks + 2 Inter-Bank Business Days (in relation to Refunds arising from unauthorised payment transactions, refer to PT-04.24)   |
| <b>Information Input</b>  | The message for Refund of a Collection, containing the data of DS-05.  |
| <b>Information Output</b> | The message for Refund of a Collection, containing the data of DS-05.  |

PT-04.21 – The Debtor Bank accepts or rejects the Request for Refund - requests e-Mandate Copy from Creditor Bank.

**Description**

The Debtor Bank must examine the request received, and must decide whether to accept or to reject the request. The recommended guidance for determining whether or not to accept a request for a Refund of an unauthorised transaction is described below.

When accepted, the Debtor Bank must forward the claim (without any supporting evidence) to the Creditor Bank, who must forward it to the Creditor.

Four types of request can be distinguished:

1. A copy of the e-Mandate is requested by the Debtor Bank, the copy must be provided, except in cases where the Creditor accepts the claim without more.
2. A copy of the e-Mandate is requested by the Debtor Bank, the copy must be provided, even if the Creditor accepts the claim.
3. A copy of the e-Mandate is not requested by the Debtor Bank as, according to the Debtor, the Mandate has already been cancelled by the Debtor.
4. A copy of the e-Mandate is not requested by the Debtor Bank as the e-Mandate should have been cancelled by the Creditor following 36 months of inactivity since the last Collection.

These types of request are identified by a Refund type code which is part of the request data.

The accepted technical channels for sending the request are the following:

1. The suitable SWIFT message as the default option
2. e-mail with formatted template
3. Fax transmission with formatted template
4. Any other means agreed between both parties, the Debtor Bank and the Creditor Bank

The Debtor Bank may always use the SWIFT message, or one of the channels indicated by the Creditor Bank in reference and routing directories provided by CSMs or other providers of such routing information.

**Recommended guidance for determining whether or not to accept a Refund claim for an unauthorised transaction**

1. The e-Mandate agreed by the Debtor, as amended from time to time (i.e. the signed e-Mandate together with any other documents related to the amendment of the e-Mandate) should be compared with the e-Mandate data supplied by the Creditor as part of the Collection. The e-Mandate data from the Creditor can be obtained from the e-Mandate related data part of the Collection message for the Collection disputed in the Refund request, or through a copy of the e-Mandate, amended from time to time, received from the Creditor. The relevant data are the following:

**Attribute of the Mandate**

- The Identification Code of the Scheme
- The Unique Mandate Reference
- The Identifier of the Creditor
- The Name of the Creditor
- The Account Number of the Debtor (IBAN)
- The Name of the Debtor
- BIC Code of the Debtor Bank
- The Transaction Type
- The Date of Signing of the Mandate

Signature(s)

2. The e-Mandate should not have been cancelled by the Debtor or by the Creditor at the moment of the debiting for the disputed Collection.

3. When the e-Mandate has been amended by one of the parties, the amended e-Mandate attributes should be taken into account.

4. The e-Mandate should not fall under the rule of the 36 months inactivity period, resulting in an automatic cancellation, to be respected by the Creditor.

5. For the e-Mandate involved in the claim, the Debtor Bank should check that the Debtor was validated by the Debtor Bank in a correct way at the issuing or the last amendment of the e-Mandate.

This examination can yield three results:

a. The claim of the Debtor may be rejected by the Debtor Bank when the claim is based on the absence of consent by the Debtor and the Debtor Bank concludes that this absence results from negligence/error of the Debtor, which is considered as a liability of the Debtor, according to the terms and conditions agreed between the Debtor Bank and the Debtor.

b. The Refund claim is accepted, and the Debtor Bank takes the loss for the Refund, when the absence of consent results from negligence/error of the Debtor Bank. No recovery from the Creditor Bank can be initiated, as a positive validation was given to the Creditor, due to errors made by the Debtor Bank.

c. In all other cases, where the claim is based on another reason than the absence of consent resulting from negligence/error by the Debtor or by the Debtor Bank, the claim of the Debtor is accepted by the Debtor Bank for further handling.

**Starting day/time**

After PT-04.20

**Duration**

Maximum 4 Banking Business Days between receiving the request and sending the request to the Creditor Bank.

**Information Input**

The claim with the supporting evidence.

**Information output**

The claim as described in DS-08 when the SWIFT message is used and in DS-09 for the use of e-mail or fax.

**PT-04.24 – Debtor Bank decides on the claim, and when accepted, sends the Refund claim for an Unauthorised Transaction to the CSM and informs the Debtor.**

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>After receipt of the response from the Creditor Bank, or after 30 Calendar Days at the latest starting from the receipt of the claim by the Debtor Bank from the Debtor, the Debtor Bank must determine the Refund claim. The Debtor Bank may proceed in the following manner:</p> <ol style="list-style-type: none"> <li>1. Debtor Bank may accept the Refund claim when the Creditor accepts the claim (answer type codes 1 and 2 given by the Creditor)</li> <li>2. The Debtor Bank may accept the claim of the Debtor after having compared the claim made by the Debtor with the copy of the Mandate and the supporting information received from the Creditor Bank and the Creditor.</li> <li>3. The Debtor Bank may also reject the claim of the Debtor. This is a decision of the Debtor Bank, which is final for all Participants in the Scheme. The Creditor/Debtor may always use all possible means to reopen the dispute with the Debtor/Creditor, but this is out of scope of the Scheme.</li> <li>4. If the Debtor Bank does not receive an answer from the Creditor Bank within 30 Calendar Days of receiving the Refund request from the Debtor, the Debtor Bank may determine the claim and proceed in a manner that it considers appropriate, taking into account the evidence presented by the Debtor.</li> </ol> <p>Where the Debtor Bank agrees to refund the Debtor, it may claim the amount of the Refund from the Creditor Bank.</p> <p>If the Debtor Bank decides not to accept and not to execute the Refund claim, the Debtor needs to be informed without delay, and relevant supporting evidence received from the Creditor must be supplied to the Debtor.</p> <p>In case of execution of the Refund claim, the same Refund compensation as described in PT-04.16 may be recovered from the Creditor Bank by using the same rule.</p> <p>However, the Debtor Bank shall not be entitled to make a claim against the Creditor Bank in respect of any amount paid by the Debtor Bank to the Debtor by way of Refund or Refund compensation in respect of an unauthorised transaction where the Debtor Bank had not correctly carried out the checks listed in PT-07.04.</p> <p>Participants are also referred to Annex VI of this Rulebook: Instructions for the Refund Procedure for Unauthorised Transactions.</p> |
| <b>Starting day/time</b>  | After the receipt of the response to the request from the Creditor Bank, or at the latest after 30 Calendar Days starting from the receipt of the request of the Debtor (PT-04.20).  |
| <b>Duration</b>           | Maximum 4 Inter-bank Business Days after PT-04.23. In respect of Refund compensation, the number of Inter-Bank Business Days (up to 13 months) during which the Debtor has been deprived of the Original Amount of the Collection.   |
| <b>Information Input</b>  | The initial claim, the response with the copy of the signed Mandate or other supporting information received from the Creditor.  |
| <b>Information Output</b> | <p>The message for Refund of an unauthorised Collection, containing the data of DS-05.</p> <p>The reference of the request given by the Debtor Bank and the reference of the answer of the Creditor to the request (if provided in the answer) must be sent back as mandatory elements in the message DS-05 – in attribute AT-R5.</p>  |

PT-04.28 – The Creditor investigates the conditions regarding the Refund and sends a claim to the Creditor Bank.

|                          |  |
|--------------------------|--|
| <b>Description</b>       | <p>When the Creditor is in possession of information indicating that the Debtor or the Debtor Bank made an error in the use of the authentication means provided by the Debtor Bank and/or in the execution of the validation service, the Creditor may initiate a claim for obtaining reimbursement of an amount paid in respect of a refunded Collection from the Debtor Bank.</p> <p>The Creditor must send the claim to the Creditor Bank</p> <p>The Creditor Bank must forward the claim received from the Creditor to the Debtor Bank, using one of the channels indicated in the Core Scheme Rulebook in section 4.6.4 in PT-04.21.</p> |
| <b>Starting day/time</b> | On receipt of the information indicating the potential error made by the Debtor Bank or the Debtor, at the latest 13 months after the debit date.  |
| <b>Duration</b>          | Not later than 13 months after the debit date.   |
| <b>Information Input</b> |  |

PT-04.29 – Debtor Bank decides on the claim received, and when accepted, executes the reimbursement as agreed with the Creditor Bank

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>After receipt of the claim from the Creditor Bank, the Debtor Bank must decide on the Refund reimbursement claim.</p> <p>The Debtor Bank may proceed in the following manner:</p> <ol style="list-style-type: none"> <li>1. Debtor Bank may accept the Refund reimbursement claim when the Debtor Bank concludes that the Debtor Bank or the Debtor made an error in the execution of the validation service.</li> <li>2. The Debtor Bank may also reject the claim of the Creditor when there has been no error in the execution of the Debtor validation service either by the Debtor Bank or by the Debtor. This is a decision of the Debtor Bank, which is final for all Participants in the Scheme. When the Debtor Bank accepts the claim, the Debtor needs to be informed without delay, and the Debtor Bank should make a payment to the benefit of the Creditor Bank as requested by the Creditor Bank (or directly to the Creditor when requested by the Creditor Bank).</li> </ol> <p>In case of acceptance by the Debtor Bank, no Refund reimbursement compensation is defined by the Scheme.</p> |
| <b>Starting day/time</b>  | After the receipt of the claim from the Debtor Bank.   |
| <b>Duration</b>           | Maximum 30 Inter-bank Business Days after the starting date.   |
| <b>Information Input</b>  | The initial claim and other supporting information collected by the Debtor Bank.   |
| <b>Information Output</b> | The communication to the Debtor, the payment made to the Creditor Bank (or to the Creditor).   |

#### 4.5.7 Issuing of an e-Mandate (PR-07)

The process for issuing an e-Mandate is handled between the Creditor, the Debtor, the Debtor Bank (with the validation service provider, if applicable) and the Creditor Bank (with the routing service provider, if applicable). This process is optional for all Actors involved in the issuing of e-Mandates.

- PT-07.01** The Debtor uses an electronic channel made available by the Creditor for the completion of an e-Mandate proposal.
- PT-07.02** After acceptance by the Creditor of the content of the proposal made by the Debtor, the Creditor submits the e-Mandate through a routing service to the Debtor Bank.
- PT-07.03** The Debtor must identify and authenticate himself according to the instructions received from the Debtor Bank and agree on the e-Mandate proposal.
- PT-07.04** The Debtor Bank executes the validation service, confirms the result of the validation service to the Debtor and to the Creditor and routes the mandate proposal of the Debtor back to the electronic channel of the Creditor.
- PT-07.05** The Creditor acknowledges receipt of the e-Mandate and sends the information on the e-Mandate to the Creditor Bank, as part of each Collection, as described in PT-04.03 (see section 4.5.4 of the Core Scheme Rulebook).
- PT-07.06** After PT-07.04 or after PT-07.05, the Debtor Bank may (optionally) use this information for offering AOS to the Debtor.



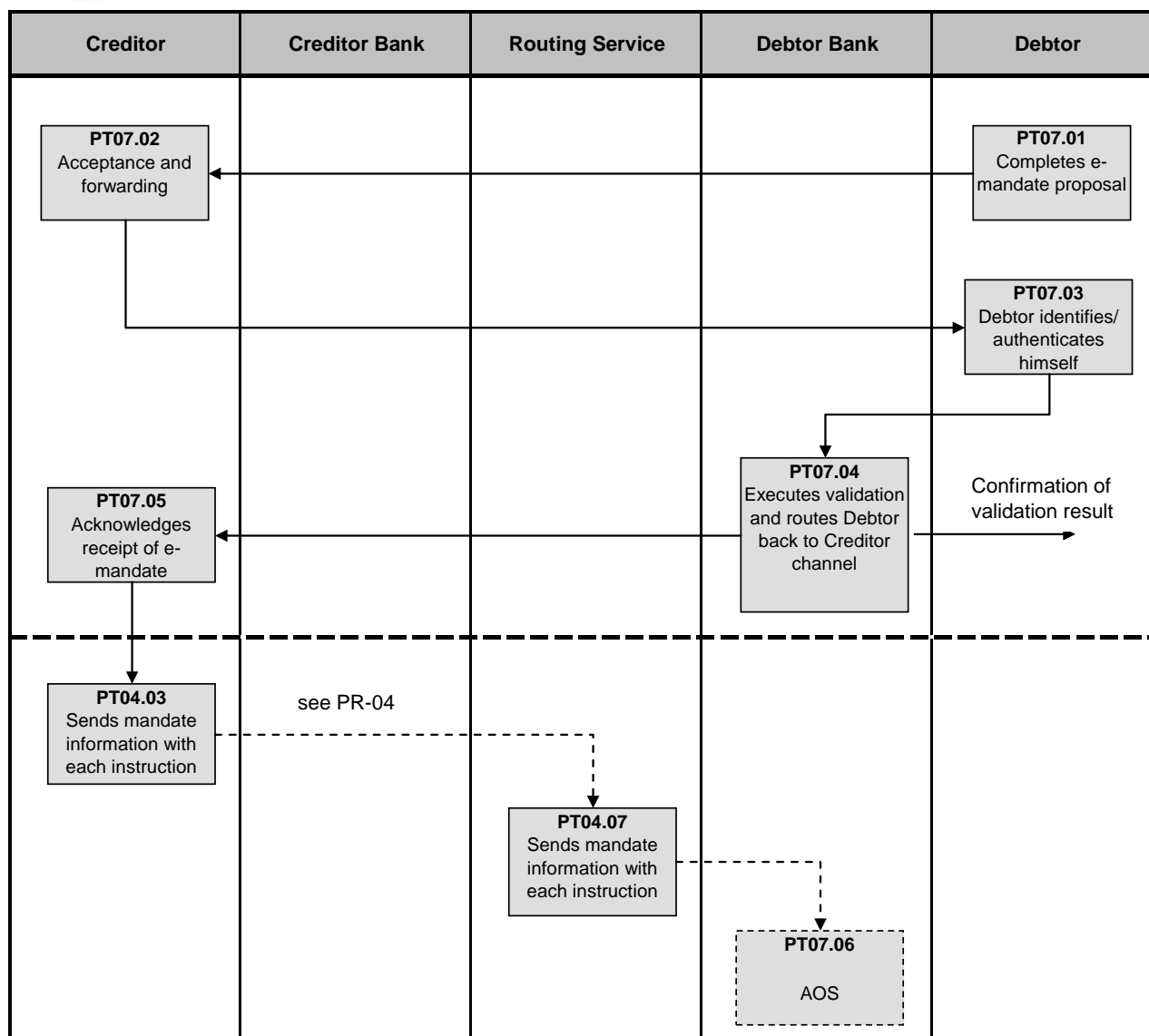


Figure 3: PR07 – ISSUING THE E-MANDATE

#### 4.5.8 Amendment of an e-Mandate (PR-08)

If the Debtor wants to replace the account to be debited under an existing e-Mandate with an account held by another bank, he must cancel the e-Mandate in the existing Debtor Bank, and issue a new Mandate in the new Debtor Bank. This issuing process must identify the Mandate to the Creditor as a Mandate moved from the former Debtor Bank to another Debtor Bank. The Debtor can issue this Mandate according to the rules of the Core Scheme Rulebook as a paper or an e-Mandate, using one of the channels offered by the Creditor.

If the Debtor wants to replace the account to be debited under an existing e-Mandate with another account held in the same Debtor Bank, he must initiate an amendment of the e-Mandate through an electronic channel offered by the Creditor.

When the Creditor wants to amend the e-Mandate, the amendment must be handled between the Creditor and the Debtor. This process is out of scope of this Rulebook.

Paper Mandates may also be amended by the Debtor through an optional electronic channel offered by the Creditor in combination with a validation service offered by the Debtor Bank as described herein.

- PT-08.01** The Debtor uses an electronic channel made available by the Creditor for the completion of the proposal for the Mandate amendment.
- PT-08.02** After acceptance by the Creditor of the content of the amendment proposal made by the Debtor, the Creditor submits the e-Mandate amendment through a routing service to the Debtor Bank.
- PT-08.03** The Debtor must identify and authenticate himself according to the instructions received from the Debtor Bank and agree on the e-Mandate amendment request.
- PT-08.04** The Debtor Bank executes the validation service, confirms the result of the validation service to the Debtor and to the Creditor and routes the mandate proposal of the Debtor back to the electronic channel of the Creditor.
- PT-08.05** The Creditor acknowledges receipt of the e-Mandate amendment and sends the information on the e-Mandate to the Creditor Bank, as part of each Collection, as described in PT-04.03 (see section 4.5.4 of the Core SDD Rulebook).
- PT-08.06** After PT-08.04 or after PT-08.05, the Debtor Bank may (optionally) use this information for offering AOS to the Debtor.

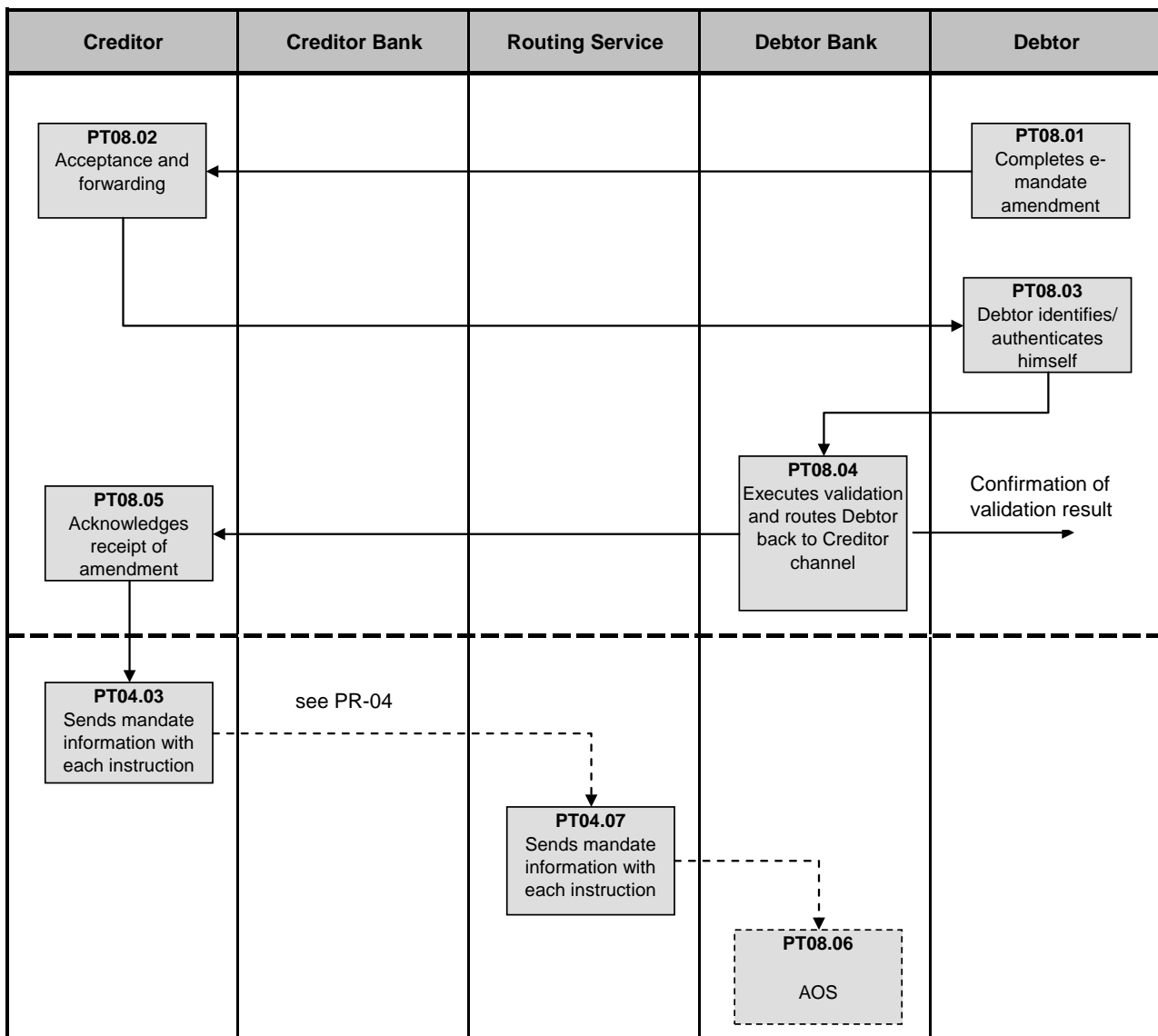


Figure 4: PR08 – AMENDMENT OF THE E-MANDATE

#### 4.5.9 Cancellation of the e-Mandate (PR-09)

The use of an electronic process by the Debtors for cancellation of an e-Mandate is recommended. The Creditor may also accept the cancellation of an e-Mandate by the Debtor through a process in accordance with the Core Scheme rulebook.

- PT-09.01** The Debtor may use an electronic channel made available by the Creditor for the completion of the Mandate cancellation.
- PT-09.02** After acceptance by the Creditor of the content of the Debtor's cancellation made through an electronic channel, the Creditor may submit the e-Mandate cancellation through a routing service to the Debtor Bank.
- PT-09.03** The Debtor must identify and authenticate himself according to the instructions received from the Debtor Bank and agree on the e-Mandate cancellation request.
- PT-09.04** The Debtor Bank executes the validation service, confirms the result of the validation service to the Debtor and to the Creditor and routes the mandate proposal of the Debtor back to the electronic channel of the Creditor.
- PT-09.05** The Creditor acknowledges receipt of the e-Mandate cancellation and sends the information on the e-Mandate cancellation to the Creditor Bank, as part of the last Collection if a Collection is still to be made after the cancellation, as described in PT-04.03 (see section 4.5.4 of the Core SDD Rulebook).
- PT-09.06** After PT-09.04 or after PT-09.05, the Debtor Bank may (optionally) use this information for offering AOS to the Debtor.

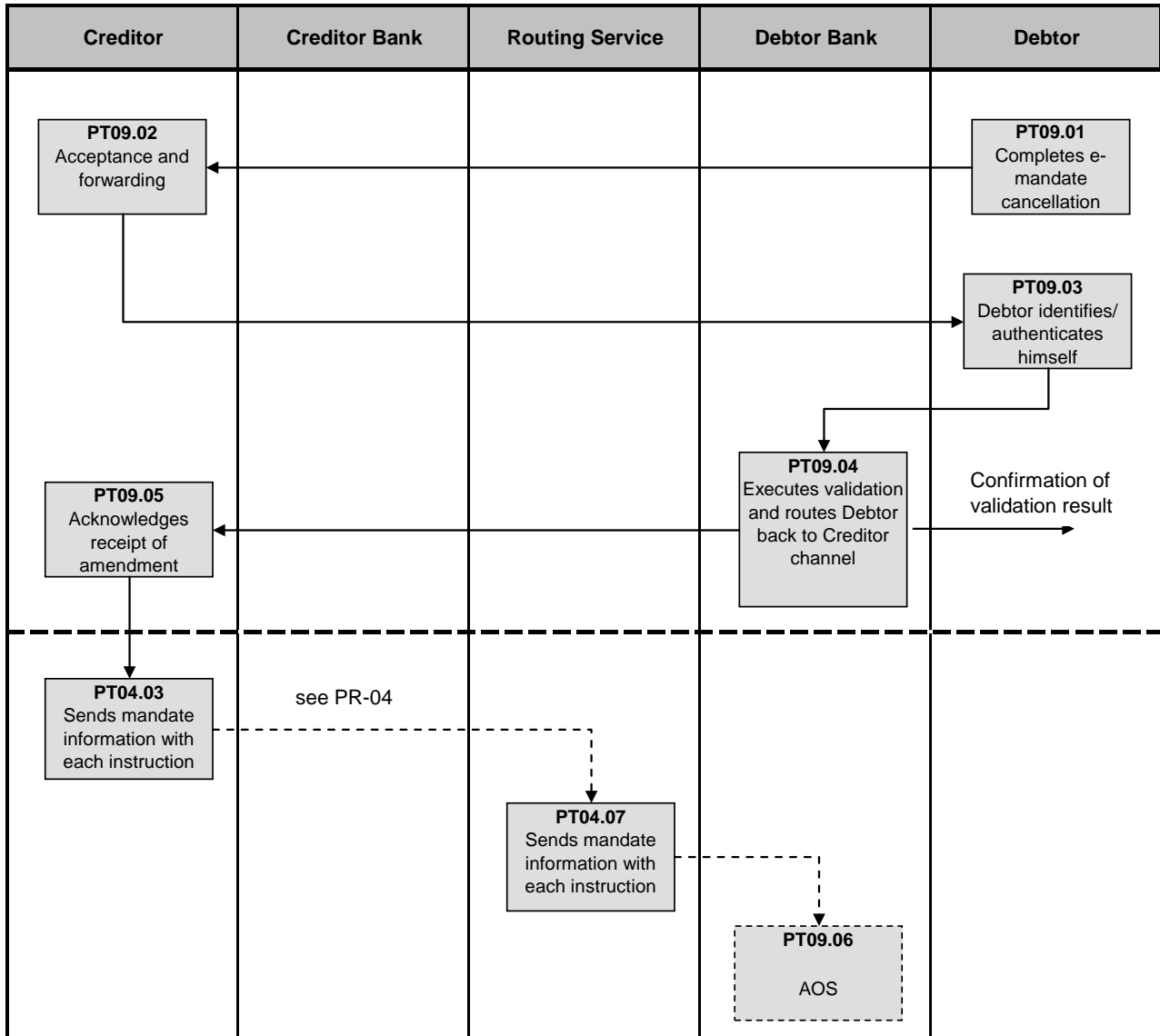


Figure 5: PR09 – CANCELLATION OF THE E-MANDATE

## 4.6. Description of the Process Steps

### 4.6.6. Obtain a copy of an e-Mandate (PR-06)

PT-06.01 – Debtor Bank sends a request to the Creditor Bank to obtain a copy of the e-Mandate data and any associated amendments

|                          |   |
|--------------------------|---|
| <b>Description</b>       | <p>The Debtor Bank sends a request to the Creditor Bank to obtain from the Creditor a copy of the e- Mandate data and of relevant associated amendments.</p> <p>The accepted technical channels for sending the request are the following :</p> <ol style="list-style-type: none"> <li>1. The suitable SWIFT message as the default option</li> <li>2. E-mail with formatted template</li> <li>3. Fax transmission with formatted template</li> <li>4. Any other means agreed between both parties, the Debtor Bank and the Creditor Bank</li> </ol> <p>The Debtor Bank may always use the SWIFT message, or one of the channels indicated by the Creditor Bank in Reference and Routing Directories provided by CSMs or other providers of such routing information.</p> |
| <b>Starting day/time</b> | At any moment, when a Debtor and/or a Debtor Bank identify the need to receive a copy of an e-Mandate   |
| <b>Duration</b>          | No limit for the Scheme   |
| <b>Information Input</b> | <p>The request as described:</p> <p>For the SWIFT message: in DS-10</p> <p>For the e-mail and for the fax: in DS-11</p>   |

PT-06.02 – Creditor Bank forwards the request to the Creditor

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Creditor Bank receives the request for the e-Mandate data and forwards it to the Creditor. |
| <b>Starting day/time</b>  | After the previous step.   |
| <b>Duration</b>           | Maximum 3 Banking Business Days  |
| <b>Information Input</b>  | The original request message from the Debtor Bank as described in DS-10 or in DS-11.           |
| <b>Information Output</b> | The request message in any format agreed between the Creditor Bank and the Creditor.           |

PT-06.03 – Creditor provides the copy of the requested e-Mandate data to the Creditor Bank

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Creditor provides a copy of the requested e-Mandate data, and takes one of the following actions:</p> <ol style="list-style-type: none"> <li>1. Send a copy of the requested e- Mandate</li> <li>2. Indicate why a copy cannot be provided.</li> </ol> <p>The response must be sent to the Creditor Bank by using a technical channel agreed between the Creditor Bank and the Creditor.</p> <p>The Creditor Bank must forward the response received from the Creditor to the Debtor Bank, while using the channel indicated by the Debtor Bank in the request message.</p> |
| <b>Starting day/time</b>  | On receipt of the request.   |
| <b>Duration</b>           | Maximum 7 Banking Business Days  |
| <b>Information Input</b>  | The request in a technical channel agreed with the Creditor Bank.  |
| <b>Information Output</b> | <p>Either the copy of the requested e-Mandate,</p> <p>Or the response request message explaining why the request cannot be satisfied as described in DS-10 (while using the SWIFT message), or in DS-11 (while using email or fax).</p>  |

PT-06.04 – Creditor Bank sends the copy of the requested e-Mandate data to the Debtor Bank

|                           |   |
|---------------------------|---|
| <b>Description</b>        | After the receipt of the response from the Creditor, the Debtor Bank may use the e-Mandate copy for the intended use. |
| <b>Starting day/time</b>  | After the receipt of the response to the request for a copy of an e-Mandate   |
| <b>Duration</b>           |   |
| <b>Information Input</b>  | The response containing the copy of the e-Mandate or other supporting information received from the Creditor.         |
| <b>Information Output</b> | The request message in any format accepted by the Debtor Bank.  |

#### 4.6.7 Issuing the e-Mandate (PR-07)

PT-07.01 – The Debtor uses an electronic channel made available by of the Creditor for the completion of an e-Mandate proposal.

**Description** The initiative to issue an e-Mandate may be taken either by the Creditor or by the Debtor. The Debtor may decide to use this service for issuing an e-Mandate, when the service is offered by the Creditor and by the Debtor Bank.

The Creditor offering the e-Mandate service must make clear instructions available to Debtors for the use of the electronic channels for the issuing, amendment and cancellation of an e-Mandate. The Creditor must ensure that this e-Mandate submission process contains the mandatory legal wording and that the mandatory set of information is completed by the Debtor in line with the rules underneath.

A Debtor Bank offering the e-Mandate service to its Debtors must make clear instructions available to the Debtors for the use of the authentication means for validating the e-Mandate. The Debtor Bank should also supply a description of the liability of the Debtor in case of loss or fraudulent use of the means supplied by the Debtor Bank.

The Debtor must complete the mandatory information on the e-Mandate template presented by the Creditor through an electronic channel. The template must reproduce the mandatory legal wording as defined in the Core Scheme Rulebook in section 4.7.2 DS-01 (Figure 12, paragraph 1) - The Mandate. The Creditor must complete the template presented to the Debtor with the data already available/known to the Creditor.

If the Creditor does not need to use the attributes “AT-38 The name of the Creditor reference party”, “AT-39 The identification code of the Creditor Reference party”, "AT-15 The name of the Debtor Reference party" and "AT-37 The identification code of the Debtor Reference Party", he does not need to present these attributes in the template based on DS-01.

The following data must be completed by the different parties in the e-Mandate template based on the layout presented in DS-01:

a. By the Creditor:

- 20 The identification code of the SEPA Direct Debit Scheme, represented by the wording ‘SEPA Direct Debit Mandate’
- 01 The unique Mandate reference
- 02 The identifier of the Creditor
- 03 The name of the Creditor
- 05 The address of the Creditor
- 38 The name of the Creditor reference party (optional)
- 39 The identification code of the Creditor Reference party (optional)

b. By the Debtor:

- 14 The name of the Debtor
- 09 The address of the Debtor
- 27 Debtor identification code (optional)
- 15 The name of the Debtor Reference party (optional)
- 37 The identification code of the Debtor Reference Party (optional)
- 13 The BIC code of the Debtor Bank (see remark underneath)
- 24 The reason for ‘Amendment/Replacement of the account in another Bank’ of the Mandate (in the case that the issuing of the e-Mandate results from a Debtor moving the account to be debited for an existing Mandate to another Debtor Bank)
- The box at the bottom of the illustration in figure 12 in the same section for placing the signature(s), must be replaced by a box where the Debtor is invited to confirm that he agrees with the proposal (in PT-07.03)
- It should also be mentioned that, after the Debtor having ticked this box, no further changes may be made to the e-Mandate proposal.

c. By the Creditor or the Debtor (depends on the party making the choice as part of the logic of the underlying business contract)

- 08 The identifier of the underlying contract
- 21 The Transaction Type (only the values ‘one-off’ or ‘recurrent’ are allowed)

The Mandate process is standardised in content but not in the detailed layout of the template and not in the detailed definition of the content of the successive steps.

For the completion of ‘13 The BIC code of the Debtor Bank’, the Creditor may offer support to the Debtor for entering the BIC code of the Debtor Bank through the use of any type of Debtor friendly access lists for facilitating the selection of the BIC of the Debtor Bank.

**Starting  
day/time**

At the initiative of the Debtor, by using the channel made available by the Creditor.

**Closing  
day/time**

Immediately after the starting time (instantly).

**Information  
Output**

The e-Mandate proposal message (electronic).



PT-07.02 – After acceptance by the Creditor of the content of the proposal made by the Debtor, the Creditor submits the e-Mandate through a routing service to the validation service of the Debtor Bank.

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Creditor must submit the e-Mandate proposal through an electronic connection to the Debtor Bank selected by the Debtor. The Creditor must do this by using a routing service made available by a Creditor Bank to connect to the validation service of the selected Debtor Bank.</p> <p>Information on the Participants in the Scheme accepting the e-Mandate feature in the role of Debtor Bank and/or in the role of Creditor Bank should be made available by CSMs or other providers of such information.</p> |
| <b>Starting day/time</b>  | After PT-07.01 in real time connection.  |
| <b>Closing day/time</b>   | Instantly after the starting time.   |
| <b>Information Input</b>  | The e-Mandate proposal template.   |
| <b>Information Output</b> | The e-Mandate proposal message after approval by the Creditor.   |
| <b>Remarks</b>            | This description reflects business requirements and does not prescribe technical requirements as defined in the document ‘SEPA e-Mandate Standards’.   |

PT-07.03 – The Debtor must identify and authenticate himself according to the instructions received from the Debtor Bank and agree on the e-Mandate proposal.

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>A Debtor Bank offering this optional service to its Debtors must give clear instructions to the Debtor for the use of the authentication means for validating the e-Mandate. The Debtor Bank should also supply a description of the liability of the Debtor in case of loss or fraudulent use of the means supplied by the Debtor Bank.</p> <p>The term “authentication” is defined here as the act by the Debtor Bank of ensuring that the e-Mandate is duly authorised by the Debtor or person properly acting on the Debtor’s behalf. Authentication is composed of personalised device(s) and/or set of procedures, including personalised security features and is used by the Debtor for the issuing, amendment or cancellation of an e-Mandate. The Debtor must use the authentication means offered by the Debtor Bank and follow the instructions of the Debtor Bank, when authenticating the e-Mandate. The Debtor Bank must make these instructions for correct use available to its Debtors before the use of the e-Mandate feature.</p> <p>The Debtor must follow the instructions given by the Debtor Bank and enter the identifiers required by the Debtor Bank in the template presented by the Debtor Bank. The template must reproduce the mandatory legal wording as defined in the Core Scheme Rulebook in section 4.7.2 DS-01 (Figure 12, paragraph 1) – The Mandate, together with the data of the e-Mandate proposal as received from the Creditor in the e-Mandate proposal message. The Debtor must explicitly confirm his agreement with the e-Mandate proposal by ticking an ‘approval’ box in the template.</p> <p>The Debtor Bank must provide for the possibility that the Debtor may wish to determine a particular account to be debited in respect of the Collections to be made under the given e-Mandate. How this is realised is left open to the Debtor Bank. Some examples are set out below:</p> <ul style="list-style-type: none"> <li>• the Debtor Bank may enter the IBAN of the account to be debited, in this case the Debtor Bank should check that the Debtor is authorised to give access to the account specified</li> <li>• the Debtor Bank may propose an account, for which the Debtor is authorised to give access to the account specified</li> <li>• the Debtor Bank may propose a list of accounts, for which the Debtor is authorised to give access to the account specified, followed by a selection of one of these accounts by the Debtor</li> </ul> <p>The Debtor Bank must check that the mandatory attributes are present in the e-Mandate received and in line with the requirements of the attributes specific to the Debtor Bank and known by the Debtor Bank, such as the existence of the BIC code of the Debtor Bank.</p> |
| <b>Starting day/time</b>  | Instantly after PT-07.02.  |
| <b>Information Input</b>  | The e-Mandate proposal message (DS-12) and the data entered by the Debtor.   |
| <b>Information Output</b> | The e-Mandate proposal message completed with the decision of the Debtor Bank.   |

PT-07.04 – The Debtor Bank executes the validation service, confirms the result of the validation service to the Debtor and to the Creditor and routes the Debtor back to the electronic channel of the Creditor.

**Description** The Debtor Bank must execute the validation service as follows:

- decide on whether the authentication means have been correctly used
- conclude that the circumstances of the use of the authentication means appear to be correct on the basis of the information available to the Debtor Bank, i.e. they are not stolen, lost or subject to counterfeit risks
- check the BIC code present in the e-Mandate proposal message received is a valid BIC code applicable to the Debtor Bank
- decide whether the access right of the person who is the legitimate owner of the authentication means has been used in a correct way in respect of the account to be debited.

The Debtor Bank is not obliged to check other data elements of the e-Mandate, and cannot be held liable for incoherence in the e-Mandate, such as the difference between the name and/or address of the Debtor as known in the books of the Debtor Bank compared with the name and/or address as specified by the Debtor in the e-Mandate data.

The result of the validation service can be:

- Either a negative response to the validation request made, if any of the checks mentioned above fail.
- Or a positive response to the validation request made when all the checks mentioned above are successfully executed with a positive result.

As a next step, the Debtor Bank must communicate this result, through the Creditor Bank's routing service having initiated the validation request, up to the requesting Creditor and to the initiating person (i.e. Debtor or an authorised person). The Debtor Bank must complete the request with the following information:

60 The reference of the validation made by the Debtor Bank

The Debtor Bank must store the following electronic data related to the validation service in order to be able to provide this data to allow reconciliation with the same elements held by the Creditor:

- The Account Number of the Debtor (IBAN)
- BIC Code of the Debtor Bank
- The Identification Code of the Scheme
- The Unique Mandate Reference (if provided)
- The Identifier of the Creditor
- The Name of the Creditor
- The Transaction Type
- The elements related to the execution of the Validation Service (such as the identification of the authorisation means used, time stamp, identifier of the Validation Service, and the result given back to the Routing Service and the associated reference)

These data must be stored as long as the e-Mandate exists, according to the applicable national legal requirements and as a minimum as long as the Refund period for an Unauthorised Transaction. After cancellation, the validation related data must be stored by the Debtor Bank according to the applicable national legal requirements and as a minimum as long as the Refund period for an Unauthorised Transaction.

|                           |  |
|---------------------------|--|
| <b>Starting day/time</b>  | Instantly after PT-07.03.  |
| <b>Information Output</b> | The validation message as described in DS-13.  |
| <b>Remarks</b>            | This description reflects business requirements and does not prescribe technical requirements as defined in the document “SEPA e-Mandate Standards”. |

PT-07.05 – The Creditor acknowledges receipt of the e-Mandate and sends the information on the e-Mandate to the Creditor Bank, as part of each Collection, as described in PT-04.03 (see section 4.5.4 of the Core SDD Rulebook).

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Debtor Bank must forward the e-Mandate proposal after validation to the Creditor through the same channel.</p> <p>The Creditor confirms the acceptance by the Debtor Bank to the Debtor, and confirms the final approval of the Creditor to the Debtor. The Creditor must ensure that the Debtor is not able to make any changes to the e-Mandate proposal after the validation by the Debtor Bank. The Creditor must also send a confirmation message to Debtor Bank in order to confirm the receipt of the validation and the acceptance by the Creditor, through the routing service to the validation service up to the Debtor Bank.</p> <p>The e-Mandate data must be kept by the Creditor in a safe and secure environment during the existence of the e-Mandate. After cancellation, the e-Mandate must be stored by the Creditor according to the national legal requirements and as a minimum as long as the Refund period defined for an Unauthorised Transaction.</p> <p>The Creditor must send the information on the e-Mandate to the Creditor Bank as part of each transaction based on this Mandate as described in PT-04.03 in the Core SDD Rulebook.</p> |
| <b>Information Input</b>  | The validation message as described in DS-13.  |
| <b>Information Output</b> | <p>The dematerialised Mandate dataset (DS-02 in the Core SDD Rulebook) including the specific elements for e-Mandates.</p> <p>The confirmation message to the Debtor Bank (this is a technical message for which no specific business requirements are defined).</p>   |

#### 4.6.8 Amendment of the e-Mandate (PR-08)

PT-08.01 – The Debtor uses an electronic channel made available by of the Creditor for the completion of an e-Mandate amendment request.

**Description** The initiative to amend an e-Mandate may be taken either by the Creditor or by the Debtor. The Debtor may decide to use this service for amendment of an e-Mandate, when the service is offered by the Creditor and by the Debtor Bank.

The Creditor offering the e-Mandate service must make clear instructions available to Debtors for the use of the electronic channels for the issuing, amendment and cancellation of an e-Mandate. The Creditor must ensure that this e-Mandate submission process contains the mandatory legal wording and that the mandatory set of information is completed by the Debtor in line with the rules underneath.

A Debtor Bank offering the e-Mandate service to its Debtors must make clear instructions available to the Debtors for the use of the authentication means for validating the e-Mandate. The Debtor Bank should also supply a description of the liability of the Debtor in case of loss or fraudulent use of the authentication means supplied by the Debtor Bank.

The Debtor must complete the necessary information on the e-Mandate template presented by the Creditor through an electronic channel. The template must reproduce the mandatory legal wording as defined in the Core Scheme Rulebook in section 4.7.2 DS-01 (Figure 12, paragraph 1) – The Mandate. The Creditor must complete the template presented to the Debtor with the data already available/known to the Creditor.

If the Creditor does not need to use the attributes “AT-38 The name of the Creditor reference party”, “AT-39 The identification code of the Creditor Reference party”, "AT-15 The name of the Debtor Reference party" and "AT-37 The identification code of the Debtor Reference Party", it does not need to present these attributes in the template based on DS-01.

The following data must be completed by the different parties in the e-Mandate amendment template based on the layout presented in DS-01:

a. By the Creditor: (to be taken from the existing Mandate being amended)

- 20 The identification code of the SEPA Direct Debit Scheme, represented by the wording ‘SEPA Direct Debit Mandate’
- 02 The identifier of the Creditor
- 03 The name of the Creditor
- 05 The address of the Creditor
- 38 The name of the Creditor reference party (optional)
- 39 The identification code of the Creditor Reference party (optional)

- b. By the Debtor: (the attributes subject of the amendment need to be introduced)
- 14 The name of the Debtor (optional)
  - 09 The address of the Debtor (optional)
  - 27 Debtor identification code (optional)
  - 15 The name of the Debtor Reference party (optional)
  - 37 The identification code of the Debtor Reference Party (optional)
  - 13 The BIC code of the Debtor Bank (see remark underneath 1)
  - The box at the bottom of the illustration in figure 12 in the same section for placing the signature(s), must be replaced by a box where the Debtor is invited to confirm that he agrees with the amendment request (in PT-08.03)
  - It should also be mentioned that, after the Debtor has ticked this box, no further changes may be made to the e-Mandate amendment request.
- c. By the Creditor or the Debtor (depends on the option taken by the Creditor on the identifier to be used by the Debtor for identifying the Mandate to be amended)
- 08 The identifier of the underlying contract (can be made mandatory by a decision of the Creditor)
  - 01 The unique Mandate reference (can be made mandatory by a decision of the Creditor)

The Mandate process is standardised in content but not in the detailed layout of the template and not in the detailed definition of the content of the successive steps.

For the completion of '13 The BIC code of the Debtor Bank', the Creditor may offer support to the Debtor for entering the BIC code of the Debtor Bank through the use of any type of Debtor friendly access lists for facilitating the selection of the BIC of the Debtor Bank

|                           |   |
|---------------------------|---|
| <b>Starting day/time</b>  | At the initiative of the Debtor, by using the channel made available by the Creditor. |
| <b>Closing day/time</b>   | Immediately after the starting time (instantly).                                      |
| <b>Information Output</b> | The e-Mandate request message (electronic).   |

PT-08.02 – After acceptance by the Creditor of the content of the amendment request made by the Debtor, the Creditor submits the e-Mandate amendment through a routing service to the validation service of the Debtor Bank.

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>The Creditor must submit the e-Mandate amendment request through an electronic connection to the Debtor Bank selected by the Debtor. The Creditor must do this by using a routing service made available by a Creditor Bank to connect to the validation service of the selected Debtor Bank.</p> <p>Information on the Participants in the Scheme accepting the e-Mandate feature in the role of Debtor Bank and/or in the role of Creditor Bank should be made available by CSMs or other providers of such information.</p> |
| <b>Starting day/time</b>  | After PT-08.01 in real time connection.   |
| <b>Closing day/time</b>   | Instantly after the starting time.  |
| <b>Information Input</b>  | The e-Mandate amendment request template.   |
| <b>Information Output</b> | The e-Mandate amendment request message after approval by the Creditor.   |
| <b>Remarks</b>            | This description reflects business requirements and does not prescribe technical requirements as defined in the document ‘SEPA e-Mandate Standards’.  |

PT-08.03 – The Debtor must identify and authenticate himself according to the instructions received from the Debtor Bank and agree on the e-Mandate amendment request.

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>A Debtor Bank offering this optional service to its Debtors must give clear instructions to the Debtor for the use of the authentication means for validating the e-Mandate. The Debtor Bank should also supply a description of the liability of the Debtor in case of loss or fraudulent use of the means supplied by the Debtor Bank.</p> <p>The term “authentication” is defined here as the act by the Debtor Bank of ensuring that the e-Mandate is duly authorised by the Debtor or a person properly acting on the Debtor’s behalf. Authentication is composed of personalised device(s) and/or set of procedures, including its personalised security features and is used by the Debtor for the issuing, amendment or cancellation of an e-Mandate.</p> <p>The Debtor must use the authentication means offered by the Debtor Bank and follow the instructions of the Debtor Bank, when authenticating the e-Mandate amendment. The Debtor Bank must make these instructions for correct use available to its Debtors before the use of the e-Mandate feature.</p> <p>The Debtor must follow the instructions given by the Debtor Bank and enter the identifiers required by the Debtor Bank in the template presented by the Debtor Bank. The template must reproduce the mandatory legal wording as defined in the Core Scheme Rulebook in section 4.7.2 DS-01 – The Mandate together with the data of the e-Mandate amendment request as received from the Creditor in the e-Mandate request message. The Debtor must explicitly confirm his agreement with the e-Mandate amendment request by ticking an ‘approval’ box in the template.</p> <p>The Debtor Bank must provide for the possibility that the Debtor may wish to determine a particular account to be debited in respect of Collections made under the given e-Mandate. How this is realised is left open to the Debtor Bank. Some examples are set out below:</p> <ul style="list-style-type: none"> <li>• the Debtor Bank may enter the IBAN of the account to be debited , in this case the Debtor Bank should check that the Debtor is authorised to give access to the account specified</li> <li>• the Debtor Bank may propose an account, for which the Debtor is authorised to give access to the account specified</li> <li>• the Debtor Bank may propose a list of accounts, for which the Debtor is authorised to give access to the account specified, followed by a selection of one of these accounts by the Debtor</li> </ul> <p>The Debtor Bank must check that the mandatory attributes are present in the Mandate amendment received and in line with the requirements of the attributes specific to the Debtor Bank and known by the Debtor Bank, such as the existence of the BIC code of the Debtor Bank.</p> |
| <b>Starting day/time</b>  | Instantly after PT-08.02  |
| <b>Information Input</b>  | The e-Mandate request message (DS-12) and the data entered by the Debtor.   |
| <b>Information Output</b> | The e-Mandate request message completed with the decision of the Debtor Bank.   |



PT-08.04 – The Debtor Bank executes the validation service, confirms the result of the validation service to the Debtor and to the Creditor and routes the mandate proposal of the Debtor back to the electronic channel of the Creditor.

**Description** The Debtor Bank must execute the validation service as follows:

- decide on whether the authentication means have been correctly used
- conclude that the circumstances of the use of the authentication means appear to be correct on the basis of the information available to the Debtor Bank, i.e. they are not stolen, lost or subject to counterfeit risks
- check the BIC code present in the e-Mandate request message received is a valid BIC code applicable to the Debtor Bank
- decide whether the access right of the person who is the legitimate owner of the authentication means has been used in a correct way in respect of the account to be debited

The Debtor Bank is not obliged to check other data elements of the e-Mandate, and cannot be held liable for incoherence in the e-Mandate, such as the difference between the name and/or address of the Debtor as known in the books of the Debtor Bank compared with the name and/or address as specified by the Debtor in the e-Mandate data.

The result of the validation service can be:

- Either a negative response to the validation request made, if any of the checks mentioned above fail.
- Or a positive response to the validation request made when all the checks mentioned above are successfully executed with a positive result.

As a next step, the Debtor Bank must communicate this result, through the Creditor Bank's routing service having initiated the validation request, up to the requesting Creditor and to the initiating person ( i.e. Debtor or an authorised person). The Debtor Bank must complete the request with the following information:

- 60 The reference of the validation made by the Debtor Bank

The Debtor Bank must store the following electronic data related to the validation service in order to be able to provide this data to allow reconciliation with the same elements held by the Creditor. This data constitutes proof that the validation service has been executed. The Debtor Bank is under no obligation to execute any checking on other data elements than those set out below:

- The Account Number of the Debtor (IBAN)
- BIC Code of the Debtor Bank
- The Identification Code of the Scheme
- The Unique Mandate Reference (if provided)
- The Identifier of the Creditor
- The Name of the Creditor
- The Transaction Type

The elements related to the execution of the Validation Service (such as the identification of the authorisation means used, time stamp, identifier of the Validation Service, and the result given back to the Routing Service and the associated reference)

These data must be stored as long as the e-Mandate exists, according to the applicable national legal requirements and as a minimum as long as the Refund period for an Unauthorised Transaction. After cancellation, the validation related data must be stored by the Debtor Bank according to the applicable national legal requirements and as a minimum as long as the Refund period for an Unauthorised Transaction.

|                           |  |
|---------------------------|--|
| <b>Starting day/time</b>  | Instantly after PT-07.03   |
| <b>Information Output</b> | The e-Mandate amendment related validation message as described in DS-13.  |
| <b>Remarks</b>            | This description reflects business requirements and does not prescribe technical requirements as defined in the document “SEPA e-Mandate Standards”. |

PT-08.05 – The Creditor acknowledges receipt of the e-Mandate amendment and sends the information on the e-Mandate amendment to the Creditor Bank, as part of each Collection, as described in PT-04.03 (see section 4.5.4 of the Core SDD Rulebook).

|                           |  |
|---------------------------|--|
| <b>Description</b>        | <p>The Debtor Bank must forward the e-Mandate amendment request after validation to the Creditor through the same channel.</p> <p>The Creditor confirms the acceptance by the Debtor Bank to the Debtor, and confirms the final approval of the Creditor to the Debtor. The Creditor must ensure that the Debtor is not able to make any changes to the e-Mandate amendment request after the validation by the Debtor Bank. The Creditor must also send a confirmation message to Debtor Bank in order to confirm the receipt of the validation and the acceptance by the Creditor, through the routing service to the validation service up to the Debtor Bank.</p> <p>The e-Mandate amendment data must be kept by the Creditor in a safe and secure environment during the existence of the e-Mandate. After cancellation, the e-Mandate amendment must be stored by the Creditor according to the national legal requirements and as a minimum as long as the Refund period defined for an Unauthorised Transaction.</p> <p>The Creditor must send the information on the e-Mandate amendment to the Creditor Bank as part of each transaction based on this Mandate as described in PT-04.03 in the Core SDD Rulebook.</p> |
| <b>Information Input</b>  | The e-Mandate amendment related Debtor validation message as described in DS-13.   |
| <b>Information Output</b> | <p>The dematerialised Mandate dataset (DS-02 in the Core SDD Rulebook) including the specific elements for e-Mandates.</p> <p>The confirmation message to the Debtor Bank (this is a technical message for which no specific business requirements are defined).</p>   |

#### 4.6.9 Cancellation of the e-Mandate (PR-09)

PT-09.01 – The Debtor uses an electronic channel made available by of the Creditor for the completion of an e-Mandate cancellation request.

**Description** The initiative to cancel an e-Mandate may be taken either by the Creditor or by the Debtor. The Debtor may decide to use this service for cancellation of an e-Mandate, when the service is offered by the Creditor and by the Debtor Bank.

The Creditor offering the e-Mandate service must make clear instructions available to Debtors for the use of the electronic channels for the issuing, amendment and cancellation of an e-Mandate. The Creditor must ensure that this e-Mandate submission process contains the mandatory legal wording and that the mandatory set of information is completed by the Debtor in line with the rules underneath.

A Debtor Bank offering the e-Mandate service to its Debtors must make clear instructions available to the Debtors for the use of the authentication means for validating the e-Mandate. The Debtor Bank should also supply a description of the liability of the Debtor in case of loss or fraudulent use of the means supplied by the Debtor Bank.

The Debtor must complete the mandatory information on the e-Mandate template presented by the Creditor through an electronic channel. The template must reproduce the mandatory legal wording as defined in the Core Scheme Rulebook in section 4.7.2 DS-01 (Figure 12, paragraph 2) – The Mandate. The Creditor must complete the template presented to the Debtor with the data already available/known to the Creditor.

If the Creditor does not need to use the attributes “AT-38 The name of the Creditor reference party”, “AT-39 The identification code of the Creditor Reference party”, "AT-15 The name of the Debtor Reference party" and "AT-37 The identification code of the Debtor Reference Party", he does not need to present these attributes in the template based on DS-01.

The following data must be completed by the different parties in the e-Mandate template based on the layout presented in DS-01:

a. By the Creditor: (to be taken from the existing Mandate being cancelled)

- 20 The identification code of the SEPA Direct Debit Scheme, represented by the wording ‘SEPA Direct Debit Mandate’
- 01 The unique Mandate reference
- 02 The identifier of the Creditor
- 03 The name of the Creditor
- 05 The address of the Creditor
- 38 The name of the Creditor reference party (optional)
- 39 The identification code of the Creditor Reference party (optional)

b. By the Debtor:

- only the decision on the cancellation must be introduced
- 13 The BIC code of the Debtor Bank (see remark underneath)
- The box at the bottom of the illustration in figure 12 in the same section for placing the signature(s), must be replaced by a box where the Debtor is invited to confirm that he agrees with the cancellation (in PT-09.03)
- It should also be mentioned that, after the Debtor has ticked this box, no further changes may be made to the e-Mandate cancellation.

c. By the Creditor or the Debtor (depends on the option taken by the Creditor on the identifier to be used by the Debtor for identifying the Mandate to be amended)

- 08 The identifier of the underlying contract (can be made mandatory by a decision of the Creditor)
- 01 The unique Mandate reference (can be made mandatory by a decision of the Creditor)

The Mandate process is standardised in content but not in the detailed layout of the template and not in the detailed definition of the content of the successive steps.

For the completion of '13 The BIC code of the Debtor Bank', the Creditor may offer support to the Debtor for entering the BIC code of the Debtor Bank through the use of any type of Debtor friendly access lists for facilitating the selection of the BIC of the Debtor Bank

|                           |   |
|---------------------------|---|
| <b>Starting day/time</b>  | At the initiative of the Debtor, by using the channel made available by the Creditor. |
| <b>Closing day/time</b>   | Instantly after the starting time.  |
| <b>Information Output</b> | The e-Mandate cancellation request message (electronic).                              |

PT-09.02 – After acceptance by the Creditor of the content of the cancellation request made by the Debtor, the Creditor submits the e-Mandate cancellation through a routing service to the validation service of the Debtor Bank.

|                          |  |
|--------------------------|--|
| <b>Description</b>       | <p>The Creditor must submit the e-Mandate cancellation request through an electronic connection to the Debtor Bank selected by the Debtor. The Creditor must do this by using a routing service made available by a Creditor Bank to connect to the validation service of the selected Debtor Bank.</p> <p>Information on the Participants in the Scheme accepting the e-Mandate feature in the role of Debtor Bank and/or in the role of Creditor Bank should be made available by CSMs or other providers of such information.</p> |
| <b>Starting day/time</b> | After PT-09.01 in real time connection.  |
| <b>Closing day/time</b>  | Instantly after the starting time.   |
| <b>Information Input</b> | The e-Mandate cancellation request template.   |

**Information Output** The e-Mandate cancellation request message after approval by the Creditor.

**Remarks** This description reflects business requirements and does not prescribe technical requirements as defined in the document: ‘SEPA e-Mandate Standards’.

PT-09.03 – The Debtor must identify and authenticate himself according to the instructions received from the Debtor Bank and agree on the e-Mandate cancellation request.

**Description** A Debtor Bank offering this optional service to its Debtors must give clear instructions to the Debtor for the use of the authentication means for validating the e-Mandate. The Debtor Bank should also supply a description of the liability of the Debtor in case of loss or fraudulent use of the means supplied by the Debtor Bank.

The term “authentication” is defined here as the act by the Debtor Bank of ensuring that the e-Mandate is duly authorised by the Debtor or a person properly acting on the Debtor’s behalf. Authentication is composed of personalised device(s) and/or set of procedures, including its personalised security features and is used by the Debtor for the issuing, amendment or cancellation of an e-Mandate.

The Debtor must use the authentication means offered by the Debtor Bank and follow the instructions of the Debtor Bank, when authenticating the e-Mandate cancellation. The Debtor Bank must make these instructions for correct use available to its Debtors before the use of the e-Mandate feature.

The Debtor must follow the instructions given by the Debtor Bank and enter the identifiers required by the Debtor Bank in the template presented by the Debtor Bank. The template must reproduce the mandatory legal wording as defined in the Core Scheme Rulebook in section 4.7.2 DS-01 – The Mandate together with the data of the e-Mandate cancellation request as received from the Creditor in the e-Mandate request message. The Debtor must explicitly confirm his agreement with the e-Mandate cancellation by ticking an ‘approval’ box in the template.

The Debtor Bank must provide for the possibility that the Debtor may wish to determine a particular account to be debited in respect of the Collections under the given e-Mandate. How this is realised is left open to the Debtor Bank. Some examples are set out below:

- the Debtor Bank may enter the IBAN of the account to be debited, in this case the Debtor Bank should check that the Debtor is authorised to give access to the account specified
- the Debtor Bank may propose an account, for which the Debtor is authorised to give access to the account specified
- the Debtor Bank may propose a list of accounts, for which the Debtor is authorised to give access to the account specified, followed by a selection of one of these accounts by the Debtor

The Debtor Bank must check that the mandatory attributes are present in the e-Mandate cancellation received and in line with the requirements of the attributes specific to the Debtor Bank and known by the Debtor Bank, such as the existence of the BIC code of the Debtor Bank.

**Starting day/time** Instantly after PT-09.02.

**Information Input** The e-Mandate request message (DS-12) and the data entered by the Debtor.

**Information Output** The e-Mandate request message completed with the decision of the Debtor Bank.

PT-09.04 – The Debtor Bank executes the validation service, confirms the result of the validation service to the Debtor and to the Creditor and routes the mandate proposal of the Debtor back to the electronic channel of the Creditor.

**Description** The Debtor Bank must execute the validation service as follows:

- decide on whether the authentication means have been correctly used
- conclude that the circumstances of the use of the authentication means appear to be correct on the basis of the information available to the Debtor Bank, i.e. they are not stolen, lost or subject to counterfeit risks
- check the BIC code present in the e-Mandate request message received is a valid BIC code applicable to the Debtor Bank
- decide on whether the access right of the person who is the legitimate owner of the authentication means has been used in a correct way in respect of the account to be debited.

The Debtor Bank is not obliged to check on other data elements of the e-Mandate, and cannot be held liable for incoherence in the e-Mandate, such as the difference between the name and/or address of the Debtor as known in the books of the Debtor Bank compared with the name and/or address as specified by the Debtor in the e-Mandate data.

The result of the validation service can be:

- Either a negative response to the validation request made, if any of the checks mentioned above fail.
- Or a positive response to the validation request made when all the checks mentioned above are successfully executed with a positive result.

The Debtor Bank must store the following electronic data related to the validation service in order to be able to provide this data to allow reconciliation with the same elements held by the Creditor. This data constitutes proof that the validation service has been executed. The Debtor Bank is under no obligation to execute any checking on other data elements than those set out below:

- 60 The reference of the e-Mandate cancellation related validation made by the Debtor Bank

The Debtor Bank must store the following electronic data related to the validation service, constituting the elements of proof of the execution of the validation service, in order to be able to provide these data to allow reconciliation with the same elements held by the Creditor:

The Account Number of the Debtor (IBAN)  
 BIC Code of the Debtor Bank  
 The Identification Code of the Scheme  
 The Unique Mandate Reference (if provided)  
 The Identifier of the Creditor  
 The Name of the Creditor  
 The Transaction Type  
 The elements related to the execution of the Validation Service (such as the identification of the authorisation means used, time stamp, identifier of the Validation Service, and the result given back to the Routing Service and the associated reference).

These data must be stored as long as the e-Mandate exists, according to the applicable national legal requirements and as a minimum as long as the Refund period for an Unauthorised Transaction. After cancellation, the validation related data must be stored by the Debtor Bank according to the applicable national legal requirements and as a minimum as long as the Refund period for an Unauthorised Transaction

|                           |  |
|---------------------------|--|
| <b>Starting day/time</b>  | Instantly after PT-09.03.  |
| <b>Information Output</b> | The e-Mandate validation message as described in DS-13.  |
| <b>Remarks</b>            | This description reflects business requirements and does not prescribe technical requirements as defined in the document 'SEPA e-Mandate Standards'. |

PT-09.05 – The Creditor acknowledges receipt of the e-Mandate cancellation and sends the information on the e-Mandate to the Creditor Bank, as part of each Collection, as described in PT-04.03 (see section 4.5.4 of the Core SDD Rulebook).

|                    |  |
|--------------------|--|
| <b>Description</b> | <p>The Debtor Bank must forward the e-Mandate cancellation request after validation to the Creditor through the same channel.</p> <p>The Creditor confirms the acceptance by the Debtor Bank to the Debtor, and confirms the final approval of the Creditor to the Debtor. The Creditor must ensure that the Debtor is not able to make any changes to the e-Mandate cancellation request after the validation by the Debtor Bank. The Creditor must also send a confirmation message to Debtor Bank in order to confirm the receipt of the validation and the acceptance by the Creditor, through the routing service to the validation service up to the Debtor Bank.</p> <p>The e-Mandate cancellation data must be kept by the Creditor in a safe and secure environment during the existence of the e-Mandate. After cancellation, the e-Mandate must be stored by the Creditor according to the national legal requirements and as a minimum as long as the Refund period defined for an Unauthorised Transaction.</p> <p>The Creditor must send the information on the e-Mandate cancellation to the Creditor Bank as part of each transaction based on this Mandate as described in PT-04.03 in the Core SDD Rulebook.</p> |
|--------------------|--|

**Information Input** The e-Mandate cancellation-related validation message as described in DS-13.

**Information Output** The dematerialised Mandate dataset (DS-02 in the Core SDD Rulebook) including the specific elements for e-Mandates.

The confirmation message to the Debtor Bank (this is a technical message for which no specific business requirements are defined).

## 4.7. Business Requirements for Datasets

### 4.7.1 New Data Requirements

**DS-12** The e-Mandate request message.

**DS-13** The validation message.

**Remark:** The confirmation message described in PT-07.05, PT-08.05 and PT-09.05 is not described here, as it is a technical message without a specific business content.

### 4.7.3 Changes in DS-02 - The Dematerialised Mandate

**Description** This dataset contains all the mandatory attributes that must be registered in an electronic File to be kept by the Creditor, for the purposes of the execution of the SEPA Direct Debit processes, such as preparing the Collections according to DS-03. Attributes are mandatory unless otherwise indicated.

**Additional attributes**

- 60 The reference of the validation made by the Debtor Bank
- 17 The type of Mandate (paper, e-Mandate).

### 4.7.4 Changes in DS-03 – Customer to Bank Collection

**Description:** The Creditor must supply the following attributes. Attributes known by the Creditor Bank may be completed by the Creditor Bank. This is a matter between the Creditor and the Creditor Bank. Attributes are mandatory unless otherwise indicated.

**Additional attributes**

- 60 The reference of the validation made by the Debtor Bank.
- 17 The type of Mandate (paper, e-Mandate).

### 4.7.5 Changes in DS-04 – The Inter-bank Collection

**Description** This dataset contains all the mandatory information items imposed by the Scheme for the Creditor Bank to send this instruction to the Debtor Bank through the CSM. It is also called “Collection” in the Rulebook. This dataset will be present in the successive process steps of Process 04, starting from step 03 and must be forwarded by all actors up to the Debtor Bank. Attributes are mandatory unless otherwise indicated.

**Additional attributes**

- 60 The reference of the validation made by the Debtor Bank (if present in DS-03).
- 17 The type of Mandate (paper, e-Mandate).



#### 4.7.12 Dataset specific for use with e-Mandates: DS-12 – The e-Mandate proposal /request message

|                             |  |
|-----------------------------|--|
| <b>Description</b>          | This message describes the data needed in the message sent by the Creditor through the routing service to the Debtor Bank for requesting the validation service from the Debtor Bank. Attributes are mandatory unless otherwise indicated.   |
| <b>Attributes contained</b> | <ul style="list-style-type: none"> <li>• 01 The unique Mandate reference</li> <li>• 20 The identification code of the Scheme</li> <li>• 29 The message type submitted in the Debtor validation request (issuing, amendment, cancellation)</li> <li>• 14 The name of the Debtor</li> <li>• 09 The address of the Debtor (optional)</li> <li>• 27 Debtor identification code (optional)</li> <li>• 15 The name of the Debtor Reference Party (optional)</li> <li>• 37 The identification code of the Debtor Reference Party (optional)</li> <li>• 03 The name of the Creditor</li> <li>• 02 The identifier of the Creditor</li> <li>• 05 The address of the Creditor</li> <li>• 38 The name of the Creditor reference party (optional)</li> <li>• 39 The identification code of the Creditor Reference party (optional)</li> <li>• 13 The BIC code of the Debtor Bank</li> <li>• 08 The identifier of the underlying contract (optional)</li> <li>• 21 The transaction type (recurrent, one-off)</li> <li>• 17 The type of Mandate</li> <li>• 24 The reason for ‘amendment/replacement of the account in another Bank’ of the Mandate (only for amendments and for issuing moving the account to be debited to another Debtor Bank)</li> </ul> |
| <b>Remarks</b>              | These attributes reflect business requirements and do not prescribe fields in the logical or physical layers of the SEPA e-Mandate Standards.  |

#### 4.7.13 Dataset specific for use with e-Mandates: DS-13 – The validation message

|                    |  |
|--------------------|--|
| <b>Description</b> | This message describes the data to be sent back by the Debtor Bank to the Creditor through the validation service and the connections between the Routing Service and the Validation Service. Attributes are mandatory unless otherwise indicated. |
|--------------------|--|

**Attributes  
contained**

Data from the request step:

- 01 The unique Mandate reference
- 20 The identification code of the Scheme
- 29 The message type submitted in the Debtor validation request (issuing, amendment, cancellation)
- 14 The name of the Debtor
- 09 The address of the Debtor (optional)
- 27 Debtor identification code (optional)
- 15 The name of the Debtor Reference Party (optional)
- 37 The identification code of the Debtor Reference Party (optional)
- 03 The name of the Creditor
- 02 The identifier of the Creditor
- 05 The address of the Creditor
- 38 The name of the Creditor reference party (optional)
- 39 The identification code of the Creditor Reference party (optional)
- 13 The BIC code of the Debtor Bank
- 07 The account number (IBAN) of the account of the Debtor to be debited
- 08 The identifier of the underlying contract (optional)
- 21 The transaction type (recurrent, one-off)
- 17 The type of Mandate
- 25 The Date of the validation by the Debtor Bank
- 24 The reason for ‘amendment/replacement of the account in another Bank’ of the Mandate (only for amendments and for issuing moving the account to be debited to another Debtor Bank)

and specific response related data added in the reply step:

- 61 The result of the validation
- 60 The reference of the validation made by the Debtor Bank

**Remarks**

These attributes reflect business requirements and do not prescribe fields in the logical or physical layers of the SEPA e-Mandate Standards.

## 4.8 Business Requirements for Attributes

### 4.8.1 Attributes specific for use with e-Mandates:

AT-29 The message type submitted in the validation request (issuing, amendment, cancellation)

AT-60 The reference of the validation made by the Debtor Bank

AT-61 The result of the validation

### 4.8.18 AT-17 - The type of Mandate (paper, e-Mandate)

**Description:** The type of Mandate allows distinction between a Mandate issued in paper in accordance with the rules of the Core Scheme Rulebook and a Mandate issued as an e-Mandate under the rules of the optional e-Mandate service described in Annex VII of this Rulebook.

#### **4.8.27 bis AT-29 - The message type submitted in the Debtor validation request (issuing, amendment, cancellation)**

**Description:** This code indicates that the message submitted in the validation request by the Creditor to the Debtor Bank is of one of the types listed below.

**Value range:** Issuing of an e-Mandate.  
Amendment of an e-Mandate.  
Cancellation of an e-Mandate.

#### **4.8.50 bis AT-60 – The reference of the validation made by the Debtor Bank**

**Description:** This reference is given by the Debtor Bank to the e-Mandate after execution of the Debtor validation of the issuing/amendment/cancellation of the e-Mandate. It is received by the Creditor at the receipt of the result of the validation. It is stored by the Creditor as part of the Mandate data. It is transmitted as part of each Collection to the Creditor Bank up to the Debtor Bank. The Creditor or any other party must supply this reference to the Debtor Bank when a copy of the validation related data is requested from the Debtor Bank.

#### **4.8.50 ter AT-61 - The result of the Debtor validation**

**Description:** This code provides the reply of the Debtor Bank on the validation service requested by the Creditor.

**Value range:** ‘Yes ‘or ‘No’

## **5. Rights and Obligations of all Participants**

### **5.3 Access to the e-Mandate Process feature**

Regarding the e-Mandate feature, it is proposed that each Participant in the Core Scheme in the capacity of Debtor Bank may offer services relating to the e-Mandate feature in the capacity of Debtor Bank, or in the capacity of Creditor Bank, or both. However, where a Debtor Bank does not offer e-Mandate services, no obligations in this Rulebook relating to e-Mandates shall apply to the Creditor Bank in respect of Collections vis-à-vis that Debtor Bank.

### **5.7 Obligations of a Creditor Bank**

The e-Mandate service changes the following obligations for the Creditor Bank:

#### **1. Replacement of point ‘l’ in the Core Scheme Rulebook in section 5.7:**

In respect of each of its Creditors, a Creditor Bank shall:

l. upon request by a Debtor Bank to whom it has sent a Collection (including any Collection which has become subject to a Reject), seek where necessary any relevant information and, if requested, a copy of the relevant Mandate data, from the Creditor and provide to the Debtor Bank without undue delay such information relating to the relevant Collection and Mandate as has been made available to it by the relevant Creditor

#### **2. Replacement of point ‘ix’ in the Core Scheme Rulebook in section 5.7:**

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:

ix. without delay, to provide the Creditor Bank with information relating to its Collections and Mandates, and a copy of the relevant Mandate data, when requested by the Creditor Bank

#### **3. Addition of the following obligations for the Creditor Bank:**

A Creditor Bank shall oblige each of its Creditors, in accordance with the relevant requirements set out in the Rulebook:

xii. not to take a claim against a Debtor Bank for any losses arising from an unauthorised transaction, where the Creditor alleges that the Debtor Bank has non-contractual obligations to conduct validation procedures beyond those set out in PT-07.04

### **5.8 Obligations of a Debtor Bank**

The e-Mandate service adds the following obligations for the Debtor Bank:

In respect of each of its Debtors, a Debtor Bank shall:

l. ensure that it and/or a Debtor Validation Service Provider correctly validates the authentication means and account access right of the Debtor at the issuing or last amendment of the e-Mandate in accordance with the relevant provisions of the Rulebook

m. store electronic data related to the Debtor Validation Service which constitute the elements of proof of the execution of the Debtor Validation Service in accordance with the relevant provisions of the Rulebook

n. upon request by a Debtor or a Creditor Bank from whom it has received a Collection (including any Collection which has become subject to a Reject), seek, if requested, a copy of the electronic data relevant for the execution and the correctness of the Debtor validation

o. without delay, if requested by a Debtor in respect of whom a Collection has been received, seek all relevant information and a copy of the relevant Mandate data from the Creditor Bank and provide to the Debtor without undue delay such information relating to the relevant Mandate as has been made available to it by the relevant Creditor Bank

A Debtor Bank shall oblige each of its Debtors, in accordance with the relevant requirements set out in the Rulebook:

iv. to oblige its Debtors to notify the loss, theft, counterfeit or any fraudulent use by other parties of the authentication means available to the Debtor for initiating e-Mandates.

## **5.9 Indemnity and Limitation of Liability**

The e-Mandate service changes the provisions of section 5.9 of the Core Scheme Rulebook:

Replacement of section 5.9.1:

### **5.9.1 No-fault Reimbursement of Refunds or Returns**

(a) Subject to (b) and (c) below, in respect of each SEPA Direct Debit which is the subject of a Collection received by a Debtor Bank from a Creditor Bank, such Creditor Bank shall indemnify the Debtor Bank in respect of:

(i) Any amount paid by the Debtor Bank to the Debtor by way of Refund and Refund compensation as set out in PT-04.16; or

(ii) The amount of any Collection subject to a Return

(b) A Creditor Bank shall not be liable to indemnify the Debtor Bank in respect of any amount paid by the Debtor Bank to the Debtor by way of Refund in respect of an unauthorised transaction where the Debtor Bank had not correctly carried out the checks listed in PT-07.04.

(c) In respect of any unauthorised payment transaction to which Article 61(1) of the Payment Services Directive applies, the Creditor Bank shall be obliged to indemnify the Debtor Bank only in respect of the amount the Debtor Bank is required to pay to the Debtor under the laws applicable to that Debtor Bank.

## 7 Terms used in this annex

Definitions taken from other documents are acknowledged. Terms defined elsewhere in this document are not repeated here, but only referenced.

|   | <b>Definition</b>  |
|---|--|
| <b>Authentication</b>                   | <i>Defined in section 4.6.7 of this Annex</i>  |
| <b>e-Mandate</b>                        | <i>Defined in section 1.3 and 4.1 of Annex VII</i>   |
| <b>e-Mandate proposal</b>               | <i>A proposal for issuing an e-Mandate (see above) as initiated by the Debtor on the Website of the Creditor</i>                     |
| <b>e-Mandate request</b>                | <i>A request for amendment or cancellation of an e-Mandate (see above) as initiated by the Debtor on the Website of the Creditor</i> |
| <b>Providers of routing services</b>    | <i>Defined in section 3.1 of this Annex</i>  |
| <b>Providers of validation services</b> | <i>Defined in section 3.1 of this Annex</i>  |
| <b>SEPA e-Mandate standards</b>         | <i>Defined in section 0.5.2 of the Rulebook</i>  |



## **Annex VIII Major Differences in the SEPA Core Direct Debit Scheme between the use of Paper Mandates and e-Mandates**

**THIS ANNEX IS NOT A PART OF THE RULEBOOK AND IS INCLUDED IN THE RULEBOOK FOR INFORMATION PURPOSES ONLY**



## **Background information**

This annex documents the major differences in the Core SEPA Direct Debit Scheme resulting from the use of paper mandates or the alternative use of e-Mandates as described in the Annex VII.

It is intended for those interested in knowing the main differences due to the use of e-Mandates under the Core Scheme. It does not contain an exhaustive list of all the detailed differences in the Rulebook.



| <b>Major Differences</b>                                    |   |  |
|---|---|--|
| <b>Aspect</b>   | <b>Core Scheme – paper mandates</b>   | <b>Core Scheme – e-Mandates</b>  |
| <b>1. On adherence by banks</b>                             |   |  |
| 1.1 As a debtor bank  | Reachability is a key requirement for the Scheme, so all banks in SEPA should adhere as a debtor bank | 1. As the e-Mandate service is optional, adherence as a debtor bank is optional.<br>2. Only banks adhering to the Core SDD Scheme are allowed to adhere to the optional e-Mandate service                            |
| 1.2 As a creditor bank                                      | Optional. Only available to banks adhering as debtor bank.  | 1. Optional. It is optional for banks to adhere as a creditor bank, or as a debtor bank, or in both roles.<br>2. Only banks adhering to the Core SDD Scheme are allowed to adhere to the optional e-Mandate service. |
| <b>2. The Mandate issuing process</b>                       |   |  |
| 2.1 Parties involved  | The creditor and the debtor only, banks are not involved  | The creditor, the debtor, the creditor bank for the routing service and the debtor bank for the validation service   |
| 2.2 The physical nature of the mandate                      | Paper   | An electronic document   |
| 2.3 The dematerialisation of the mandate                    | Is a role of the creditor   | Is not needed, as the mandate only exists as an electronic document  |
| <b>3. The Mandate amendment and cancellation process</b>    |   |  |
| 3.1 Amendment   | Amendment through an electronic channel may be offered by the creditor                                | Amendment through an electronic channel is a mandatory service for a creditor who offers the e-mandate issuing service. An amendment by paper is also allowed by the scheme.   |
| 3.2 Cancellation  | Cancellation through an electronic channel may be offered by the creditor                             | Cancellation through an electronic channel is a mandatory service for a creditor who offers the e-mandate issuing service. A cancellation by paper is also allowed by the scheme.                                    |
| 3.3 Need to inform the Debtor Bank on Mandate cancellations | NA  | NA   |

|   |   |   |
|---|---|---|
| <b>4. The obligation to provide a copy of a mandate when requested</b>                              |   |   |
| 4.1 Storage obligation  | The creditor must store the mandates as long as required by national law  | The creditor and the debtor bank must store the part of the electronic mandate which they are required to store by the applicable national law  |
| 4.2 Obligation to provide a copy of the mandate   | The creditor must make a copy of the mandate available when requested   | The creditor and the debtor bank must make a copy available, when requested, of the part of the mandate which they are obliged to store   |
| <b>5. Refund procedures</b>   |   |   |
| 5.1 Claims initiated by the debtor during the eight weeks period from being debited                 | No checking obligation for the debtor bank  | No checking obligation for the debtor bank.<br><br>However, a creditor having information that the debtor and/or the debtor bank made a mistake in the mandate issuing process, can use a scheme procedure to send a claim for reimbursement to the debtor bank |
| 5.2 Claims initiated by the debtor after the eight weeks period up to 13 months after being debited | The debtor bank may request a copy of the mandate from the creditor for examining the elements of the debtor's claim against the mandate copy | The debtor bank must check if any error has been made by the debtor and/or the debtor bank related to the mandate issuing, before sending a request for a copy of the mandate data to the creditor.   |
| <b>6. Liability of the debtor bank</b>  |   |   |
| 6.1 For refunds during the eight weeks period   | The debtor bank may always recover the refund from the creditor bank  | The debtor bank may always recover the refund from the creditor bank. The creditor may initiate a request for reimbursement   |
| 6.2 For refund after the eight weeks period   | The debtor bank may recover the refund from the creditor bank, when the debtor bank concludes that the claim is justified                     | The debtor bank may recover the refund from the creditor bank, when the debtor bank concludes that the claim is justified and that neither the debtor nor the debtor bank made errors in the e-mandate issuing process.   |
| <b>7. XML Messages</b>  |   |   |
| 7.1 New attribute (17) in the collection messages   | Indicates the use of a paper mandate  | Indicates the use of an e-Mandate   |

|                                  |                |   |
|----------------------------------|----------------|---|
| 7.2 New messages DS-12 and DS-13 | Not applicable | <p>New messages supporting the e-Mandate service:</p> <p>DS-12 sent by the routing to the validation service</p> <p>DS-13 answer from the validation service to the routing service</p> |
|----------------------------------|----------------|---|



## **Annex IX Advance Mandate Information (AMI)**



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## INTRODUCTION

The optional feature described in this annex applies only to paper mandates and allows the Creditor to send the mandate-related information in a separate message earlier than the first collection once the mandate has been signed by the Debtor and dematerialised by the Creditor. As an additional service (out of scope for the Rulebook) this feature allows Debtor Banks to inform Debtors about newly received mandate-related information in order to be able to offer additional services, such as the possibility to block or reject a Mandate, to limit it (e.g. maximum amount), to reject all collections before explicit acceptance by the Debtor, etc.

In the Core SDD Scheme – without using this feature - Debtor Banks are only able to communicate this mandate-related data when the first collection has been received by the Debtor bank, whilst in fact the data of most mandates is available earlier, as of the signing of the Mandate, which generally happens at the same time as the signing of the underlying contract.

The description of the AMI feature is contained in the following documents:

- This annex to the Core SDD Scheme Rulebook
- The appropriate (ISO 20022) XML message standards for the AMI messages are presented in a separate Implementation Guidelines document.

## 0. Document Information

### 0.5 Other Related Documents

In addition to the other related documents referred to in the Rulebook there are additional key documents which are necessary for the Scheme to become operational:

#### 0.5.2 SEPA Direct Debit Scheme Implementation Guidelines

Additional SEPA Core Direct Debit Scheme Implementation Guidelines are provided for the AMI feature.

#### 0.5.3 Exchange Mechanism (EM)

An Exchange Mechanism (“EM”) is to be understood as the means by which the AMI messages are exchanged between the Creditor Bank and the Debtor Bank.

## 1. VISION & OBJECTIVES

### 1.3 Objectives

The objectives of this optional feature in the Core SDD Scheme are:

- to allow the Debtor Bank (as part of an additional optional service, AOS) to inform the Debtor about the mandate related information presented by the Creditor at an early stage
- To allow the Debtor to challenge the content of the Mandate



- to enable the Creditor to gain more certainty on the status of the Debtor's account at an early stage.

## 2 SCOPE OF THE FUNCTIONALITY

### 2.2 Nature of the feature

The “Advance Mandate Information” feature (“AMI”) allows the Creditor to provide Mandate related information to the Debtor Bank independently of a Collection, from the moment that the Mandate has been signed by the Debtor and dematerialised by the Creditor. The use of the feature does not prejudice on any rights or obligations arising from a subsequent Collection.

The AMI feature enables the Debtor Bank to perform in advance the controls it would otherwise carry out upon receipt of the first collection, for example existence of the account, SDD refusal notified by the Debtor etc. Consequently, the feature will enable the Creditor to gain more certainty on the status of the Debtor's account at an early stage. Any information provided by the Debtor Bank to the Creditor Bank and / or to the Creditor must be agreed by the Debtor in accordance with the relevant legislation.

The feature will allow the Debtor Bank, as part of an AOS that the Debtor Bank may offer to the Debtor, to inform the Debtor about mandate-related information presented by the Creditor in an early stage, before the presentation of the first collection.

The feature will allow the Debtor Bank, as part of an AOS that the Debtor Bank may offer to the Debtor, to be informed on the Debtor's disagreement with the mandate related information presented by the Creditor.

### 2.6 Reachability

For Core SDD Scheme Participants, the usage of the AMI feature in the role of Debtor Bank is optional. A Debtor Bank may require that a service level agreement with the Creditor Bank needs to be in place to define the prerequisites required for reachability. The usage of the AMI feature by a Creditor Bank is also optional for Scheme Participants acting as a Creditor Bank in the Core SDD Scheme, but only when the Scheme Participant is offering the feature as a Debtor Bank.

## 4. BUSINESS AND OPERATIONAL RULES

### 4.1 The Mandate

The following diagram gives a schematic overview of the main actors and their interaction in the issuing of the Mandate.

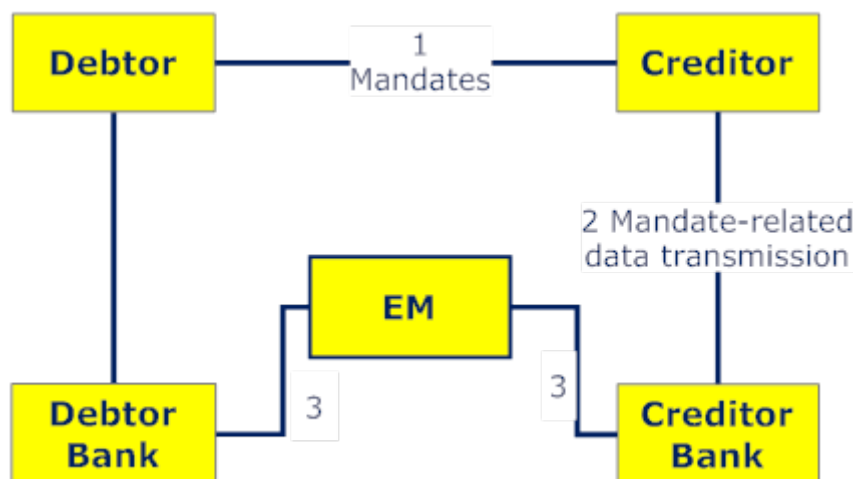


Figure 2: 4-Corner Model – Mandate

- After having received the Mandate from the Debtor, and after dematerialisation of the Mandate data, the Creditor sends the Mandate related information to the Creditor Bank in an AMI request.
- The Creditor Bank sends the AMI request to the Debtor Bank via an exchange mechanism (“EM”) selected by both the Creditor Bank and the Debtor Bank. The selected EM will process the AMI request and forward it to the Debtor Bank. The Creditor Bank must ensure that the Debtor Bank receiving the request participates in the usage of this feature.
- The Debtor Bank receives the AMI request, executes the necessary controls as described in this Annex, and provides an answer to the request completed with the appropriate reason code defined in AT-R9.
- The Debtor Bank may, as part of the AOS the Debtor Bank may offer to the Debtor, collect the Debtor’s disagreement to the mandate(s).

#### 4.3.3. Cut off times

Debtor Banks must respond to the Creditor Bank at the latest 10 Inter-Bank Business Days after the reception of the AMI request.

#### 4.3.5 Charging principles

The Debtor Bank may charge the Creditor Bank on a bilateral basis for the service of the verification of the AMI request and the return of the answer. The basis and level of charges are entirely a matter for the Scheme Participants to agree on, out of the scope of the Scheme.

### 4.5 Process Descriptions

The following process is added to the Scheme when the optional AMI feature is used:

**PR-10** Advance Mandate Information



#### 4.5.7 Advance Mandate Information (PR-10)

- PT-10.01** Creditor initiates the AMI request (linked to PT-01.03)
- PT-10.02** Creditor Bank provides the AMI request to the EM
- PT-10.03** EM provides the AMI request to the Debtor Bank
- PT-10.04** Debtor Bank processes the AMI request, executes the controls and forwards the answer to the EM
- PT-10.05** The EM forwards the answer to the Creditor Bank
- PT-10.06** The Creditor Bank provides the answer to the Creditor

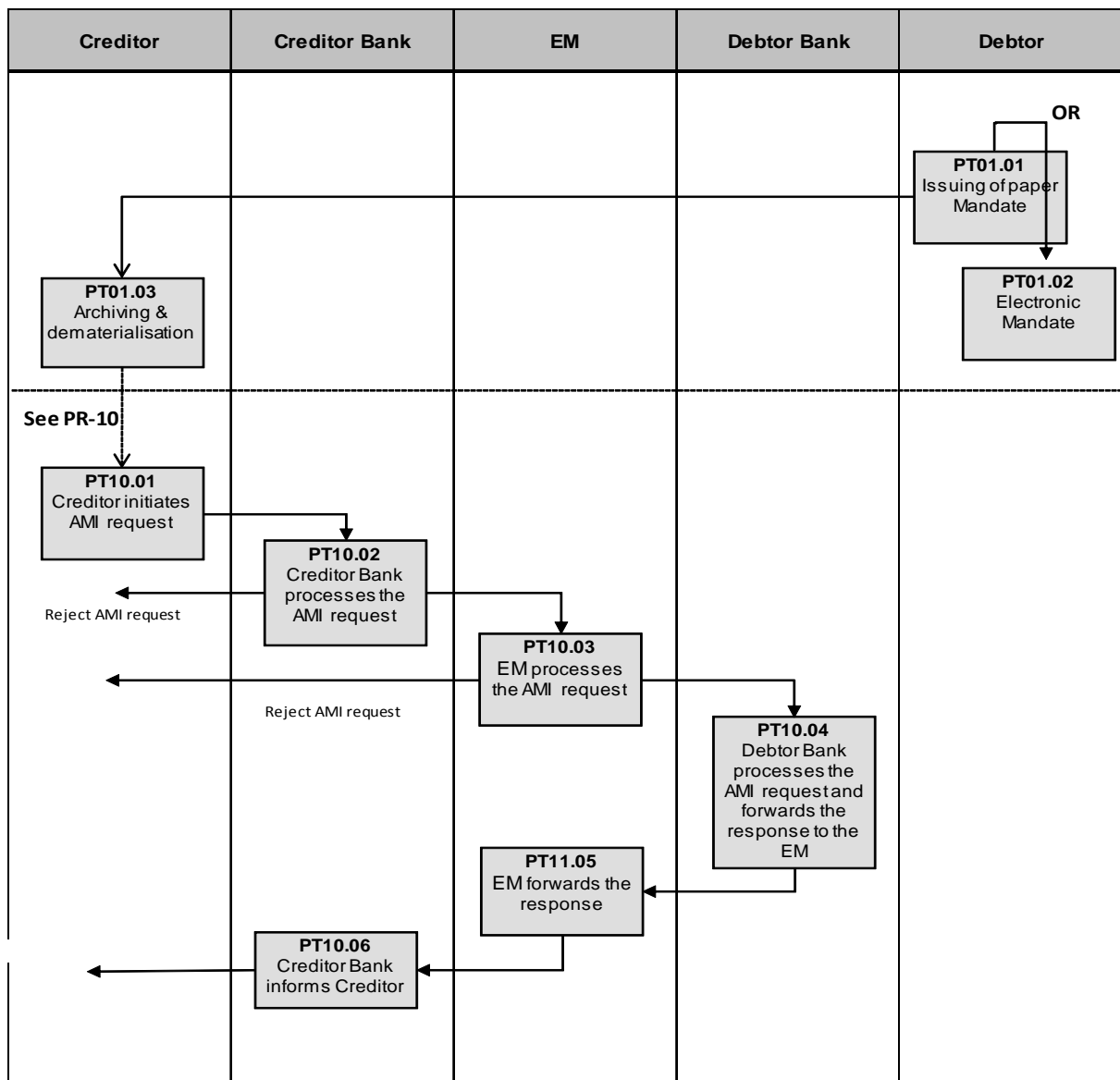


Figure: Advance Mandate Information (PR-10)



#### 4.6.7 Advance Mandate Information request (PR-10)

##### PT-10.01 – Creditor initiates AMI request

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Creditor sends the AMI request to the Creditor Bank once the Mandate has been signed by the Debtor |
| <b>Starting day/time</b>  | After dematerialisation of the mandate data by the Creditor  |
| <b>Information Output</b> | Advance Mandate Information request  |

##### PT-10.02 – Creditor Bank processes the AMI request to the EM

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>The Creditor Bank checks the presence of the mandatory attributes in the AMI request message, and transmits it to the EM.</p> <p>The Creditor Bank must ensure that the Debtor Bank receiving the request participates in the usage of this feature.</p> |
| <b>Starting day/time</b>  | After PT-10.01  |
| <b>Information Output</b> | Advance Mandate Information request, containing DS-14   |

##### PT-10.03 – EM processes the AMI request to the Debtor Bank

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The EM processes the AMI request and provides it to the Debtor Bank. The EM must ensure that the Debtor Bank receiving the request participates in the usage of this feature. |
| <b>Starting day/time</b>  | After PT-10.02  |
| <b>Information Output</b> | Advance Mandate Information request, containing DS-15   |



**PT-10.04 – Debtor Bank processes the AMI and provides a response**

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The Debtor Bank processes the AMI request and forwards the response to the EM<br><br>The Debtor Bank must execute the necessary checking described here: <ul style="list-style-type: none"><li>• The account mentioned must exist in the Debtor Bank and must be open</li><li>• The account must not be blocked for direct debit</li></ul> Any information provided by the Debtor Bank to the Creditor Bank must be agreed by the Debtor in accordance with the relevant legislation. |
| <b>Starting day/time</b>  | After PT-10.03  |
| <b>Closing day/time</b>   | At the latest 10 Inter-Bank Business Days after PT-10.02  |
| <b>Information Output</b> | Positive or negative response containing the data from DS-16  |

**PT-10.05 – EM forwards response to the Creditor Bank**

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The EM processes the response and forwards it to the Creditor Bank |
| <b>Starting day/time</b>  | After PT-10.04   |
| <b>Information Output</b> | Positive or negative response containing the data from DS-16       |

**PT-10.06 – Creditor Bank informs the Creditor**

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Creditor Bank informs the Creditor |
| <b>Starting day/time</b>  | After PT-10.05                         |
| <b>Information Output</b> | Information to Creditor                |



#### 4.7.13 DS-14 Creditor to Creditor Bank Advance Mandate Information Dataset

**Description:** The Creditor must supply the following attributes. Attributes known by the Creditor Bank may be filled in by the Creditor Bank. This is a matter between the Creditor and the Creditor Bank. Attributes are mandatory unless otherwise indicated.

- Attributes contained**
- 20 The identification code of the Scheme
  - 61 The Creditor's reference of the message (optional)
  - 21 The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)
  - 03 The name of the Creditor
  - 38 The name of the Creditor Reference Party (if present in DS-02)
  - 39 The identification code of the Creditor Reference Party (if present in DS-02)
  - 05 The address of the Creditor (if present in DS-02)
  - 02 The identifier of the Creditor
  - 12 The BIC code of the Creditor Bank (optional)
  - 14 The name of the Debtor
  - 09 The address of the Debtor (if present in DS-02)
  - 27 Debtor identification code (if present in DS-02)
  - 15 The name of the Debtor Reference Party (if present in DS-02)
  - 37 The identification code of the Debtor Reference Party (if present in DS-02)
  - 07 The account number (IBAN) of the account of the Debtor to be debited
  - 13 The BIC code of the Debtor Bank (if present in DS-02)
  - 01 The unique Mandate reference
  - 25 The date of signing of the Mandate
  - 16 The placeholder for the electronic signature data (if present in DS-02)
  - 24 The reason for amendment of the Mandate (if present in DS-02)
  - 18 The identifier of the original Creditor who issued the Mandate (if present in DS-02)
  - 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (if present in DS-02)
  - 08 The identifier of the underlying contract (if present in DS-02)
  - 17 The type of Mandate (for the Core scheme, the value 'paper' always applies).

**Remarks** These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme C2B Implementation Guidelines as defined in section 0.5.1 [9]).

#### 4.7.14 DS-15 Inter-Bank Advance Mandate Information dataset

**Description** This dataset contains all the mandatory information for the Creditor Bank to send this message to the Debtor Bank through the EM. This dataset will be present in the successive process steps of Process 10, starting from step 02 and must be forwarded by all actors up to the Debtor Bank. Attributes are mandatory unless otherwise indicated.

- Attributes contained**
- 20 The identification code of the Scheme
  - 61 The Creditor's reference of the message (if present in DS-14)
  - 21 The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)
  - 03 The name of the Creditor
  - 38 The name of the Creditor Reference Party (if present in DS-14)
  - 39 The identification code of the Creditor Reference Party (if present in DS-14)
  - 05 The address of the Creditor (if present in DS-14)
  - 02 The identifier of the Creditor
  - 12 The BIC code of the Creditor Bank
  - 14 The name of the Debtor
  - 09 The address of the Debtor (if present in DS-14)



- 27 Debtor identification code (if present in DS-14)
- 15 The name of the Debtor Reference Party (if present in DS-14)
- 37 The identification code of the Debtor Reference Party (if present in DS-14)
- 07 The account number (IBAN) of the account of the Debtor to be debited
- 13 The BIC code of the Debtor Bank
- 01 The unique Mandate reference
- 25 The date of signing of the Mandate
- 16 The placeholder for the electronic signature Data (if present in DS-14)
- 24 The reason for amendment of the Mandate (if present in DS-14)
- 18 The identifier of the original Creditor who issued the Mandate (if present in DS-14)
- 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (if present in DS-14)
- 08 The identifier of the underlying contract (if present in DS-14)
- 60 The Creditor Bank's reference of the AMI message
- 17 The type of Mandate (for the Core scheme, the value 'paper' always applies).

**Remarks** These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5.1 [9]).

#### **4.7.15 DS-16 Message for the Response on the Advance Mandate Information request**

- An exact copy of all the attributes received in DS-15
- R9 The Reason Code for the AMI answer
- R5 Specific reference of the Debtor Bank initiating the response to the AMI request

#### **4.8.59 AT-60 – The Creditor Bank's Reference of the AMI message**

**Description:** The reference of the AMI message given by the Creditor Bank to be forwarded to the Debtor Bank.

#### **4.8.60 AT-61 – The Creditor's Reference of the AMI message**

**Description:** The reference of the AMI message given by the Creditor to be forwarded to the Debtor Bank.



#### **4.8.61 AT-R9 – The Reason Code for AMI answer**

**Value range:** The reasons for the response by the Creditor Bank need not be specified, they are left to a bilateral agreement between Creditor's bank and its Customer (Creditor).

The reasons for the response by the Debtor Bank are as follows:

1. Reasons for a negative response :
  - Operation/transaction code incorrect, invalid file format
  - Bank identifier incorrect (i.e. invalid BIC)
  - Account identifier incorrect (i.e. invalid IBAN)
  - Account closed
  - Direct debit forbidden on this account for regulatory reasons
  - Account blocked
  - Mandate data missing or incorrect
  - No Mandate
  - Regulatory reason
  - Account blocked for Direct Debit by the Debtor
  - Specific service offered by the Debtor Bank
  - Refusal by the Debtor
2. Reasons for a positive answer:
  - No negative response on the AMI
3. No response provided for legal or regulatory reasons

## **5. RIGHTS AND OBLIGATIONS OF ALL PARTICIPANTS**

### **5.7 Obligations of a Creditor Bank**

Additional obligations for a Creditor Bank resulting from this feature are:

- The Creditor Bank must ensure that the Debtor Bank receiving the AMI request participates in the usage of this feature.
- Creditor Banks shall not forward the AMI request messages received from the Creditor to Debtor Banks not using the optional AMI feature.

### **5.8 Obligations of a Debtor Bank**

Additional obligations for a Debtor Bank resulting from this feature are the following:

- The execution of the checks by the Debtor Bank as prescribed in PT-10.04 do not imply that the Debtor Bank automatically commits to any guarantee in favour of the Creditor or Creditor Bank regarding the acceptance of future collections. The controls reflect the status of the Debtor's account as it exists at the moment of the execution of the controls.
- In the event that a Core SDD Scheme Participant receives an AMI message although as a Debtor Bank it does not offer the optional AMI feature, the Debtor Bank is entitled to ignore the AMI request message.



# **Annex IX to the Core SDD RB V9.0**

## **Advance Mandate Information**



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## INTRODUCTION

The optional feature described in this annex applies only to paper mandates and allows the Creditor to send the mandate-related information in a separate message earlier than the first collection once the mandate has been signed by the Debtor and dematerialised by the Creditor. As an additional service (out of scope for the Rulebook) this feature allows Debtor Banks to inform Debtors about newly received mandate-related information in order to be able to offer additional services, such as the possibility to block or reject a Mandate, to limit it (e.g. maximum amount), to reject all collections before explicit acceptance by the Debtor, etc.

In the Core SDD Scheme – without using this feature - Debtor Banks are only able to communicate this mandate-related data when the first collection has been received by the Debtor bank, whilst in fact the data of most mandates is available earlier, as of the signing of the Mandate, which generally happens at the same time as the signing of the underlying contract.

The description of the AMI feature is contained in the following documents:

- This annex to the Core SDD Scheme Rulebook
- The appropriate (ISO 20022) XML message standards for the AMI messages are presented in a separate Implementation Guidelines document.

## 0. Document Information

### 0.5 Other Related Documents

In addition to the other related documents referred to in the Rulebook there are additional key documents which are necessary for the Scheme to become operational:

#### 0.5.2 SEPA Direct Debit Scheme Implementation Guidelines

Additional SEPA Core Direct Debit Scheme Implementation Guidelines are provided for the AMI feature.

#### 0.5.3 Exchange Mechanism (EM)

An Exchange Mechanism (“EM”) is to be understood as the means by which the AMI messages are exchanged between the Creditor Bank and the Debtor Bank.

## 1. VISION & OBJECTIVES

### 1.3 Objectives

The objectives of this optional feature in the Core SDD Scheme are:

- to allow the Debtor Bank (as part of an additional optional service, AOS) to inform the Debtor about the mandate related information presented by the Creditor at an early stage
- To allow the Debtor to challenge the content of the Mandate



- to enable the Creditor to gain more certainty on the status of the Debtor's account at an early stage.

## 2 SCOPE OF THE FUNCTIONALITY

### 2.2 Nature of the feature

The “Advance Mandate Information” feature (“AMI”) allows the Creditor to provide Mandate related information to the Debtor Bank independently of a Collection, from the moment that the Mandate has been signed by the Debtor and dematerialised by the Creditor. The use of the feature does not prejudice on any rights or obligations arising from a subsequent Collection.

The AMI feature enables the Debtor Bank to perform in advance the controls it would otherwise carry out upon receipt of the first collection, for example existence of the account, SDD refusal notified by the Debtor etc. Consequently, the feature will enable the Creditor to gain more certainty on the status of the Debtor's account at an early stage. Any information provided by the Debtor Bank to the Creditor Bank and / or to the Creditor must be agreed by the Debtor in accordance with the relevant legislation.

The feature will allow the Debtor Bank, as part of an AOS that the Debtor Bank may offer to the Debtor, to inform the Debtor about mandate-related information presented by the Creditor in an early stage, before the presentation of the first collection.

The feature will allow the Debtor Bank, as part of an AOS that the Debtor Bank may offer to the Debtor, to be informed on the Debtor's disagreement with the mandate related information presented by the Creditor.

### 2.6 Reachability

For Core SDD Scheme Participants, the usage of the AMI feature in the role of Debtor Bank is optional. A Debtor Bank may require that a service level agreement with the Creditor Bank needs to be in place to define the prerequisites required for reachability. The usage of the AMI feature by a Creditor Bank is also optional for Scheme Participants acting as a Creditor Bank in the Core SDD Scheme, but only when the Scheme Participant is offering the feature as a Debtor Bank.

## 4. BUSINESS AND OPERATIONAL RULES

### 4.1 The Mandate

The following diagram gives a schematic overview of the main actors and their interaction in the issuing of the Mandate.

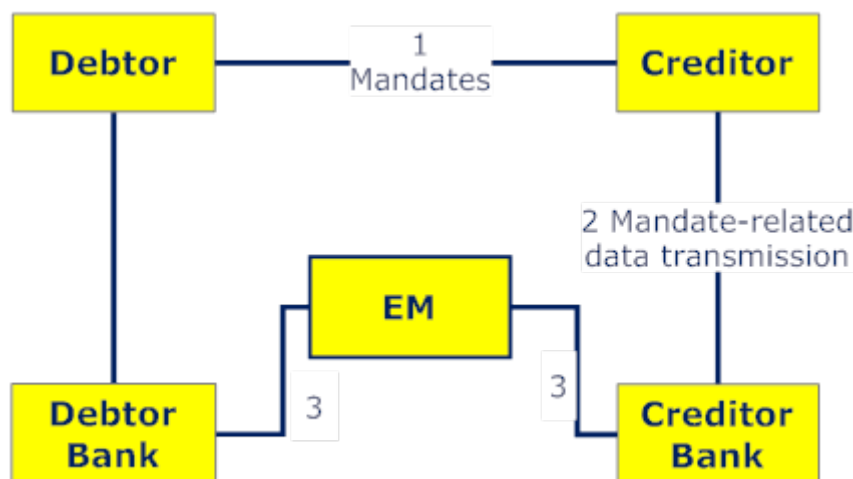


Figure 2: 4-Corner Model – Mandate

- After having received the Mandate from the Debtor, and after dematerialisation of the Mandate data, the Creditor sends the Mandate related information to the Creditor Bank in an AMI request.
- The Creditor Bank sends the AMI request to the Debtor Bank via an exchange mechanism (“EM”) selected by both the Creditor Bank and the Debtor Bank. The selected EM will process the AMI request and forward it to the Debtor Bank. The Creditor Bank must ensure that the Debtor Bank receiving the request participates in the usage of this feature.
- The Debtor Bank receives the AMI request, executes the necessary controls as described in this Annex, and provides an answer to the request completed with the appropriate reason code defined in AT-R9.
- The Debtor Bank may, as part of the AOS the Debtor Bank may offer to the Debtor, collect the Debtor’s disagreement to the mandate(s).

#### 4.3.3. Cut off times

Debtor Banks must respond to the Creditor Bank at the latest 10 Inter-Bank Business Days after the reception of the AMI request.

#### 4.3.5 Charging principles

The Debtor Bank may charge the Creditor Bank on a bilateral basis for the service of the verification of the AMI request and the return of the answer. The basis and level of charges are entirely a matter for the Scheme Participants to agree on, out of the scope of the Scheme.

### 4.5 Process Descriptions

The following process is added to the Scheme when the optional AMI feature is used:

**PR-10** Advance Mandate Information

#### 4.5.7 Advance Mandate Information (PR-10)

- PT-10.01** Creditor initiates the AMI request (linked to PT-01.03)
- PT-10.02** Creditor Bank provides the AMI request to the EM
- PT-10.03** EM provides the AMI request to the Debtor Bank
- PT-10.04** Debtor Bank processes the AMI request, executes the controls and forwards the answer to the EM
- PT-10.05** The EM forwards the answer to the Creditor Bank
- PT-10.06** The Creditor Bank provides the answer to the Creditor

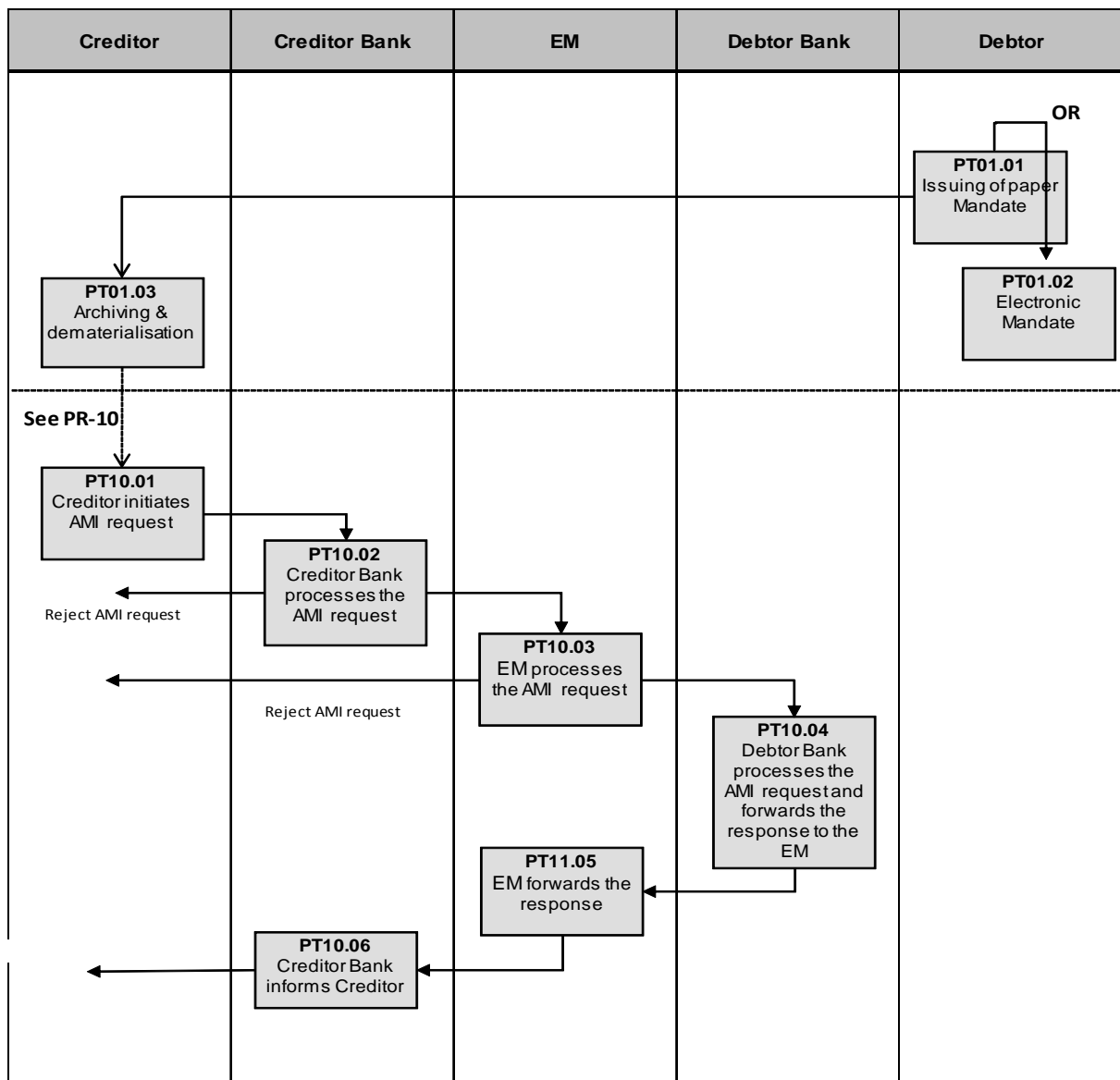


Figure: Advance Mandate Information (PR-10)



#### 4.6.7 Advance Mandate Information request (PR-10)

##### PT-10.01 – Creditor initiates AMI request

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Creditor sends the AMI request to the Creditor Bank once the Mandate has been signed by the Debtor |
| <b>Starting day/time</b>  | After dematerialisation of the mandate data by the Creditor  |
| <b>Information Output</b> | Advance Mandate Information request  |

##### PT-10.02 – Creditor Bank processes the AMI request to the EM

|                           |   |
|---------------------------|---|
| <b>Description</b>        | <p>The Creditor Bank checks the presence of the mandatory attributes in the AMI request message, and transmits it to the EM.</p> <p>The Creditor Bank must ensure that the Debtor Bank receiving the request participates in the usage of this feature.</p> |
| <b>Starting day/time</b>  | After PT-10.01  |
| <b>Information Output</b> | Advance Mandate Information request, containing DS-14   |

##### PT-10.03 – EM processes the AMI request to the Debtor Bank

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The EM processes the AMI request and provides it to the Debtor Bank. The EM must ensure that the Debtor Bank receiving the request participates in the usage of this feature. |
| <b>Starting day/time</b>  | After PT-10.02  |
| <b>Information Output</b> | Advance Mandate Information request, containing DS-15   |



**PT-10.04 – Debtor Bank processes the AMI and provides a response**

|                           |   |
|---------------------------|---|
| <b>Description</b>        | The Debtor Bank processes the AMI request and forwards the response to the EM<br><br>The Debtor Bank must execute the necessary checking described here: <ul style="list-style-type: none"><li>• The account mentioned must exist in the Debtor Bank and must be open</li><li>• The account must not be blocked for direct debit</li></ul> Any information provided by the Debtor Bank to the Creditor Bank must be agreed by the Debtor in accordance with the relevant legislation. |
| <b>Starting day/time</b>  | After PT-10.03  |
| <b>Closing day/time</b>   | At the latest 10 Inter-Bank Business Days after PT-10.02  |
| <b>Information Output</b> | Positive or negative response containing the data from DS-16  |

**PT-10.05 – EM forwards response to the Creditor Bank**

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The EM processes the response and forwards it to the Creditor Bank |
| <b>Starting day/time</b>  | After PT-10.04   |
| <b>Information Output</b> | Positive or negative response containing the data from DS-16       |

**PT-10.06 – Creditor Bank informs the Creditor**

|                           |  |
|---------------------------|--|
| <b>Description</b>        | The Creditor Bank informs the Creditor |
| <b>Starting day/time</b>  | After PT-10.05                         |
| <b>Information Output</b> | Information to Creditor                |



#### 4.7.13 DS-14 Creditor to Creditor Bank Advance Mandate Information Dataset

**Description:** The Creditor must supply the following attributes. Attributes known by the Creditor Bank may be filled in by the Creditor Bank. This is a matter between the Creditor and the Creditor Bank. Attributes are mandatory unless otherwise indicated.

- Attributes contained**
- 20 The identification code of the Scheme
  - 61 The Creditor's reference of the message (optional)
  - 21 The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)
  - 03 The name of the Creditor
  - 38 The name of the Creditor Reference Party (if present in DS-02)
  - 39 The identification code of the Creditor Reference Party (if present in DS-02)
  - 05 The address of the Creditor (if present in DS-02)
  - 02 The identifier of the Creditor
  - 12 The BIC code of the Creditor Bank (optional)
  - 14 The name of the Debtor
  - 09 The address of the Debtor (if present in DS-02)
  - 27 Debtor identification code (if present in DS-02)
  - 15 The name of the Debtor Reference Party (if present in DS-02)
  - 37 The identification code of the Debtor Reference Party (if present in DS-02)
  - 07 The account number (IBAN) of the account of the Debtor to be debited
  - 13 The BIC code of the Debtor Bank (if present in DS-02)
  - 01 The unique Mandate reference
  - 25 The date of signing of the Mandate
  - 16 The placeholder for the electronic signature data (if present in DS-02)
  - 24 The reason for amendment of the Mandate (if present in DS-02)
  - 18 The identifier of the original Creditor who issued the Mandate (if present in DS-02)
  - 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (if present in DS-02)
  - 08 The identifier of the underlying contract (if present in DS-02)
  - 17 The type of Mandate (for the Core scheme, the value 'paper' always applies).

**Remarks** These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme C2B Implementation Guidelines as defined in section 0.5.1 [9]).

#### 4.7.14 DS-15 Inter-Bank Advance Mandate Information dataset

**Description** This dataset contains all the mandatory information for the Creditor Bank to send this message to the Debtor Bank through the EM. This dataset will be present in the successive process steps of Process 10, starting from step 02 and must be forwarded by all actors up to the Debtor Bank. Attributes are mandatory unless otherwise indicated.

- Attributes contained**
- 20 The identification code of the Scheme
  - 61 The Creditor's reference of the message (if present in DS-14)
  - 21 The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)
  - 03 The name of the Creditor
  - 38 The name of the Creditor Reference Party (if present in DS-14)
  - 39 The identification code of the Creditor Reference Party (if present in DS-14)
  - 05 The address of the Creditor (if present in DS-14)
  - 02 The identifier of the Creditor
  - 12 The BIC code of the Creditor Bank
  - 14 The name of the Debtor
  - 09 The address of the Debtor (if present in DS-14)



- 27 Debtor identification code (if present in DS-14)
- 15 The name of the Debtor Reference Party (if present in DS-14)
- 37 The identification code of the Debtor Reference Party (if present in DS-14)
- 07 The account number (IBAN) of the account of the Debtor to be debited
- 13 The BIC code of the Debtor Bank
- 01 The unique Mandate reference
- 25 The date of signing of the Mandate
- 16 The placeholder for the electronic signature Data (if present in DS-14)
- 24 The reason for amendment of the Mandate (if present in DS-14)
- 18 The identifier of the original Creditor who issued the Mandate (if present in DS-14)
- 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (if present in DS-14)
- 08 The identifier of the underlying contract (if present in DS-14)
- 60 The Creditor Bank's reference of the AMI message
- 17 The type of Mandate (for the Core scheme, the value 'paper' always applies).

**Remarks** These attributes reflect business requirements and do not prescribe fields in the SEPA Core Direct Debit Scheme Inter-bank Implementation Guidelines as defined in section 0.5.1 [9]).

#### **4.7.15 DS-16 Message for the Response on the Advance Mandate Information request**

- An exact copy of all the attributes received in DS-15
- R9 The Reason Code for the AMI answer
- R5 Specific reference of the Debtor Bank initiating the response to the AMI request

#### **4.8.59 AT-60 – The Creditor Bank's Reference of the AMI message**

**Description:** The reference of the AMI message given by the Creditor Bank to be forwarded to the Debtor Bank.

#### **4.8.60 AT-61 – The Creditor's Reference of the AMI message**

**Description:** The reference of the AMI message given by the Creditor to be forwarded to the Debtor Bank.





#### 4.8.61 AT-R9 – The Reason Code for AMI answer

**Value range:** The reasons for the response by the Creditor Bank need not be specified, they are left to a bilateral agreement between Creditor's bank and its Customer (Creditor).

The reasons for the response by the Debtor Bank are as follows:

1. Reasons for a negative response :
  - Operation/transaction code incorrect, invalid file format
  - Bank identifier incorrect (i.e. invalid BIC)
  - Account identifier incorrect (i.e. invalid IBAN)
  - Account closed
  - Direct debit forbidden on this account for regulatory reasons
  - Account blocked
  - Mandate data missing or incorrect
  - No Mandate
  - Regulatory reason
  - Account blocked for Direct Debit by the Debtor
  - Specific service offered by the Debtor Bank
  - Refusal by the Debtor
2. Reasons for a positive answer:
  - No negative response on the AMI
3. No response provided for legal or regulatory reasons

## 5. RIGHTS AND OBLIGATIONS OF ALL PARTICIPANTS

### 5.7 Obligations of a Creditor Bank

Additional obligations for a Creditor Bank resulting from this feature are:

- The Creditor Bank must ensure that the Debtor Bank receiving the AMI request participates in the usage of this feature.
- Creditor Banks shall not forward the AMI request messages received from the Creditor to Debtor Banks not using the optional AMI feature.

### 5.8 Obligations of a Debtor Bank

Additional obligations for a Debtor Bank resulting from this feature are the following:

- The execution of the checks by the Debtor Bank as prescribed in PT-10.04 do not imply that the Debtor Bank automatically commits to any guarantee in favour of the Creditor or Creditor Bank regarding the acceptance of future collections. The controls reflect the status of the Debtor's account as it exists at the moment of the execution of the controls.
- In the event that a Core SDD Scheme Participant receives an AMI message although as a Debtor Bank it does not offer the optional AMI feature, the Debtor Bank is entitled to ignore the AMI request message.