European
Payments Council

SEPA Instant Credit Transfer Scheme Rulebook

Public Consultation on 2022 Change Requests

Public Consultation on 2022 Change Requests for SCT Inst Scheme Rulebook

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The Single Euro Payments Area (SEPA) payment schemes, as set out in the SEPA Credit Transfer (SCT), the SEPA Instant Credit Transfer (SCT Inst), the SEPA Direct Debit Core (SDD Core) and the SEPA Direct Debit Business to Business (SDD B2B) scheme rulebooks, evolve based on a transparent change management process adhered to by the European Payments Council (EPC). For details on the principles governing the EPC scheme change management process, we refer to sections 5, 6 and 7 in this document and the sources listed at the end of this page.

This SCT Inst 2022 Change Request Public Consultation Document (document EPC157-21) details change requests for possible modifications to be introduced into the next version of the SCT Inst scheme rulebook. This public consultation document builds on change requests submitted by stakeholder representatives, banking communities and by EPC Working and Support Groups. The SCT Inst 2022 Change Request Public Consultation Document offers the analyses and recommendations of the EPC Scheme Evolution and Maintenance Working Group (SEMWG) on the way forward regarding individual change requests. A summary overview of the change requests and related recommendations by the SEMWG are provided in section 1 of this Change Request Public Consultation Document.

The EPC submits the SCT Inst 2022 Change Request Public Consultation Document for public consultation. The public consultation takes place between 13 September and 11 December 2021.

All scheme participants and stakeholders are encouraged to provide feedback on the possible changes to be introduced into the next version of the SCT Inst scheme rulebook by completing the response template EPC161-21 and send it to change-request.EPC-scheme@epc-cep.eu by 11 December 2021 at 17h00 CET at the latest. The EPC will not consider any feedback received after this deadline.

Proposed changes detailed in this SCT Inst 2022 Change Request Public Consultation Document, which are broadly accepted by all scheme participants and stakeholders, and that are technically and legally feasible, will be taken forward, after approval by the Scheme Management Board (the EPC decision-making body in charge of the schemes' administration and evolution). Others will not be retained. The updated version of the SCT Inst scheme rulebook will be published in May 2022 for implementation in November 2023. In accordance with industry best practice, payment service providers and their suppliers have exceptionally in this cycle an 18 months lead time to address scheme rulebook updates prior to such updates taking effect.

More information about the maintenance and the evolution of the SCT Inst scheme is available in Chapter 4 of the SEPA Payment Scheme Management Rules (the Internal Rules) being a binding Annex to the current applicable SCT Inst scheme rulebook.

It should be noted that the EPC is under the legal obligation to ensure compliance of the SCT Inst scheme rulebook with existing EU legislations or to any new EU legislation impacting the SCT Inst scheme rulebook.

Therefore, the EPC reserves the right to make necessary changes to the SCT Inst scheme rulebook at all times in order to ensure that the SCT Inst scheme rulebook does comply with changes to existing EU legislation or with the entry into force of any new EU legislation.

> Please refer to Annex 1 for the original detailed change requests. This document contains only a summary of each individual change request.

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1 Executive Summary: Major Change Requests to the SCT Inst Scheme Rulebook

1.1 EPC Approach

The principles governing the evolution of the Single Euro Payments Area (SEPA) payment schemes as set out in the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) scheme rulebooks are detailed in the 'SEPA Payment Scheme Management Rules' (the Internal Rules). These Internal Rules are available for download on the European Payments Council (EPC) Website. Sections 5, 6 and 7 in this SCT Inst 2022 Change Request Public Consultation Document detail the application of the Internal Rules in the EPC SEPA payment scheme change management process.

The Internal Rules make a difference between so called major and minor changes to the EPC scheme rulebooks. A major change is a change that affects or proposes to alter the substance of the scheme rulebooks and the schemes. Any change to chapters 5 and 6 of the scheme rulebooks is always considered a major change. A minor change is a change of an uncontroversial and usually technical nature that facilitates the comprehension and use of the scheme rulebooks.

This executive summary of the SCT Inst 2022 Change Request Public Consultation Document highlights change requests for major changes to the SCT Inst scheme rulebook received in this scheme change management cycle. Change requests for minor changes to the SCT Inst scheme rulebook are set out in section 4 of this Change Request Public Consultation Document. All change requests to the SCT Inst scheme rulebook are submitted for public consultation between 13 September and 11 December 2021. Information on how to share feedback with the EPC is included on the cover page of this Change Request Public Consultation Document.

The EPC received **16** change requests for major changes to be introduced into the SCT Inst scheme rulebook. The change requests submitted to the EPC are included in Annex 1 to this document.

Several change requests suggest SCT Inst processing amendments such as allowing the Beneficiary PSP to accept SCT Inst transactions without instantly making the funds available to the Beneficiary for regulatory reasons, the introduction of a new settlement model called Single Instructing Party (SIP) and allowing an unsuccessful SCT Inst transaction to be rerouted as an SCT transaction.

Other change requests propose to use more structured data in payment messages such as to allow only a structured address of the payment end-users as of a certain date, and to change the definition of the structured remittance information.

Two change requests point out the need to reconsider the rulebook term 'Customer'. One change request suggests further clarifications about the charging principles.

One proposal suggests that the returned amount under the r-transaction procedures Recall and Request For Recall by the Originator (RFRO) can be different to the initial SCT Inst transaction amount.

One item suggests a reduction of the current target maximum execution time and time-out deadline. A further contribution is the inclusion of two optional attributes to transmit alias or proxy details about the Originator and the Beneficiary through the inter-PSP space. Another change request proposes that the remittance information attribute supports hyperlink pointers or references to external sources in the payment message.

One change request proposes changes to the composition criteria of the Scheme Management Board (SMB) as of the end of April 2023.

Other items propose the optional use of the Unique End-to-end Transaction Reference (UETR) and the mandatory use of the Legal Entity Identifier (LEI) in the Inter-PSP space.

There is also the suggestion to make the Customer-to-PSP pain.002 message compliant with the SWIFT CGI-MP standard.

All change requests to the SCT Inst scheme rulebook received were reviewed by the EPC Scheme Evolution and Maintenance Working Group (SEMWG). These change requests include the recommendation of the SEMWG regarding each of these change requests unless the SEMWG is not able to provide a recommendation for the public consultation. Each recommendation reflects one of the options detailed in items a) through f) below:

a) The change request is **already provided for** in the scheme: no action is necessary for the EPC.
b) The change request **should be incorporated into the scheme**: the change request would become part of the scheme and the rulebook would be amended accordingly.
c) The change request should be included in the scheme as an **optional feature**:
    - The new feature is optional and the rulebook would be amended accordingly;
    - Each scheme participant[1] may decide to offer the feature to its customers, or not.
d) The change request is **not considered fit for SEPA wide use** and could be handled as an additional optional service (AOS) by interested communities:
    - The proposed new feature would not be included in the rulebook or in the implementation guidelines released by the EPC with regard to the rulebook;
    - The development of AOS is out of scope of the EPC. The EPC does however publish declared AOS arrangements on its website for information;
    - The EPC may consider the inclusion of AOS arrangements, if supported by enough communities, in a future version of the rulebook.
e) The change request **cannot** be part of the existing scheme for one of the following reasons:
    - It is technically impossible;
    - It is not feasible (explained on a case by case basis);
    - It is out of scope of the EPC;
    - It does not comply with the SEPA Regulation[2] or any other relevant EU legislation.
f) The change request may be considered for the development of a **new scheme**:
    - The change request reflects major changes which cannot be integrated into an existing scheme;
    - To develop the change request further, i.e. to develop a new scheme, the following requirements must be met:
        o The benefits of the new scheme for payment end users are demonstrated prior to the launch of the development phase;
        o It is demonstrated that enough stakeholders will make use of the new scheme;
        o A cost-benefit analysis is provided;
        o It complies with the SEPA Regulation or any other relevant Regulation.

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[1] A scheme participant is a payment service provider which has formally adhered to an EPC SEPA payment scheme.

[2] Regulation (EU) No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009

1.2 Overview of Change Requests and Proposed Way Forward for Consideration by Respondents to the Public Consultation

The below table lists all the received change requests which are submitted for public consultation. The SEMWG has issued a recommendation on the way forward about each change request. The reasons underlying each recommendation are detailed in section 2. The final decision whether a change request will be incorporated into the rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the SEMWG on the way forward.

In case the contributors do not agree with the SEMWG recommendation, they are requested to indicate in the comments section of the response template EPC161-21 their preferred way forward (e.g., support of the original change request, selecting another option).

Furthermore, any additional comments are welcome in the comments section.

Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
01	Accept SCT Inst transactions without posting the funds	JP Morgan AG	Cannot be part of the existing scheme - option e
02	Reduction of target maximum execution time and time-out deadline	Dutch Payments Association	Cannot be part of the existing scheme - option e
03	Change of the term 'Customer'	EPC secretariat	Should be incorporated into the scheme - option b
04	Introduction of a new additional settlement model Single Instructing Party (SIP)	Market Infrastructure Board Eurosystem	Cannot be part of the existing scheme - option e
06	Provision of the structured address of the payment end-user	EPC SEMWG	Should be incorporated into the scheme - option b
08	Clarification on charges	EPC LSG	Should be incorporated into the scheme - option b
11	Inclusion of Alias and Proxy as optional attributes	Nordic Payments Council	Should be incorporated into the scheme - option b
12	Inclusion of hyperlinks or external sources	Nordic Payments Council	Cannot be part of the existing scheme - option e
14	Pain.002 message to be compliant with SWIFT CGI-MP standard	UniCredit Bank Germany	Cannot be part of the existing scheme - option e

Change Request item	Topic	Contributor	Recommendation of the SEMWG on the proposed way forward. The final decision is subject to the outcome of the public consultation.
15	Returned amount under Recall or RFRO can be different to the initial amount	Bits Norway	Cannot be part of the existing scheme - option e
17	Optional use of Unique End-to-end Transaction Reference (UETR)	SIX Switzerland	Cannot be part of the existing scheme - option e
18	Reroute an unsuccessful SCT Inst transaction as an SCT transaction	SIX Switzerland	Cannot be part of the existing scheme - option e
20	Change in the definition of structured remittance information in payment messages	SIX Switzerland	Cannot be part of the existing scheme - option e
22	Definition amendment of the term 'Customer'	EPI Interim Company	Cannot be part of the existing scheme - option e, reference is made to item 03
23	Mandate the use of the Legal Entity Identifier (LEI) for scheme participants	GLEIF	Cannot be part of the existing scheme - option e
25	Changes to the SEPA Payment Scheme Management Rules	EPC	Should be incorporated into the scheme - option b

1.3 Overview of Changes to Align the Next Version of the SCT Inst Scheme Rulebook with any Existing EU Legislation and with the Entry into Force of New EU Legislation

The contributors to this public consultation are welcome to comment on these changes.

Ref.	Topic	Contributor	Way forward
At this point in time, no items have been identified that require a change to the SCT Inst scheme rulebook due to any EU legislation.			

2   Detailed Analysis of Major Change Requests to the SCT Inst Scheme Rulebook

2.1   Important information

Reminder:

One change request from the 2020 EPC SEPA payment scheme rulebook change management cycle suggested the migration of all ISO 20022 XML-based messages used in the four EPC SEPA payment scheme rulebooks to the 2019 version of the ISO 20022 messaging standard. Another 2020 change request proposed the alignment of all attribute numbers across all four EPC SEPA payment scheme rulebooks.

Back in 2020, the EPC already decided to include these two change requests in all 2023 SEPA payment scheme rulebooks and the related Customer-to-PSP and inter-PSP Implementation Guidelines.

2.2   # 01: Accept SCT Inst transactions without posting the funds

2.2.1   Description

This change request was made by JP Morgan AG Germany.

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

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

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

2.2.2   SEMWG analysis and recommendation

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

- A core feature of the SCT Inst scheme is to give an immediate unambiguous positive or negative confirmation to the payer within seconds. This "accept without posting" option would negatively affect a core feature and the attractiveness of the scheme;

- Discussions at certain EU authority levels take place on how to improve the sanction screening for SCT Inst transactions within the EU. In the end, only changes to the relevant EU legislations can to a certain extent resolve or mitigate the SCT Inst sanction screening issues.

2.2.3   Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.3   # 02: Reduction of target maximum execution time and time-out deadline

2.3.1   Description

This change request was made by the Dutch Payments Association.

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

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

- Target maximum execution time: reduction from the current 10 seconds to 5 seconds;

- Time-out deadline: reduction from the current 20 seconds to 7 seconds;

- Receipt of the positive or negative confirmation message after the time-out deadline by the Originator PSP: proposal to receive within 2 seconds (instead of 5 seconds) by the 9th second (instead of the 25th second)

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

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

2.3.2   SEMWG analysis and recommendation

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

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

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

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

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

2.3.3   Rulebook impact

If this change request is supported, this will impact the rulebook and the inter-PSP implementation guidelines.

2.4   # 03: Change of the term 'Customer'

2.4.1   Description

This change request was made by the EPC secretariat.

As of the 2021 rulebook, the term 'Customer' is currently defined as *"A physical or legal entity that is not active in the business of providing payment accounts used for the execution of payments and that is therefore not eligible for scheme participation"*.

The definition in the 2021 rulebook and its limitation does not make sufficiently clear that also an PSP is entitled and may act in the capacity of an Originator or Beneficiary. A good example are the payments an PSP makes with respect to salary payments, office rent etc.

Furthermore, reflections have been made whether the term 'Customer' is appropriate to cover use cases in which PSPs are making a payment as Originator and/or as Beneficiary on behalf of their ultimate customers.

The suggestion is to i) drop the notion of 'Customer' as a single defined term under the scheme and to replace it across the rulebook with 'Originator' or 'Beneficiary' where appropriate, ii) to amend the terms 'Originator' and 'Beneficiary', and iii) to introduce/amend the term 'Payment Account'.

2.4.2   SEMWG analysis and recommendation

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

2.4.3   Rulebook impact

If this change request is supported, this will impact only the rulebook.

2.5   # 04: Introduction of a new additional settlement model Single Instructing Party (SIP)

2.5.1   Description

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

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

The model relies on the Single Instructing Party (SIP) managing a community of counterparts, which agree to exchange instant payments following the model described in detail in the change request.

This would entail that both the Originator PSP and the Beneficiary PSPs shall agree bilaterally on the instant payment settlement through their serving SIP. Only after the bilateral agreement is reached the instant payment is submitted by the SIP to the CSM for immediate settlement.

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

2.5.2   SEMWG analysis and recommendation

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

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

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

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

2.5.3   Rulebook impact

If this change request is supported, this will impact the rulebook and the inter-PSP implementation guidelines.

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

2.6   # 06: Provision of the structured address of the payment end-user

2.6.1   Description

This change request was made by the SEMWG.

The <u>first part</u> of the suggestion is **to allow** payment end users to send a **structured** address of

- The payer (i.e. the Originator in SCT and SCT Inst transactions, and the Debtor in SDD Core and SDD B2B transactions); and/or
- The payee (i.e. the Beneficiary in SCT and SCT Inst transactions, and the Creditor in SDD Core and SDD B2B transactions)

in <u>electronic Customer-to-PSP files</u> based on at least the relevant EPC Customer-to-PSP Implementation Guidelines for SCT, SCT Inst, SDD Core and SDD B2B transactions **as of November 2023.** From that same date, also SEPA payment scheme participants are allowed to provide structured addresses in their inter-PSP SEPA payment messages and r-transactions.

In view of the above, the <u>second part</u> of the suggestion is that as of the November 2023 SEPA payment scheme rulebooks, all scheme participants must be able to support the delivery of structured addresses when payment end users and scheme participants want a structured address in their outgoing and incoming SEPA payment transactions. From November 2023 onwards, scheme participants cannot reject SEPA payment transactions only due to the inclusion of a structured address.

The use of an unstructured address will still be possible and supported by the SEPA payment schemes until November 2025.

The period between November 2023 and November 2025 should be used by payment end users to upgrade their payment-related systems/applications and to organise the migration from the use of unstructured to structured addresses in their databases to avoid a big bang migration in November 2025 and possible rejects of SEPA payment transactions.

The <u>third part</u> of the suggestion is that as of the **November 2025** entry-into-force date of all SEPA payment scheme rulebooks, the use of the structured address will become **mandatory** for Inter-PSP SEPA payment messages where applicable, and for payment end users when they send <u>electronic Customer-to-PSP files</u> based at least on the relevant EPC Customer-to-PSP Implementation Guidelines. The use of an **unstructured** address will **no longer be allowed and will hence lead to rejects**.

With the exclusive use of structured addresses as of November 2025, the SEPA payment schemes will be aligned with the deadline set for the use of the structured address under the CBPR+ specifications. These specifications define how ISO 20022 should be used for cross-border payments and cash reporting on the SWIFT network. The SWIFT community decided to move cross-border and correspondent banking from SWIFT MT messages to ISO 20022 standard-based XML messages by November 2025.

The use of structured addresses in SEPA payment transactions, gives the potential to reduce errors in payment processing, regulatory screening, and reconciliation, thereby increasing the straight-through-processing of SEPA payment transactions.

2.6.2   SEMWG analysis and recommendation

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

- As of November 2023: SEPA payment scheme participants must be able to support structured addresses when provided by the payment end user and/or the scheme participant; **and**
- As of November 2025: payment end users can only provide structured addresses in their electronic Customer-to-PSP files at least based on the relevant EPC Customer-to-PSP Implementation Guidelines; and all Inter-PSP SEPA payment messages must contain a structured address where applicable.

2.6.3   Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.7   # 08: Clarification on charges

2.7.1   Description

This change request was made by the EPC Legal Support Group (LSG).

The contributor points out that charges are entirely out of the scope of the SEPA payment scheme rulebooks. They are subject to the PSPs' commercial charging policies, which depending on where the PSP(s) involved in the transaction is/are located, are subject to applicable law.

For intra-EEA SEPA transactions occurring between PSPs located in different EEA countries, these policies are subject to the Regulation (EC) 924/2009 requiring that charges for cross-border payments within the EEA are the same as those for payments of the same value and in the same currency within a (EEA) Member State.

This is not the case for transactions to/from a PSP located in a non-EEA SEPA country, which being third countries from the European law perspective are not subject to the provisions of the Regulation (EC) 924/2009. Accordingly, charges within and to/from a non-EEA SEPA country remain only subject to applicable national law and the relevant transparency and information requirements between scheme participants and their customers under the SEPA payment scheme rulebooks.

The contributor suggests a few changes to the rulebook for transparency and clarification purposes.

2.7.2   SEMWG analysis and recommendation

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

2.7.3   Rulebook impact

If this change request is supported, this will only impact the rulebook.

2.8   # 11: Inclusion of Alias and Proxy as optional attributes

2.8.1   Description

This change request was made by the Nordic Payments Council.

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

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

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

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

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

2.8.2   SEMWG analysis and recommendation

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

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

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

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

Accordingly, the law generally does not prevent the possibility that an IBAN is accompanied by/paired with an Alias/Proxy, as long as the Alias/Proxy does not substitute the IBAN as unique identifier for the payment transfer and provided that the possibility to use such Alias/Proxy is given in a way that does not create liability shifts under Article 88, PSD2.

2.8.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.9 # 12: Inclusion of hyperlinks or external sources

2.9.1 Description

This change request was made by the Nordic Payments Council.

The contributor suggests allowing pointers/references (e.g., URLs) to external sources, in the remittance information attribute of a single SCT Inst instruction.

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

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

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

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

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

2.9.2 SEMWG analysis and recommendation

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

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

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

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

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

2.9.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.10 # 14: Pain.002 message to be compliant with SWIFT CGI-MP standard

2.10.1 Description

This change request was made by UniCredit AG Germany.

The contributor suggests that the pain.002.001.10 message should be compliant with the SWIFT Common Global Implementation (CGI)-MP standard, published in MyStandards.

The change request contains further technical details that apply only to the Customer-to-PSP implementation guidelines.

2.10.2 SEMWG analysis and recommendation

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

For the suggestion to also allow PART as a valid status message, this is possible from a technical point of view. Code PART (PartiallyAccepted) already exists in ISO.

As for the suggestion to allow also additional info (on all statuses) for the status RJCT and ACWC to express more details to the Reject or changes, the rulebook currently foresees only RJCT. There is no need to add additional information for Reject reasons as stated in the rulebook.

As to also allow as an option – in addition to Reject – a positive pain.002 with the statuses ACTC, ACCP, ACWC, ACSC and ACCC, the scheme currently only describes Rejects and the implementation guidelines use pain.002 for indicating this Reject to the Originator. The actual suggestion is to use pain.002 as a processing status report with all the possibilities of a processing status report, i.e. also positive reports. This means that the rulebook should foresee this and give guidance. The SEMWG sees such status reports being a part of the internal processes developed by each PSP concerned.

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

2.10.3 Rulebook impact

If this change request is supported, this will only impact the Customer-to-PSP implementation guidelines.

2.11 # 15: Returned amount under Recall or RFRO can be different to the initial amount

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

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

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

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

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

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

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

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

2.11.1 SEMWG analysis and recommendation

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

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

2.11.2 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.12 # 17: Optional use of Unique End-to-end Transaction Reference (UETR)

2.12.1 Description

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

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

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

2.12.2 SEMWG analysis and recommendation

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

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

2.12.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.13 # 18: Reroute an unsuccessful SCT Inst transaction as an SCT transaction

2.13.1 Description

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

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

2.13.2 SEMWG analysis and recommendation

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

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

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

2.13.3 Rulebook impact

If this change request is supported, this will impact the rulebook and the Customer-to-PSP implementation guidelines.

2.14 # 20: Change in the definition of structured remittance information in payment messages

2.14.1 Description

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

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

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

2.14.2 SEMWG analysis and recommendation

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

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

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

2.14.3 Rulebook impact

If this change request is supported, this will impact the rulebook, the Customer-to-PSP and the inter-PSP implementation guidelines.

2.15   # 22: Definition amendment of the term 'Customer'

2.15.1 Description

This change request was made by the EPI interim Company.

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

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

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

2.15.2 SEMWG analysis and recommendation

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

The EPC itself proposes an alternative way forward with respect to the term 'Customer' (see the item # 03 in the section 2.4). The SEMWG is of the view that this change request would cover the needs of EPI interim Company as outlined in the change request # 22.

2.15.3 Rulebook impact

If this change request is supported, this will impact only the rulebook.

2.16   # 23: Mandate the use of the Legal Entity Identifier (LEI) for scheme participants

2.16.1 Description

This change request was made by the GLEIF.

The contributor suggests that the use of the Legal Entity Identifier (LEI) is mandatory for scheme participants as an addition to the BIC code. This would harmonize the identification standards and practices within the scheme and thereby reduce frictions, manual intervention and reconciliation costs. The use the LEI would bring significantly enhanced efficiency to the payment message exchange.

The contributor considers including the LEI as a mandatory field for scheme participants as a minor change to the scheme from a technical implementation perspective.

The change request provides more details about the added value of the LEI for the scheme, the scheme participants and the scheme end-users.

2.16.2 SEMWG analysis and recommendation

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

The adherence and the processing based on BICs is well established and causes no problem, i.e. the scheme participants communicate the concrete BIC(s) through which they are reachable for SCT Inst/SDD B2B transactions, to their respective CSMs. Once taken up in the routing tables of these CSMs, these scheme participants are clearly identifiable to the other scheme participants.

2.16.3 Rulebook impact

If this change request is supported, this will impact the rulebook and the inter-PSP implementation guidelines.

2.17 # 25: Changes to the SEPA Payment Scheme Management Rules

2.17.1 Description

This change request was made by the EPC.

Each SEPA payment scheme rulebook contains an Annex II covering the SEPA Payment Scheme Management Rules ('Internal Rules'). The Internal Rules contain among others the Scheme Management Board (SMB) composition rules.

The EPC suggests renaming the SMB into the PSMB (Payment Scheme Management Board) and the SEMWG into the PSEMWG (Payment Scheme Evolution and Maintenance Working Group), in light of the creation of new payment-related schemes managed by the EPC.

Furthermore, the PSMB would be composed of up to 22 (instead of 20) representatives of SEPA payment scheme participants, subject to reaching individually or on a consolidated basis 3.5% (instead of 5%) of the following composition criterion: the total volume of credit transfers and direct debits of all national communities included with the geographical scope of the payment schemes.

At least 1 seat would be reserved for Payment Institutions and 1 seat for Electronic Money Institutions (even if they fail to reach the 3.5% threshold) (instead of 1 common seat for Payment Institutions and Electronic Money Institutions).

A cap of 4 (instead of 3) seats per national community from the euro area and 1 (unchanged) seat per national community from outside the euro area would apply.

2.17.2 SEMWG analysis and recommendation

The SEMWG suggests incorporating the change request into the scheme (**option b**) entering into effect as of the entry-into-force date of the new composition of the PSMB scheduled **at the end of April 2023**.

2.17.3 Rulebook impact

If this change request is supported, this will impact only Annex II of the rulebook.

3 Changes Pertaining to the Impact of the SEPA Regulation or any Other EU Legislation

As the EPC is under the legal obligation to ensure compliance of the rulebooks with the SEPA Regulation or of any other EU legislation, proposed changes to the rulebooks under this section are not subject to public consultation. They are included in this document for information but the contributors to this public consultation can comment on these changes.

For this release management cycle, no such changes have been deemed required at this point in time.

4   Detailed Analysis of Minor Changes to the SCT Inst Scheme Rulebook

For this release management cycle, no minor changes have been raised at this point in time.

5 Principles Governing the Change Management Cycle

5.1 Change Request Public Consultation Document

This Change Request Public Consultation Document is submitted by the SEMWG in accordance with the procedures set out in the Internal Rules in respect of changes to the SCT Inst scheme rulebook.

5.2 Structure of the Change Request Public Consultation Document

Sections 2, 3 and 4 describe the changes to the SCT Inst scheme rulebook which are proposed in this Change Request Public Consultation Document.

These change requests fall into three categories:

- Section 2 covers innovative change requests to technical operations in chapters 3 and 4 of the rulebook and other significant non-technical changes which fall within the definition of a major change;

- Section 3 covers change requests to align the SCT Inst scheme rulebook with the SEPA Regulation and any other EU legislation;

- Section 4 proposes changes to correct typing errors and provide additional clarification to the SCT Inst scheme rulebook. These changes consist of minor changes to the SCT Inst scheme rulebook which are uncontroversial in nature and do not affect technical operations.

Annex 1 contains all received original change requests for the 2022 SCT Inst scheme rulebook change management cycle.

6 Change Management Cycle in respect of Major Change Requests

6.1   Consideration of Change Requests

In accordance with chapter 4.1.4 of the Internal Rules, a number of change requests with respect to the rulebooks have been submitted for consideration to the SEMWG. 16 of these are applicable to the SCT Inst scheme.

Following consideration of these change requests as required under chapter 4.1.6 of the Internal Rules, the SEMWG has determined: (a) that the change requests set out in section 2 and 3 meet the criteria for acceptance into the 2022 SCT Inst scheme rulebook change management cycle; and (b) that the change requests set out in section 4 constitute minor change requests invoking the procedures set out in Chapter 4.3 of the Internal Rules.

6.2   Change Request Public Consultation Document

The SEMWG is responsible for the preparation and development of a Change Request Public Consultation Document in respect of the major change requests referred to in section 2 above, and guiding the change requests through the rulebook change management cycle.

The SEMWG has therefore formulated this Change Request Public Consultation Document under chapter 4.2 of the Internal Rules. This Change Request Public Consultation Document analyses the major changes which have been proposed and contains in Annex 1 the original change requests.

6.3   SEMWG Recommendations

The SEMWG is required under chapter 4.2.1 of the Internal Rules to issue a recommendation on the way forward with regard to each change request. The reasons underlying each recommendation are detailed in section 2. The final decision whether a change request will be incorporated into the SCT Inst scheme rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the SEMWG on the way forward. In case the contributors do not agree with the SEMWG recommendation, they are requested to indicate their preferred way forward.

6.4   Public Consultation on the Change Requests

The EPC encourages all SEPA stakeholders to provide feedback during the public consultation. PSP communities are asked to consult all their members who are involved in the SCT Inst scheme to ensure that the views of the payment services constituency are considered in the public consultation process. The SEMWG encourages the PSP communities to consult as wide a range of stakeholders as possible, including participants, end users and service suppliers. All stakeholders should provide feedback to the EPC on the Change Request Public Consultation Document by **11 December 2021 at 17h00 CET at the latest**. **The EPC will not consider any feedback received after this deadline.**

6.5   Next Steps

Considering the comments received during the public consultation, the SEMWG will produce a Change Proposal Submission Document to the SMB for decision-making purposes in accordance with section 4.2.5 of the Internal Rules, and to the EPC Stakeholder Fora (see section 4.4 of the Internal Rules) for their respective positions on the SEMWG Change Proposals.

Approved change requests will be incorporated into the version 1.0 of the 2023 SCT Inst scheme rulebook and published in May 2022 with the intention that they become effective in November 2023.

6.6   Further Information

The above is a summary of the change management process. If you would like further information, please refer to the Internal Rules or contact the EPC Secretariat.

7 Change Management Cycle in respect of Minor Change Requests

7.1 Publication of List of Minor Change Requests

The SEMWG has identified certain minor change requests which they consider necessary for the SCT Inst scheme rulebook.

The SEMWG is required under the Internal Rules to publish a list of minor change requests on the EPC website and to ensure that the list may be viewed by all stakeholders. This obligation shall be met by the publication of this Change Request Public Consultation Document, and in particular through the provision of section 4 noting certain change requests as 'minor'.

7.2 Comments on the Minor Change Requests

All stakeholders may submit comments on the list of minor change requests in this Change Request Public Consultation Document.

7.3 Submission of the List of Minor Change Requests to the SMB

The list of minor change requests shall be submitted to the SMB via the Change Proposal Submission Document in accordance with section 4.2.5 of the Internal Rules.

Annex 1 - Original Change Requests

Template for Proposing a Change Request in a SEPA Payment Scheme

#01

Public

Approved

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

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Contact details:	**+49 69 7124 1061**
Your reference:	**SEPAInst Screening**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**03/11/2020**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

To be part of the 2021 change request process, to be published in November 2022 and take effect in November 2023 in line with updated rulebooks.

1.2. Description of the change request:

All banks and payment service providers have regulatory obligations to have appropriate controls in place to prevent financial crime. Given the transaction processing window for SCT Inst is limited to 10 seconds end to end, there are additional considerations to sanctions screening, in particular the ability to determine false positive suspicious transactions with an equal accuracy to other transaction types with wider processing windows; Scheme participants are currently experiencing for incoming transactions, a conflict of SCT Inst Rulebook requirements that dictate an immediate, binary accept/reject decision, vs. sanctions screening laws which ask to hold and investigate any potential "hits" – which could result as a false positive, in a successful transaction.

The request is thus to allow for a new response type, "accept without posting" for incoming transactions in certain cases (see 1.3.1. below). Similar rules exist in other real-time-payment schemes, such as in the U.S. or Malaysia.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

For a limited number of SCT Inst transactions (all potential hits), funds may not be made available to the Beneficiary within the target maximum execution time of 10 seconds. Instead, the transactions would be investigated within a 'still-to-be-defined and agreed' timeframe and only then would funds be either posted to the Beneficiary account, or rejected and returned to the Originator, or rejected and held by the Receiving Participant (in a designated account for 'true' sanctions hits).

2. Impact on the inter-PSP space:

The pacs.002 message type would be enhanced to include status 'Accept without Posting' in the Clearing, with all Participants able to send and receive this message.

There would be an impact to liquidity, as funds would move to the beneficiary bank at Clearing and Settlement Mechanism (CSM) level in the interbank space but not made available to the beneficiary by the beneficiary bank, following an 'accept without posting' message.

Once the investigation has concluded at the beneficiary bank, the beneficiary bank would send a pacs.002 message type with 'accept' on the transaction or 'reject' – and then resume to follow the current choreography set forth in the scheme.

3. Impact on other payment stakeholders: *None*

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The pacs.002 message type would be enhanced to include a new status ("accepted without posting") in the Clearing, with all Participants able to send and receive this message.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

There will be impact to rules 5.8.10 and 5.8.12 on Obligations of a Beneficiary Bank -

5.8.10:
   Receive the SCT Inst Transaction from the Originator Bank and Immediately Make the Funds Available to the Beneficiary identified by the IBAN in the SCT Inst Transaction as the unique identifier, provided that applicable regulations in relation to money laundering and terrorist financing have been complied with;

5.8.12:
   Make Funds Available to the Beneficiary with the full amount of the payment in accordance with the maximum execution time defined in section 4.2.3, or for a lesser amount subject to any agreement with the Beneficiary under which the Beneficiary Bank may deduct its own fees from the amount transferred before crediting the Beneficiary's Payment Account;

In an 'accept without post' scenario, funds would not be made available to the beneficiary in a scenario where a sanctions hit requires further investigation, with the applicable regulations in relation to money laundering and terrorist financing (per Rule 5.8.10).

6. The nature of the change request:

   a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

   b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

A variant (adding an additional field within a message).

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	*Yes*
Is the change request underpinned by a cost-benefit analysis?	*No, this is underpinned by regulatory requirements for all banks.*
Does the change fit into the strategic objectives for SEPA?	*Yes, it ensures that banks effectively comply with applicable regulations in relation to money laundering and terrorist financing (per rule 5.8.10) and reduces the number of rejections in the system.*
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	*Yes*
Do you consider that the change request does not impede SEPA-wide interoperability?	*Yes*
Do you consider that the change request is in the scope of the scheme involved?	*Yes*

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

EPC 058-20
Version 2.0
14 September 2020

#02

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
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Your reference:	**EPC058-20 v2.0 _Changerequest_SCTInst_DPA#1**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**29 June 2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

November 2023

1.2. Description of the change request:

The Dutch community is concerned that the SCT Inst Scheme is not competitive enough to other solutions based on card payments and therefore, not attractive for PSPs which want to use SCT Inst, possibly in combination with SEPA Request-to-Pay, at the Point of Interaction (POI), both in a physical and an online environment.

Especially, the current time-out deadline in combination with the receipt of the positive or negative confirmation which can add up to 25 seconds is extremely long and therefore, not acceptable at the POI, neither in a physical nor in an online environment.

In order not to lose market share to other innovative payment solutions and in order to adapt to changing market circumstances and customer needs, we propose to reduce both the Target maximum execution time and the Time-out deadline (see description of paragraph 4.2.3 below). By doing so, the SCT Inst scheme offers end-users an experience that comes close to the current processing times for card based transactions.

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

Paragraph **4.2.3 Maximum Execution Time, part B. Target maximum execution time**:
'*Latest at 10 seconds after the Originator Bank has put the Time Stamp in accordance with section 4.2.1 to the SCT Inst Transaction and Instantly sent the SCT Inst Transaction to the Beneficiary Bank, the Originator Bank must have received either the message that the Funds have been Made Available to the Beneficiary by the Beneficiary Bank (positive confirmation message), or the message that the SCT Inst Transaction has been rejected (negative confirmation message with the appropriate reason code).*'
We propose to replace '10 seconds' by '5 seconds'.

Paragraph **4.2.3 Maximum Execution Time, part C. Time-out deadline**:
'*The Scheme nevertheless foresees a hard time-out deadline to cover exceptional processing situations. Within 20 seconds after the Originator Bank has put the Time Stamp in accordance with section 4.2.1, the CSM of the Beneficiary Bank operating in the Interbank Space must have received either a positive or a negative confirmation message about the SCT Inst Transaction from the Beneficiary Bank.*'
We propose to replace '20 seconds' by '7 seconds'.

Paragraph **4.2.3 Maximum Execution Time, part C. Time-out deadline**:
'*After the time-out deadline, the positive or negative confirmation message received or generated*

by the CSM of the Beneficiary Bank then has to reach the Originator Bank within 5 seconds, i.e. latest on the 25th second after the Originator Bank has put the Time Stamp in accordance with section 4.2.1.'

We propose to replace '5 seconds' by '2 seconds' and to replace 'on the 25th second' by 'on the 9th second'.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

The SCT Inst scheme will become more attractive to use for innovative payment solutions, possibly in combination with SEPA Request-to-Pay, at the POI, both in a physical and an online environment.

2. Impact on the inter-PSP space:

All Participants, and any other parties on their behalf in the inter-PSP space, have to respect the new Target maximum execution time and Time-out deadline and act accordingly.

3. Impact on other payment stakeholders:

As this change responds to changing market circumstances and customer needs, it will have a positive effect on end-users.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

None.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

None.

6. The nature of the change request:

    a. ==A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)==

    b. ~~A variant (adding an alternative – optional – rule alongside an existing Rulebook element)~~

c.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**Yes.**
Is the change request underpinned by a cost-benefit analysis?	**No.**
Does the change fit into the strategic objectives for SEPA?	**Yes, by adapting the SCT Inst scheme to changing market circumstances and customer needs, it will become more attractive to be used at the POI.** **In order to be able to guarantee a quick and seamless end-user experience with SCT Inst at the POI, it is essential that the maximum processing timelines of an SCT Inst transaction are reduced, so that the short processing times, which are currently already realised, are enforced and, as a result, immediate clarity on the finality of the transaction can be given to both payer and payee.**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes, SCT Inst transaction data analysis shows that it is already current practice today that more than 95% of all SCT Inst transactions are processed within 3 seconds and more than 99% of all SCT Inst transactions are processed within 5 seconds, even in case multiple CSMs are involved in one SCT Inst transaction. This demonstrates that the proposed change is feasible and realistic.**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes.**
Do you consider that the change request is in the scope of the scheme involved?	**Yes.**

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

EPC 058-20
Version 2.0
14 September 2020   #03

Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

Name of contributor:	**EPC Secretariat**
Organisation:	**EPC**
Address:	
Contact details:	
Your reference:	**#03 -All schemes-EPC-change of the term Customer**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**16 June 2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 – effectiveness date of all 2023 SEPA payment scheme rulebooks.

1.2. Description of the change request:

As of the 2021 rulebooks, the term 'Customer' is defined as *"A physical or legal entity that is not active in the business of providing payment accounts used for the execution of payments and that is therefore not eligible for scheme participation"*.

The Scheme Evolution and Maintenance Working Group (SEMWG) of the EPC remarked that also a payment services provider (PSP) may act as a Customer in the capacity of an Originator/ Debtor or Beneficiary/ Creditor. A good example are the payments an PSP makes with respect to salary payments, office rent etc. A new definition should also consider the various roles of an PSP: either in the role of providing payment services to its customers or acting as a customer when sending or receiving a SEPA payment for the purposes/needs of its own institution.

Following the receipt of Change Request #22, the EPC Secretariat has further analysed whether the updated definition of Customer would also be appropriate to cover a financial-institution to financial-institution (Fi2Fi) use case, in which two PSPs are making a payment as Originator and/or Beneficiary on behalf of their ultimate customers. To cater for such use case, the EPC suggests the following changes to all Rulebooks:

1) Drop the notion of "*Customer*" as single defined term under all SCT (Inst) and SDD (B2B) Schemes and replace it across the Rulebooks with "*Originator*"/ "*Debtor*" or "*Beneficiary*"/ "*Creditor*", as appropriate.

(NB: all PSPs will be able to use the commercial term customer within their respective terms and conditions as they see fit).

2) Define Originator and Beneficiary as follows:

"**Originator**": *a natural or legal person who holds a payment account and allows a payment order from that payment account.*

"**Beneficiary**": *a natural or legal person who holds a payment account and is the intended recipient of funds which have been the subject of a payment transaction.*

Define Creditor and Debtor as follows:

"**Creditor**": *a natural or legal person that receives and stores the Mandate from the Debtor to initiate Collections. On the basis of this Mandate, the Creditor collects the direct debits*.

"**Debtor**": *a natural or legal person that gives the Mandate to the Creditor to initiate Collections. The Debtor's 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*.

3) **Payment Account:** *An account held in the name of one or more payment service users or by a payment service provider which is used for the execution of payment transactions and having an IBAN as Payment Account identifier*.

4) Amend Section 5 of all SCT (Inst) and SDD (B2B) Rulebooks as follows:

Section 5.7 / 5.8 – Obligations of an Originator PSP/ Debtor PSP (all Rulebooks)

The following provision to be added: "*In case an Originator PSP/ Debtor PSP is also Originator/ Debtor of the transaction, the provisions of the present section apply subject to applicable law*"

Section 5.8 / 5.7 – Obligations of a Beneficiary PSP/ Creditor PSP (all Rulebooks)

The following provision to be added: "*In case a Beneficiary PSP/ Creditor PSP is also Beneficiary/ Creditor of the transaction, the provisions of the present section apply subject to applicable law*"

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Redefinition of Originator/ Debtor and Beneficiary/ Creditor to cover any possible use-case including the inter-PSP one. The change would not impact the Implementation Guidelines for the customer-to-PSP space, to be applied to the ISO 20022 XML message standards for the implementation of the SEPA Credit Transfers/Direct Debits in the customer-to-PSP space.

2. Impact on the inter-PSP space:

No impact.

3. Impact on other payment stakeholders:

No impact.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

Adjustment of the Obligation of an Originator/ Debtor PSP and/or Beneficiary PSP/ Creditor PSP for the case in which the Originator/ Debtor and/or the Beneficiary/ Creditor are also the Originator PSP/ Debtor PSP and/or the Beneficiary PSP/ Creditor PSP.

6. The nature of the change request:

    a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

    Yes.

    b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

    No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES.
Is the change request underpinned by a cost-benefit analysis?	NO. Not necessary.
Does the change fit into the strategic objectives for SEPA?	YES. It harmonises the SEPA Payment Schemes for all use-cases.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

Template for Proposing a Change Request in a SEPA Payment Scheme

EPC 058-20
Version 2.0
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#04

Public

Approved

European Payments Council

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

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Your reference:	
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 – effectiveness date of the 2023 SCT Inst rulebook.

1.2. Description of the change request:

The change request aims at introducing a new settlement model in the SCT Inst Rulebook, which entails an immediate instant payment settlement without preliminary reservation of funds at the level of the CSM[1].

The model relies on the Single Instructing Party (SIP) managing a community of counterparts, which agree to exchange instant payments following the newly introduced model described below. This would entail that both the Originator and Beneficiary PSPs shall agree bilaterally on the instant payment settlement through their serving SIP. Only after the bilateral agreement is reached the instant payment is submitted by the SIP to the CSM for immediate settlement. The activation in the CSM of the SIP settlement model is based on the following two conditions: i) the SIP is acting as sender/receiver for both counterparts involved in the transaction, and ii) the SIP has the necessary privileges to activate this settlement model in the CSM. If one or both conditions are not met, the payment will be processed following the standard settlement model.

The following steps are supposed to be executed, outside the perimeter of the CSM, prior to the submission of the instant payment from the SIP to the CSM:

a) the Originator PSP submits an instant payment request to its Single Instructing Party without making a preliminary reservation of funds at the level of the CSM for that transaction;

b) the SIP detects the Beneficiary PSP as one of the actors belonging to the SIP community;

c) once the Beneficiary PSP provides confirmation to its SIP[2], and possibly after having verified the availability of funds on the account of the Originator PSP, the Single Instructing Party sends the instant payment to the CSM[3].

Once the abovementioned preliminary steps are completed, the SIP model flow is shown in the following diagram.

[1] The reservation of funds shall still apply at the level of the ordering customer's account, prior to submit the order from the ordering PSP to the SIP.

[2] Such confirmation can be optional if the SIP model is used in conjunction with a SEPA Request-to-Pay involving the same actors.

[3] This could be depending on the CSM and on the possibility than the SIP is granted with exclusive access to the originator and beneficiary account

Figure 1 - SIP model flow
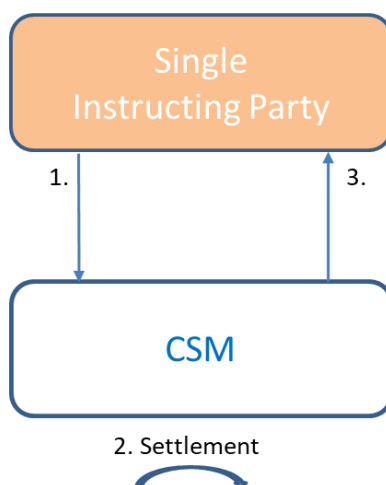
The following processing steps are executed in case of SIP transaction:

1. The CSM receives the instant payment instruction for settlement from the Single Instructing Party;

2. Settlement attempt between the accounts of the Originator PSP and the Beneficiary PSP concerned takes place in the CSM immediately;

3. The Single Instructing Party is notified about the outcome of the settlement attempt, so that the settlement confirmation can be forwarded to the Originator PSP and to the Beneficiary PSP.

Stemming from this change request, no changes are required on the message schemes (i.e. pacs.008 and pacs.002) nor to their relevant data sets. In the SIP model, the hard time-out deadline of 20 seconds to cover exceptional processing situations shall continue to apply. The Single Instructing Party submits the instant payment to the CSM and therefore it shall initialize the time-out deadline (from the Time Stamp). The CSM shall reject the SCT Inst transaction when, within the 20 seconds, the settlement and the subsequent availability of funds on the account of the Beneficiary cannot occur.

As a further element to endorse the introduction of the SIP model, it is deemed relevant noting that a model where (i) a preliminary agreement between two counterparts to settle a transaction and (ii) the delivery to the CSM of a payment transaction for settlement - without reservation of funds – is already envisioned in the scheme, namely in the business scenario of the Recall Request/Recall Response respectively.

Expected benefits stemming from the introduction of the SIP settlement model would also apply, besides the settlement of instant payments, also potentially to the Request to Pay (RTP) context. Indeed, after the reception of an RTP request, the Originator PSP could streamline the message flow by making use of the SIP model. This would imply that the payment transaction is settled immediately (i) without preliminary reservation of funds at the level of the CSM and (ii) without redundant explicit confirmation from the Beneficiary PSP, as the disposition to accept the funds has already been announced by the Beneficiary (and Beneficiary PSP) through its initial RTP request.

A. **Proposed changes to 2021 SCT rulebook version 1.0**

i. Section 4.3: New chapter shall describe the SIP Processing Flow.

ii. Section 7: The term Single Instructing Party shall be defined in the section.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

    A new settlement model is introduced which:

    I. **Relies on a Single Instructing Party (SIP) operating on behalf of both counterparts involved in the instant payment;**
    II. **Does not foresee a preliminary reservation of funds at the level of the CSM;**
    III. **Attempts to settle the instant payment immediately in the CSM, as soon as it is submitted by the SIP.**

2. Impact on the inter-PSP space:

    Yes. The two counterparts willing to exchange funds via the Single Instructing Party settlement model shall bilaterally agree the payment before it can be submitted to the CSM by the common Instructing Party.

3. Impact on other payment stakeholders:

    No.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

    No.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

    No.

6. The nature of the change request:

    a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

    No.

    b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

    Yes.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**Yes, relatively to SEPA Instant Credit Transfer Scheme.**
Is the change request underpinned by a cost-benefit analysis?	**No.**
Does the change fit into the strategic objectives for SEPA?	**Yes. The change request increases the attractiveness of the SCT Inst instrument as it introduces a new settlement model having the potential to attract new markets and facilitate the adoption of the SCT Inst scheme.**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes. The feasibility of its implementation is also confirmed from its adoption in CSM serving non-euro markets (i.e. SWISH for the Swedish community)**
Do you consider that the change request does not impede SEPA-wide interoperability?	**This change request does not affect the SEPA-wide interoperability.**
Do you consider that the change request is in the scope of the scheme involved?	**Yes, as the change request is in line with the scope of the SEPA Instant Credit Transfer scheme by providing an alternate settlement model which benefits from the existing messages and data sets.**

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

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#06

Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

Name of contributor:	**Scheme Evolution and Maintenance Working Group (SEMWG)**
Organisation:	**EPC**
Address:	
Contact details:	
Your reference:	**#06 -All schemes-EPC-provision of structured address of the payment end-user**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**16 June 2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 - effectiveness date of all **2023** SEPA payment scheme rulebooks: SEPA payment scheme participants must be able to support structured addresses when provided by the payment end user and/ or the scheme participant; **and**

16 November 2025 - effectiveness date of all **2025** SEPA payment scheme rulebooks: payment end users can only provide structured addresses in their electronic Customer-to-PSP files at least based on the relevant EPC Customer-to-PSP Implementation Guidelines; and all Inter-PSP SEPA payment messages must contain a structured address (where applicable).

1.2. Description of the change request:

The global payment market evolves towards more transparency, and this applies also to addresses. Consequently, customer and reference party addresses will get structured in high value as well as in international payments, on an optional basis from November 2022 and mandatorily from end 2025.

The first part of the suggestion is **to allow** payment end users to send a **structured** address of

- The payer (i.e. the Originator in SCT and SCT Inst transactions, and the Debtor in SDD Core and SDD B2B transactions); and/or
- The payee (i.e. the Beneficiary in SCT and SCT Inst transactions, and the Creditor in SDD Core and SDD B2B transactions)

in electronic Customer-to-PSP files at least based on the relevant EPC Customer-to-PSP Implementation Guidelines for SCT, SCT Inst, SDD Core and SDD B2B transactions **as of November 2023.** From that same date, also SEPA payment scheme participants are allowed to provide structured addresses in their inter-PSP SEPA payment messages and r-transactions.

In view of the above, the second part of the suggestion is that as of the November 2023 SEPA payment scheme rulebooks, all scheme participants must be able to support the delivery of structured addresses when payment end users and scheme participants want a structured address in their outgoing and incoming SEPA payment transactions. From November 2023 onwards, scheme participants cannot reject SEPA payment transactions only due to the inclusion of a structured address. The use of an unstructured address will still be possible and supported by the SEPA payment schemes until November 2025.

The period between November 2023 and November 2025 should be used by payment end users to upgrade their payment-related systems/applications and to organise the migration from the use of unstructured to structured addresses in their databases to avoid a big bang migration in November 2025 and possible rejects of SEPA payment transactions.

The third part of the suggestion is that **as of the November 2025 entry-into-force date** of all SEPA payment scheme rulebooks, the use of the structured address will become **mandatory** for Inter-PSP SEPA payment messages where applicable, and for payment end users when they send electronic Customer-to-PSP files based at least on the relevant EPC Customer-to-PSP Implementation Guidelines. The use of an **unstructured** address will **no longer be allowed and will hence lead to rejects**.

The EPC will issue guidelines and other communication material where relevant for scheme participants, payers and payees on how to submit a correct structured address in a SEPA payment transaction as of November 2025.

The provision of structured addresses in the SEPA payments is based on the ISO 20022 "Postal Address" and must comply with following requirements:

- Data element "Address Line" **must not be used**
- Data elements "Country" and "Town Name" **must be used**
- All other 12 data elements may be used depending on the components of the address.

Guidance for the provision of the ISO 20022 "Postal Address" based on the community practices is provided by the PMPG (SWIFT Payment Market Practice Group) that maintains a "SWIFT ISO20022 Structure Postal Address" to be found on its website.

During the transition period up to November 2025 in which payment end users and scheme participants can start to move to the use of structured addresses, the current input of addresses with 2 occurrences of the unstructured address element "Address Line" associated with the structured address element "Country" will continue to be accepted.

The phased approach for payment end users to move to the exclusive use of structured addresses as of November 2025 is based on the following grounds:

- Such change requires analyses of and implementation preparations for multiple SEPA payment and non-payment related applications and databases at the (corporate) SEPA payment end-users.
- To allow the (corporate) payment end-users to align the implementation of this change for SEPA payments with the changes they must do for the migration of the SWIFT MT messages to ISO 20022 standard-based XML messages following the Cross-border Payments and Reporting Plus (CBPR+) specifications, at the latest by November 2025.
- The possible supportive EPC decision on this change request to be taken and publicly announced in April-May 2022 gives all payment end users up to three-and-a-half years' lead-time to assess the impact of this change and to conduct the necessary implementations.

With the exclusive use of structured addresses as of November 2025, the SEPA payment schemes will be aligned with the deadline set for the use of the structured address under the CBPR+ specifications. These specifications define how ISO 20022 should be used for cross-border payments and cash reporting on the SWIFT network. The SWIFT community decided to move cross-border and correspondent banking from SWIFT MT messages to ISO 20022 standard-based XML messages by November 2025.

The use of structured addresses in SEPA payment transactions, gives the potential to reduce errors in payment processing, regulatory screening, and reconciliation, thereby increasing the straight-through-processing of SEPA payment transactions.

Proposed changes to the 2023 SEPA payment scheme rulebooks:

Important: amended specifications to the optional provision of a structured address of the Payer and of the Payee will also be reflected in the mandatory 2023 Customer-to-PSP and Inter-PSP Implementation Guidelines of each concerned SEPA payment scheme rulebook.

A. SCT rulebook

4.6 Business Requirements for Attributes

Identification:	AT-03
Name:	**The address of the Originator**
Description:	The information should reflect the address of the account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

Identification:	AT-22
Name:	**The address of the Beneficiary**
Description:	The address of the Beneficiary as supplied by the Originator. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

B. SCT Inst rulebook

4.6 Business Requirements for Attributes

Identification:	AT-03
Name:	**The address of the Originator**
Description:	The information should reflect the address of the Payment Account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

Identification:	AT-22
Name:	**The address of the Beneficiary**
Description:	The address of the Beneficiary as supplied by the Originator. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

C. SDD Core rulebook

4.8.6 AT-05 – The Address of the Creditor

Description:	The address of the Creditor as forwarded to the Debtor. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

4.8.10 AT-09 - The Address of the Debtor

Description:	The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

D. SDD B2B rulebook

4.8.8.6 AT-05 – The Address of the Creditor

Description:	The address of the Creditor as forwarded to the Debtor. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

4.8.10 AT-09 - The Address of the Debtor

Description:	The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. This attribute can be provided in a structured format following the specifications set out in the documents referred to in section 0.5.1. *Important: the Rulebook entering into force in November 2025 will prescribe the exclusive use of a structured address. From that point in time onwards, the transmission of an unstructured address will no longer be allowed.*

Proposed changes to the <u>2025</u> SEPA payment scheme rulebooks:
<u>Important:</u> amended specifications to the provision of the address of the Payer and of the Payee will also be reflected in the mandatory **2025** Customer-to-PSP and Inter-PSP Implementation Guidelines of each concerned SEPA payment scheme rulebook.

A. SCT rulebook

4.6 Business Requirements for Attributes

Identification:	**AT-03**
Name:	**The address of the Originator**
Description:	The information should reflect the address of the account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

Identification:	**AT-22**
Name:	**The address of the Beneficiary**
Description:	The address of the Beneficiary as supplied by the Originator. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

B. SCT Inst rulebook

4.6 Business Requirements for Attributes

Identification:	**AT-03**
Name:	**The address of the Originator**
Description:	The information should reflect the address of the Payment Account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator PSP or the Beneficiary PSP is located in a non-EEA SEPA country or territory. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

Identification:	**AT-22**
Name:	**The address of the Beneficiary**
Description:	The address of the Beneficiary as supplied by the Originator. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

C. SDD Core rulebook

4.8.6 AT-05 – The Address of the Creditor

Description:	The address of the Creditor as forwarded to the Debtor. <u>This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.</u>

4.8.10 AT-09 - The Address of the Debtor

Description:	The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.

In the Annex VII of the SDD Core rulebook, the description of the attributes AT-05 and AT-09 will include an extension "This attribute must be in a structured format.".

D. SDD B2B rulebook

4.8.8.6 AT-05 – The Address of the Creditor

Description:	The address of the Creditor as forwarded to the Debtor. This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.

4.8.10 AT-09 - The Address of the Debtor

Description:	The address of the Debtor as registered by the Creditor. Only mandatory when the Creditor PSP or the Debtor PSP is located in a non-EEA SEPA country or territory. This attribute must be in a structured format. Specifications for this structured format are outlined in the documents referred to in section 0.5.1.

In the Annex VII of the SDD B2B rulebook, the description of the attributes AT-05 and AT-09 will include an extension "This attribute must be in a structured format.".

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change will impact all SEPA payment scheme participants and payment end-users.

2. Impact on the inter-PSP space:

Yes. Such change requires analyses of and implementation preparations for multiple SEPA payment and non-payment related applications and databases at the SEPA payment scheme participants.

3. Impact on other payment stakeholders:

Yes. Such change requires analyses of and implementation preparations for multiple SEPA payment and non-payment related applications and databases at the (corporate) payment end-users.

In their payment files, they will have to provide their SEPA payment scheme participants with structured addresses about payers and payees.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Yes.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact.

6. The nature of the change request:

    a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

    Yes.

    b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

    No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES. It aligns the specifications of a structured address about the payer in SEPA payment transactions with the CBPR+ transactions. One single structured address format will be used for SEPA and CBPR+ transactions.
Is the change request underpinned by a cost-benefit analysis?	NO. But it is in line with international standardization efforts to structure ordering customer data in payments.
Does the change fit into the strategic objectives for SEPA?	YES. The use of structured addresses in SEPA payment transactions can further reduce errors in payment processing, regulatory screening, and reconciliation. This should increase the straight-through-processing of SEPA payment transactions.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES. SEPA payment scheme participants and (corporate) end-users already using SWIFT MT messages must move to the delivery of structured addresses for international payments by November 2025 at the latest. The implementation period of up to 3,5 years should give payment end-users sufficient time to determine the resources needed to accomplish this change.
Do you consider that the change request does not impede SEPA-wide interoperability?	NO.
Do you consider that the change request is in the scope of the scheme involved?	YES.

Template for Proposing a Change Request in a SEPA Payment Scheme

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#08

Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

Name of contributor:	**Scheme Evolution and Maintenance Working Group (SEMWG)**
Organisation:	**EPC**
Address:	
Contact details:	
Your reference:	**#08 -All schemes-EPC- Clarifications on charges**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**16 June 2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

19 November 2023 – effectiveness date of all 2023 SEPA payment scheme rulebooks.

1.2. Description of the change request:

Following the situation created by Brexit as of 1 January 2021, the EPC Secretariat proposes some clarifications regarding the charging policies applied by Scheme Participants on SEPA credit transfer and direct debit transactions to/from non-EEA SEPA countries (now including the UK).

The basis and level of charges are entirely out of the scope of the SCT(Inst) and SDD(B2B) payment schemes' Rulebooks, and they are subject to PSPs' commercial charging policies, which depending on where the PSP(s) involved in the transaction is/are located, are subject to applicable law.

For intra-EEA SEPA transactions occurring between PSPs located in different EEA countries, these policies are subject to Regulation (EC) 924/2009 (i.e., the cross-border regulation) requiring that charges for cross-border payments within the EEA are the same as those for payments of the same value and in the same currency within a (EEA) Member State.

This is not the case for transactions to/from a PSP located in a non-EEA SEPA country (the full list of which is available on the EPC website), which being third countries from the European law perspective are not subject to the provisions of the cross-border regulation. Accordingly, charges within and to/from a non-EEA SEPA country remain only subject to applicable national law and the relevant transparency and information requirements between scheme Participants and their customers under the SCT(Inst) and SDD(B2B) payment schemes' Rulebooks.

For clarification purposes, the following changes to all Rulebooks are suggested:

1) **SCT rulebook**

Section 4.2.4 – Charging Principles
Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are determined by each Participant in accordance with applicable law and are entirely a matter for individual Participants and their Customers.

2) **SCT Inst rulebook**

Section 4.2.4 – Charging Principles
Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are determined by each Participant in accordance with applicable law and are entirely a matter for individual Participants and their Customers.

3) SDD Core rulebook

<u>Section 4.3.5 – Charging Principles</u>
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 determined by each Participant in accordance with applicable law and are entirely a matter for individual Participants and their Customers.

4) SDD B2B rulebook

<u>Section 4.3.5 – Charging Principles</u>
Charges to Business 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 Business Customers are determined by each Participant in accordance with applicable law and are entirely a matter for individual Participants and their Business Customers.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

No. The charging principles as such do not change. This change request is a clarification.

2. Impact on the inter-PSP space:

No impact.

3. Impact on other payment stakeholders:

No impact.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No impact.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact.

6. The nature of the change request:

   a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

   Yes.

   b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

   No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES.
Is the change request underpinned by a cost-benefit analysis?	NO. Not necessary.
Does the change fit into the strategic objectives for SEPA?	YES.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES. This change request is a clarification.
Do you consider that the change request does not impede SEPA-wide interoperability?	YES.
Do you consider that the change request is in the scope of the scheme involved?	YES.

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

EPC 058-20
Version 2.0
14 September 2020

#11

Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

Name of contributor:	Maria Brogren
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Contact details:	info@npcouncil.org
Your reference:	N/A
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook
Request Date:	June 14th 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

To be included in the SCT and SCT Inst 2023 version.

1.2. Description of the change request:

This request describes the suggestion to add Alias and Proxy as **optional** attributes in the SCT and SCT Inst Scheme to be used in DS-01 Customer-to-PSP SEPA Credit Transfer Information, DS-02 Inter-PSP Payment Dataset and DS-03 Reject or Return SEPA Credit Transfer Dataset.

The Alias and Proxy should be included on both Debtor and Creditor account side as an **optional attribute**, it is not replacing the IBAN it is in **addition to the IBAN**. An Alias or Proxy can be used both on Debtor side when the Originator uses an Alias or Proxy in relation to the Debtor account in the payment initiation and on the Creditor side using an Alias or Proxy to identify the Creditors account instead of using an IBAN.

The background for this request is that in the Nordic payment market, it is common that an 'Alias' or 'Proxy' is used to identify an Originator's and/or a Beneficiary's account. Therefore, ISO 20022 elements in the Debtor Account and Creditor Account sections are utilized in order to enable Originators to initiate their payment from – and to - an 'Alias' or 'Proxy' instead of an IBAN, and for Beneficiaries to still be able to collect payments through an 'Alias' or 'Proxy' instead of their IBAN.

In the use cases where an Alias or Proxy are used there will be both an IBAN and Alias or Proxy provided in the Inter-PSP message from the Originator PSP to the Beneficiary PSP.
The reason for including the additional Alias/Proxy attribute in the inter-PSP messaging is to allow the Alias or Proxy, used by the Originator, to be used by the Beneficiary PSP in order to supply the Alias or Proxy in communication with the Beneficiary, if the Alias or Proxy service requires it.

The Originator PSP will have to be able to resolve the Alias or Proxy provided by the Originator into an IBAN and associated BIC to be provided in the inter-PSP message to the Beneficiary PSP since it should be possible for the Originator to provide only an Alias or Proxy in the payment initiation message.

Instant payments are increasing, and it could be larger demand for the use of Alias and Proxy within Europe going forward. The use of Alias or Proxy will make it easier for the customer to make a payment without having the IBAN of the Beneficiary. The IBAN will be the master key in the payment, Alias and Proxy will be a complement to help the Originator to make payments in an easy, safe and efficient way no matter channel the payment is initiated through.

We would also like to address the alignment with the SRTP Scheme where there is a CR sent in in for version 2.0 of the SRTP Scheme in relation to Alias and Proxy, to be able to have the Alias/proxy, instead of IBAN, as the Identifier of the Payee in the RTP message presented to the Payer. This shows very clear that the is a need for Alias and Proxy in relation to a payment going forward.

1.3. Wherever possible, please indicate:

1.   Impact on the Scheme in general:

The addition of an Alias or Proxy will always be in combination of an IBAN in the inter-PSP message, it will always be the IBAN that is mandatory and the main element. These attributes will be optional.

The addition of Alias and Proxy will impact both the SCT and SCT Inst Rulebook where these definitions will be added as attributes and explained in a context. It will also impact the SCT and SCT Inst Customer-to-PSP Implementation guidelines as well as the SCT and SCT Inst Inter-PSP Implementation guidelines and customer reporting in the end.

Potential Business benefits

In countries where Beneficiary PSP is not allowed to disclose the IBAN number to the Beneficiary, the attribute Alias/Proxy that is connected to the IBAN can be used. In these situations these attributes are important to use in relation to recall etc.

In the Inter-PSP space, if a customer makes a payment from an Alias/Proxy then this should be transferred via the whole chain to be presented to the Beneficiary.
The Originator PSP look-up the Alias/Proxy and translate it into an IBAN.
In certain counties where local Bank secrecy laws have limitations, the Originators IBAN will not be presented to the Beneficiary but having the Alias/Proxy it can then be presented instead of IBAN on incoming payments. For return and positive response to recall this will be necessary and valuable information.

2.   Impact on the inter-PSP space:

The addition of Alias or Proxy attributes and elements has been accepted by the Nordic Payments Council for the first edition of the NPC Credit Transfer and NPC Instant Credit Transfer Scheme Rulebook. NPC usage is described in the NPC Credit Transfer and Instant Credit Transfer Scheme Inter-PSP Implementation Guideline in the Debtor Account and Creditor Account sections.

For ease of use, National Account Number Structure (BBAN) can be treated as an Alias, too. New attributes have been added to handle the rules regarding 'Alias' and 'Proxy': AT-25 for Beneficiary Alias/Proxy and AT-11 for Originator Alias/Proxy. These attributes are included in DS-01, DS-02 and DS-04 in the NCT and NCT Inst Rulebook.

Therefore, it is suggested that these attribute AT-11 Originator Alias/Proxy and AT-25 for Beneficiary Alias/Proxy, is added in the SCT and SCT Inst Rulebooks as part of DS-01 (Customer-to-PSP Credit Transfer Information), DS-02 (The Inter-PSP Payment Dataset) and DS-04 (The PSP-to-Customer Credit Transfer Information).

Definition of Alias and Proxy in the NCT and NCT Inst Schemes:

Alias: A pseudonym that allows to uniquely identify the Beneficiary account or Originator account or alternatively the Beneficiary or Originator. The conversion is done through a lookup in the directory used for that specific alias.

Alias is generated by the Beneficiary PSP or Originator PSP and given to the Beneficiary or Originator. The Beneficiary or Originator can request a change of their own Alias at any given time, the directory is updated with the change. The Alias, e.g. Swedish Bankgiro number, can be stated on the Beneficiary's invoices together with the structured reference as a payment instruction to be used by the Originator.

Proxy: A pseudonym that allows to uniquely identify the Beneficiary account or Originator account or alternatively the Beneficiary or Originator. The conversion is done through a lookup in the directory used for that specific Proxy. **Proxy is not generated by the Beneficiary PSP or Originator PSP but rather chosen by the Beneficiary or Originator** – as long as it acceptable by the given standards. The Beneficiary or Originator can change their own Proxy at any given time, the directory is updated with the change.

3. Impact on other payment stakeholders:

Alias and Proxy are already used in many communities around Europe mostly in relation to mobile payments and it has been used in Nordics for many years. In the Nordics this is a well-known part of the payment infrastructure. For the communities such as the Nordics that already use Alias/Proxy this is a prerequisite for being able to use and follow the NPC payments schemes (that are based on and vision is to align with SCT and SCT Inst Schemes) but for communities that do not yet use Alias/Proxy this could be a new opportunity.

For the SCT and SCT Inst Schemes this would be an additional feature. For the Nordics that already use Alias and Proxy for account to account payments and has included the elements in the NPC payment schemes, this would be an opportunity to align the NPC payment schemes with EPC payment schemes for the use of Alias/Proxy.

It could be added that these elements are already included in the Target specification for FIToFICustomerCreditTransferV08 (pacs.008.001.08) used for non-euro settlement models, that are based on the ISO 2019 version.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

SCT and SCT Inst Inter-PSP Implementation Guidelines:
The ISO 2019 version opens for new elements for Alias/Proxy to be used. When EPC migrates to ISO 2019 version in 2023, it opens for use of these new elements for Alias and Proxy. NPC suggests that these elements are optional and yellow to be part of the core mandatory subsets of elements for both SCT and SCT Inst Inter-PSP Implementation guidelines.

Details about the elements in pacs 008.001.08 (Credit account):

∨ 🖧 Creditor Account	0	1
⟩ 🔧 Identification	1	1
⟩ 🔧 Type	0	1
⟩ ☰ Currency	0	1
☰ Name	0	1
∨ 🖧 Proxy	0	1
∨ 🔧 Type	0	1
☰ Code	1	1
☰ Proprietary	1	1
☰ Identification	1	1

When adding Proxy there is a choice to use either Code (external listed ISO codes) or Proprietary. Both options should be present, and it should be possible to choose between these options.

Details about the elements in pacs 008.001.08 (Debtor account):

∨ 🖧 Debtor Account	0	1
⟩ 🔧 Identification	1	1
⟩ 🔧 Type	0	1
⟩ ☰ Currency	0	1
☰ Name	0	1
∨ 🖧 Proxy	0	1
∨ 🔧 Type	0	1
☰ Code	1	1
☰ Proprietary	1	1
☰ Identification	1	1

SCT and SCT Inst Customer-to-PSP Implementation Guidelines:

Details about the elements in pain 001.001.09 for Debtor account:

⌄ 🔗 Debtor Account	1	1
〉 🔀 Identification	1	1
〉 🔀 Type	0	1
〉 ☰ Currency	0	1
☰ Name	0	1
⌄ 🔗 Proxy	0	1
⌄ 🔀 Type	0	1
☰ Code	1	1
☰ Proprietary	1	1
☰ Identification	1	1

Details about the elements in pain 001.001.09 for Creditor account:

⌄ 🔗 Creditor Account	0	1
〉 🔀 Identification	1	1
〉 🔀 Type	0	1
〉 ☰ Currency	0	1
☰ Name	0	1
⌄ 🔗 Proxy	0	1
⌄ 🔀 Type	0	1
☰ Code	1	1
☰ Proprietary	1	1
☰ Identification	1	1

Recommendation on Customer Reporting SCT and SCT Inst:

Information about element Proxy need to be reflected and included in the customer reporting as well pointing to the new attribute for Alias or Proxy.

5.   Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact identified.

6.   The nature of the change request:

   a.   **A change** (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

   b.   A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

The suggestion is to make Alias and Proxy an optional element and attribute in DS-01, DS-02 and DS-04 in existing Schemes.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**Yes, for both SCT and SCT Inst Schemes**
Is the change request underpinned by a cost-benefit analysis?	**This has been analysed positively for the Nordic market since it will enhance the information of a payment.**
Does the change fit into the strategic objectives for SEPA?	**Yes, this will enable all information connected to a payment to be transmitted through the entire payment process. The alias or proxy used by an Originator when initiating the payment will be transmitted in a structured way to the Beneficiary.**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes, the element will be optional to use.**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes, the element will be optional and IBAN will still be the main identifier of the inter-PSP message.**
Do you consider that the change request is in the scope of the scheme involved?	**Yes, since this is a valuable part of the payment value chain.**

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

EPC 058-20
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14 September 2020

#12

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Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

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Your reference:	N/A
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook
Request Date:	June 14th 2021
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

To be included in the SCT and SCT Inst 2023 version.

1.2. Description of the change request:

Allowing for a **hyperlink or external sources** to be referenced in a SCT and SCT Inst Credit Transfer. The suggestion is to open for the usage of a hyperlink **(URL)** to be included in the remittance information, both on a single SCT or SCT Inst but also in a SCT including ERI-option.

The suggestion is to allow pointers/references to external sources. The current chosen standard in the Rulebook does not support pointers/references to external sources of information. In the current version of the Rulebook, the chosen model is to carry all information within the payment message which is not always sufficient.

Since the society in general is striving to get more data to support an even more automatic way of carrying out various business processes, this suggestion would give the advantage to attach more information to the payments. By adding a reference to an external source to avoid having a large payment message. This would be used to provide e.g. salary specifications, receipt, and other types of information like images, etc. Today information is often sent by other channels (e-mail etc.) in addition to the payment message to complete the need information about the payment to the Beneficiary. To include pointers/references to external source the needed additional information will be included together with the payment which will be a great benefit to have all in one place.

Examples of use-cases and scenarios:

Scenario	Description	Solution
Salary	The Employer wants to enclose a secure clickable link to a personal salary specification of the Employee= Beneficiary	Unique URL to the salary specification – accessible with personal secure ID only
Securities trading/stock trading	The Beneficiary have sold stocks. The deposit is made on the bank account with a secure clickable link to the settlement note	Unique URL to the settlement note shown in the account statement– accessible with personal secure ID only
Refund	Possibility to enclose a link to information on what the refund concern.	The deposit is made on the bank account with a unique

		link to a document describing the reason for the refund
Structured data	The Beneficiary wants a lot of structured information/data related to the payment to be downloaded electronically – i.e. from a machine/system which is not the ERP system.	The deposit is made on the bank account with a link to data (details) which is structured in xml standard. The data can be downloaded by the Beneficiary's machine/system without manual involvement

It will cater for future possibilities to build completely new services on both the outgoing and incoming side as well as in the business systems.

Legal and security aspects:
When a hyperlink is added in the payment information, the liability is on the Originator/Originator PSP but on the other hand this has not be discussed in detail and need further legal investigation. This to guarantee that the link is pointing at a trustworthy and secure environment that can be accessed by the Beneficiary via the Beneficiary's PSP without providing any risk for any of the parties of accessing e.g. malware, abusive information and any risk related to exposing sensitive data. Hence an agreement needs to be in place between Originator and the Originator's PSP before the Originator is granted access to adding hyperlinks in the payment information.

Character Set:
In SCT and SCT Inst Inter-PSP Implementation Guidelines there is a restriction under section 1.4 Character Set saying that content must not start or end with a'/' and must not contain '//', this would have to be changed in order to include a hyperlink in the payment message.

We would also like to address the importance of alignment with SRTP Scheme and the need to be able to fully support all attributes in relation to SCT and SCT Inst.

1.3. Wherever possible, please indicate:

1.   Impact on the Scheme in general:

Enhancing the possibility to add additional information to a payment by sing a hyperlink. This will be a new optional Attribute. This new Attribute will affect Originator, Originator PSP, Beneficiary PSP and Beneficiary, it is used.

2. Impact on the inter-PSP space:

Making the element **Related Remittance Information core subset, but optional**. It would also mean that the hyperlink will need to be handle in a careful way and all security related to the hyperlink as well as storage need to be handled.

3. Impact on other payment stakeholders:

Positive impact since more information could be transmitted within the payment message, for the purpose of being forwarded to the Beneficiary.

It will also have a positive impact on participants in the SRTP Scheme, as this enables to have the information secured between SRTP and following Credit Transfer.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Suggestion to use element **Related Remittance Information** for this purpose. This is a white element in SCT and SCT Inst Inter-PSP IG 2021 version and not part of the core mandatory subsets and need **to be changed to a core subset (but optional).**
This element can be carried in all messages (pain.001, pacs.008, camt.05X etc)
It is a structured description of, for example, an URL making it tailored for machine consumption but also for other purposes and it follows the strong trend towards using structured information instead of free text for information that by its nature is structured.

SCT Inter-PSP IG (2021 version):
The hyperlink needs to be included in the Credit transfer message pacs.008

| 2.102 | 0..1 | FITo FICustomer Credit Transfer V02 +Credit Transfer Transaction Information ++Related Remittance Information | ISO Name ISO Definition | Related Remittance Information Set of elements used to provide information related to the handling of the remittance information by any of the agents in the transaction processing chain. |
| | | | XML Tag Type | RltdRmtInf RemittanceLocation2 |

SCT Inst Inter-PSP IG (2021 version):
The hyperlink needs to be included in the Instant Credit transfer message pacs.008

| 2.89 | 0..1 | FITo FICustomer Credit Transfer V02 +Credit Transfer Transaction Information ++Related Remittance Information | ISO Name ISO Definition | Related Remittance Information Set of elements used to provide information related to the handling of the remittance information by any of the agents in the transaction processing chain. |
| | | | XML Tag Type | RltdRmtInf RemittanceLocation2 |

<u>SCT and SCT Inst Customer-to-PSP (2021 version):</u>
The hyperlink needs to be included in the payment initiation message, pain.001 too.

2.136	0..1	Customer Credit Transfer Initiation V03 +Payment Information ++Credit Transfer Transaction Information +++Related Remittance Information	ISO Name	Related Remittance Information
			ISO Definition	Set of elements used to provide information related to the handling of the remittance information by any of the agents in the transaction processing chain.
			XML Tag	RltdRmtInf
			Type	RemittanceLocation2

Recommendation on customer reporting SCT and SCT Inst:
The same Attribute for Related Remittance Information need to be added in reporting messages camt052, camt053 and camt054.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

Added legal rules with regards to the responsibility for the Originator PSP on behalf of the Originator for the external source and link being secure and unchangeable.

6. The nature of the change request:

   a. **<u>A change</u>** (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

   b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

The hyperlink should be added as an optional element in existing Schemes.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**Yes, for both SCT and SCT Inst Schemes**
Is the change request underpinned by a cost-benefit analysis?	**This has been analysed positively for the Nordic market since it will enhance the information of a payment.**
Does the change fit into the strategic objectives for SEPA?	**Yes, this will enable more information connected to a payment to be transmitted through the entire payment process.**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes, the element will be optional to use.**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes, the element will be optional to use.**
Do you consider that the change request is in the scope of the scheme involved?	**Yes, since enabling more information to be transmitted within the payment message.**

Template for Proposing a Change Request in a SEPA Payment Scheme

EPC 058-20
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14 September 2020

#14

Public

Approved

European Payments Council

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

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Your reference:	**2021-EPC-cgi-pain.002**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: **EPC125-05 2021 SEPA Credit Transfer Rulebook** **EPC004-16 2021 SEPA Instant Credit Transfer Rulebook** **EPC016-06 2021 SEPA Direct Debit Core Rulebook** **EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook**
Request Date:	**22.6.2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

Nov 2023 together with the ISO change and switch on pain.002.001.10

1.2. Description of the change request:

Pain.002.001.10 should be compliant with Swift cgi-MP standard, published in MyStandards CGI-MP_CustomerPaymentStatusReportV10_pain.002.001.10 (swift.com)

Therefore following adaption should be made for all pain.002 (SCT, SDD and SCT-Inst) together with the ISO change:

1. For the Reject pain.002: allow also PART as a valid Status on PaymentInf-Level and on Group-Level. At the moment only RJCT is possible according to the IG

2.6	0..1	Customer Payment Status Report V03 +Original Group Information And Status ++Group Status	*SEPA Rulebook* *SEPA Usage Rule(s)*	AT-R1 Type of R-message. 'Group Status', 'Payment Information Status' or 'Transaction Status' must be present with the code 'RJCT'.
			ISO Name	Group Status
			ISO Definition	Specifies the status of a group of transactions.
			XML Tag	GrpSts
			Type	TransactionGroupStatus3Code
			SEPA Code Restrictions	
			RJCT	*Rejected* *Payment initiation or individual transaction included in the payment initiation has been rejected.*

2. Allow also Additional Info (on all statuses) for Status RJCT and ACWC to express more details to the Reject or changes (in ISO for example the Additional Info is mandatory for the ReasonCode NARR). At the moment the Additional Info is only a white marked field

3.22	0..n	Customer Payment Status Report V03 +Original Payment Information And Status ++Transaction Information And Status +++Status Reason Information ++++Additional Information	ISO Name ISO Definition	Additional Information Further details on the status reason. Usage: Additional information can be used for several purposes such as the reporting of repaired information.
			XML Tag	AddtlInf
			Type	Max105Text
			ISO Length	1 .. 105
			SEPA Length	*1 .. 105*

3. Allow also as an option – in addition to Reject – a positive pain.002 with following statuses
   - ACTC technical acceptance
   - ACCP Acceptance customer profile
   - ACWC Acceptance with changes
   - ACSC Acceptance Settlement creditor completed
   - ACCC Creditor credited – final Status – only for SCT-Instant

CGI-MP pain.002
V10 status code mat

The level of status see Swift cgi market practice:

4. Change for IG SCT Instant the final status in the pain.002 from ACCP into ACCC to be compliant with ISO extended code list

ExternalPaymentTransactionStatus1Code

		Identification			Status			
	Code	Name	Definition	Origin/Requester	Status	Status Date	Introduced Date
1	ACCC	AcceptedSettlementCompletedCreditorAccount	Settlement on the creditor's account has been completed.	CR0654/SWIFT	Updated	May 2020	March 2018
2	ACCP	AcceptedCustomerProfile	Preceding check of technical validation was successful. Customer profile check was also successful.	CR0574/SWIFT	New	January 2017	8 February 2017
3	ACFC	AcceptedFundsChecked	Preceding check of technical validation and customer profile was successful and an automatic funds check was positive.	CR0768/Berlin Group	New	February 2019	February 2019
4	ACIS	AcceptedandChequeIssued	Payment instruction to issue a cheque has been accepted, and the cheque has been issued but not yet been deposited or cleared.	CR0975/SWIFT	New	May 2021	May 2021
5	ACSC	AcceptedSettlementCompletedDebitorAccount	Settlement completed. Usage : this can be used by a Market Infrastructure reporting to Infrastructure Participant or an Account Servicer to Account Owner to report that the transaction account entry has been completed. Warning : this status is provided for transaction status reasons, not for financial information. It can only be used after bilateral agreement	CR0574/SWIFT CR0849/SWIFT	Updated	August 2020	8 February 2017
6	ACSP	AcceptedSettlementInProcess	All preceding checks such as technical validation and customer profile were successful and therefore the payment instruction has been accepted for	CR0574/SWIFT CR0849/SWIFT	Updated	August 2020	8 February 2017
7	ACTC	AcceptedTechnicalValidation	Authentication and syntactical and semantical validation are successful	CR0574/SWIFT	New	January 2017	8 February 2017
8	ACWC	AcceptedWithChange	Instruction is accepted but a change will be made, such as date or remittance not sent.	CR0574/SWIFT	New	January 2017	8 February 2017
9	ACWP	AcceptedWithoutPosting	Payment instruction included in the credit transfer is accepted without being posted to the creditor customer's account.	CR0653/TCH	New	May 2017	May 2017

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

   Low – only additional option with positive pain.002

2. Impact on the inter-PSP space:

   No, only Customer-Bank

3. Impact on other payment stakeholders:

   With a new ISO version all stakeholders need to make technical adaptions, so no further Impact. More options will be available

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

   Yes adaption to all IG pain.002

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

   No

6. The nature of the change request:

   a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

Only small impact on IG Customer-Bank

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**yes**
Is the change request underpinned by a cost-benefit analysis?	**New added value to send positive payment status**
Does the change fit into the strategic objectives for SEPA?	**Be compliant with international Swift-cgi Market practice**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**yes**
Do you consider that the change request does not impede SEPA-wide interoperability?	**yes**
Do you consider that the change request is in the scope of the scheme involved?	**yes**

Template for Proposing a Change Request in a SEPA Payment Scheme

EPC 058-20
Version 2.0
14 September 2020

#15

Public

Approved

European Payments Council

European Payments Council AISBL
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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

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Your reference:	HMS
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook ~~EPC016-06 2021 SEPA Direct Debit Core Rulebook~~ ~~EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook~~
Request Date:	
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

To be included in the SCT and SCT Inst 2023 version.

1.2. Description of the change request:

Suggestion in this change request is to accept that it is allowed to return a different euro amount than originally received in case of recalls/RFRO. The difference we refer to in this CR is not related to a fee but due to the fact that the currency exchange rate has changed. We believe that this will increase the number of positive responses to a Recall/RFRO from non-euro SEPA countries in addition to increase the number of returns based on recalls/RFRO. Whether PSP will add a fee has not been considered in this CR – the focus is on the returned amount.

This change request refers equally to:
a) DS-06 Answer to a Recall of SEPA Credit Transfer Dataset
a. AT-46 The returned amount of the positive answer to the Recall in euro

b) DS-08 Dataset for the Response to the Request for Recall by the Originator
a. AT-53 The returned amount of the positive answer to the Request for Recall by the Originator in euro

Change in DS 06, AT-46 and DS-08, AT-53:
If the beneficiary account is nominated in another currency than euro, the returned amount in euro may differ from the original amount in euro due to a change in the currency exchange rate from the time of crediting the beneficiary account to the time of returning the amount. The timespan here can be up to 15 days and even 13 months if it was a fraud. In this example we use DUPL. The returned amount could be higher or lower than the original amount due to the exchange rate. To "even out" this difference simply by using a fee is not realistic.

This so-called fee will be different every time and could be rather high if the exchange rate differs to a great extent and the original SCT message was a large amount. If the exchange rate has changed in the direction of a currency gain and not a loss it would not be possible to use the AT 47/ AT 53 either since the fee amount always has to be higher than 0.

The suggestion presented in DS 06 is presented below:

AT number	Description	Original Euro amount in SCT recall / The returned amount in Euro	Example based on beneficiary having an account in Norwegian kroner	
DS-02	An exact copy of the original Inter-PSP Payment dataset (DS-02) which is being recalled	100.000	1.020.000 (exchange rate: 1 eur =10,20 NOK)	The original SCT message received at date D

R7	The specific reference of the Originator PSP initiating the Recall	Reference of the Originator PSP (end-to-end)		
AT 46	The returned amount of the positive response to the Recall in euro	98.076	Exchange rate changed: 1 eur =10,40 and the amount is reduced with EUR 1924	
R8	The settlement date for the positive response to the Recall		This date is D+15 or maximum 15 days after the original SCT	
AT 47	The fee for the positive response to a Recall in euro	0	In this example there is no fee	
R1	The type of "R" message*	FOCR		
R2	The identification of the type of party initiation the "R" message*	Originator		

* Note: Attribute AT-R1 'The type of R-message' is implied by the 'Message Name', 'pacs.004.001.02', the 'Original Message Name Identification' set to 'pacs.008.001.02' and 'Reason' under 'Return Reason Information' set to 'FOCR'.

Arguments to do this are:

- Will make it much easier for the beneficiary bank in non-euro SEPA countries to give a positive response to a recall
- Will mean much better traceability for Originator bank and Originator
- Will be relevant whenever an OLO scheme /Rules should be defined

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general: **Both SCT and SCT Inst**

2. Impact on the inter-PSP space: **Yes**

3. Impact on other payment stakeholders: **Yes**

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards): **Possibly? May want to inform about the original exchange rate (at the time of crediting the beneficiary) which will require a new free text field (new AT)**

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No

6. The nature of the change request:

a. ~~A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)~~

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**Yes**
Is the change request underpinned by a cost-benefit analysis?	**No**
Does the change fit into the strategic objectives for SEPA?	**Yes**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes**
Do you consider that the change request is in the scope of the scheme involved?	**Yes**

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

EPC 058-20
Version 2.0
14 September 2020

#17

Public

Approved

**Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021**

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Your reference:	**UETR**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**25.06.2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):
November 2023

1.2. Description of the change request:
Enable possibility to pass through UETR on an optional basis. Uniqueness simplifies backend processes.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

n/a

2. Impact on the inter-PSP space:

At least receive UETR.

3. Impact on other payment stakeholders:

n/a

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

New field (already incorporated in version 2019).

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No.

6. The nature of the change request:

   a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

YES

   b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**Could be reused for other upcoming schemes such as RTP.**
Is the change request underpinned by a cost-benefit analysis?	**No**
Does the change fit into the strategic objectives for SEPA?	**Yes**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes. From a xml scheme perspective it is incorporated in version 2019 anyway.**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes**
Do you consider that the change request is in the scope of the scheme involved?	**Yes. Technical reference which makes tracking easier. No legal impact.**

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

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#18

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

Name of contributor:	**Swiss Financial Center**
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Your reference:	**pain.001 Inst**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**25.06.2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

November 2023

1.2. Description of the change request:

Definition of a code/element in pain.001, which allows the debtor bank to reroute an unsuccessful Instant Payment to SCT automatically, if requested by the debtor by this code. E.g. Instruction Priority.

1.3. Wherever possible, please indicate:

1.   Impact on the Scheme in general:

Brings STC and STC Inst closer towards SCT Inst as "new normal".

2.   Impact on the inter-PSP space:

None.

3.   Impact on other payment stakeholders:

Indication of this code.

4.   Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

New attribute and/or code.

5.   Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No.

6.   The nature of the change request:

  a.   A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

YES

  b.   A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**No, SCT Inst C2B only.**
Is the change request underpinned by a cost-benefit analysis?	**No**
Does the change fit into the strategic objectives for SEPA?	**Yes, moves SCT Inst on client side further to "new normal".**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes, C2B message based only.**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes**
Do you consider that the change request is in the scope of the scheme involved?	**Yes**

Template for Proposing a Change Request in a SEPA Payment Scheme

#20

**Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021**

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Your reference:	**Creditor Reference**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**25.06.2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

November 2023

1.2. Description of the change request:

Change in definition of structured remittance information in Customer to PSP and Inter PSP messages:

- Element Issuer filled with "ISO" than the element "Reference" must be filled with ISO 11649 reference.

- Element Issuer filled with any other information than "ISO", the element "Reference" can include any reference

- Element Issuer not used: current definition.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

n/a

2. Impact on the inter-PSP space:

Validation of reference structure according ISO 11649 necessary if issuer = ISO.

3. Impact on other payment stakeholders:

Higher automation rate of incoming payment reconciliation for the creditor.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

Changes in the child element definition of structured remittance information.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No.

6. The nature of the change request:

    a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

YES

b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	**SCT / SCT Inst schemes**
Is the change request underpinned by a cost-benefit analysis?	**No**
Does the change fit into the strategic objectives for SEPA?	**n/a**
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	**Yes**
Do you consider that the change request does not impede SEPA-wide interoperability?	**Yes**
Do you consider that the change request is in the scope of the scheme involved?	**Yes**

Proposal for a Change Request in a SEPA Payment Scheme

#22

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Responses by e-mail to change-request.EPC-scheme@epc-cep.eu by 30 June 2021

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Your reference:	**EPI Change Request to the EPC**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook **EPC004-16 2021 SEPA Instant Credit Transfer Rulebook** EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**June 30th, 2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

ASAP.

1.2. Description of the change request:

Change Request background / Rationale

The European Payment Initiative (EPI), contributor of this Change Request, foresees a Pan-European Payment Solution which will support two main payment product types:

- Payment cards-based
- End-to-end SCTInst-based

Both types of products would rely on a common European financial settlement platform in EUR based on the EPC SCTInst Rulebook and the related Implementation Guidelines. This would allow ASPSPs in Europe to use a common model for the financial settlement of all their EPI transactions in EUR (card-based transactions, instant credit transfers, instant payments between individuals, instant payments of individuals at the Point of Interaction, etc.).

This approach would, furthermore, be in line with the EU Commission and the European Central Bank´s objectives to improve the reachability of SCTInst Scheme´s participants in Europe. As a matter of fact, the ECB has already taken steps to ensure pan-European reach of instant payments by the end of 2021.

To reduce the number of obstacles that may hamper this objective, EPI has decided to rely as much as possible on existing specifications, rules, guidelines and procedures already adopted by the payment industry in Europe to reach a frictionless funds transfer process, as defined by the EPC SCTInst Scheme Rulebook and the related Implementation Guidelines.

Whilst the whole SCTInst model could actually be used for the financial settlement of the transactions made with the two types of products mentioned above, **a major constraint has been identified when applying the current set of EPC Rules and Guidelines for SCTInst to some use cases of those EPI products**.

Today's card activities for the acquisition of payment transactions are, in most of the EPI communities, in the hands of intermediary PSPs (namely Acquirers and Issuers) acting between Payment Service Users and Originator PSPs or Beneficiary PSPs. Those actors, who would play the roles of either Originator or Beneficiary in the EPC SCTInst Scheme Rulebook, may or may not hold a bank license.

Nevertheless, should those participants hold a bank license, they would not act in their role of ASPSP but as an Acquirer or Issuer on behalf of their respective customers and this exclusively for card-related activities.

The definition of "Customer" in the SCTInst Scheme Rulebook excludes specifically ASPSPs and, therefore, scheme participants, from playing the role of either an Originator or a Beneficiary in a SCTInst transaction.

Scheme participants must, however, be in the position to act as Customers when they don't play the role of ASPSP. For example, when a PSP, being a scheme participant, pays its electricity bill, it doesn't act as an ASPSP, but rather as a Customer.

Given the fact that some non-bank acquirers could legitimately claim to play the role of Beneficiary according to the SCTInst Rules, and that ASPSP PSPs could be excluded from this role because of their specific status as banks, a non-level playing field situation between these two types of actors (non-ASPSP and ASPSP) would be generated.

Both EPI card-based products and End-to-end (hereinafter, E2E) SCTInst-based products would benefit from adapting the current definition of "Customer" to include ASPSPs scheme participants in their role of intermediaries and, in so doing, give also a lot more flexibility to Issuer, Acquirer, Consumer PSP, and Merchant PSP in deciding together with their respective customers how and when they would be debited and/or credited and this, not necessarily, in real time.

Allowing those scheme participants to play such an intermediary role in both scenarios would also avoid the application of a rule of the SCTInst Scheme which foresees that a Beneficiary (for both cases – cards and E2E SCTInst-based transactions - a Merchant if no intermediary were allowed) will have to receive funds instantly (within seconds).

Since some merchants may request to be able to continue receiving from their PSPs batches of transactions at their own discretion (and so, not necessarily in real time or when the transactions are settled), this intermediary step would allow the Beneficiary PSP to credit the Merchant PSP (Creditor) instantly whilst giving all the flexibility to the Merchant (Ultimate Creditor) to be credited by its Merchant PSP (Creditor) for the total amount of all individual transactions received upfront and transmitted at once in the form of a batch.

By being outside of the ruling framework of SCTInst in the relationship "Merchant PSP – Creditor" and "Merchant – Ultimate Creditor", both parties would be able to adopt any types of agreements and arrangements related to the actual moment in which the Merchant wants to be paid or refunded, and this not necessarily "instantly".

The following diagrams show the different scenarios addressed in the present proposal for a Change Request:

1) EPC SCTInst current scenario
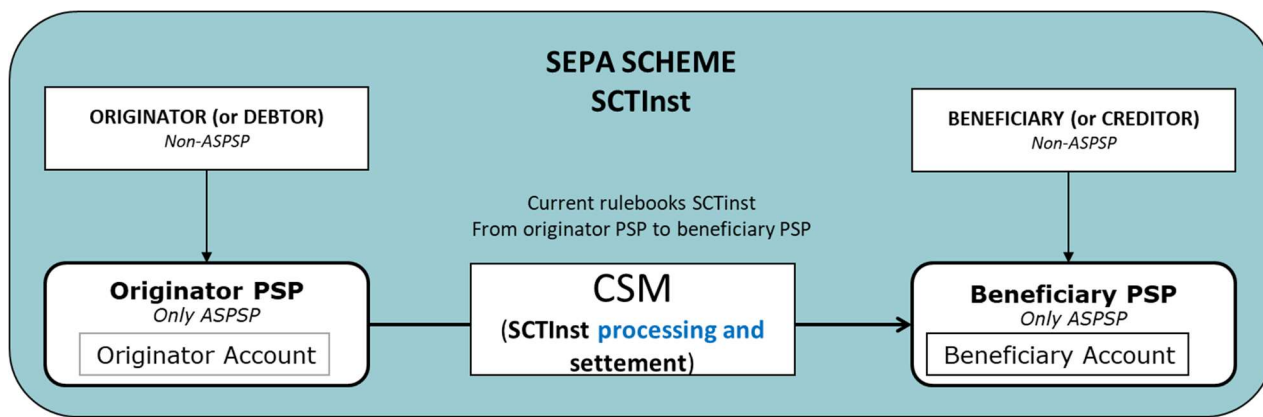
### 2) Change Request Proposal: Scenario for an EPI card-based transaction

The following diagram outlines a scenario where both the Issuer and Acquirer are respectively acting as Originator and Beneficiary for the transfer of funds on behalf of their respective customers. **The relationship between the Issuer (Debtor/Originator) and Acquirer (Creditor/Beneficiary) and their customers (respectively Ultimate Debtor and Ultimate Creditor) is <u>defined outside of the SCTInst Scheme rules</u>**.
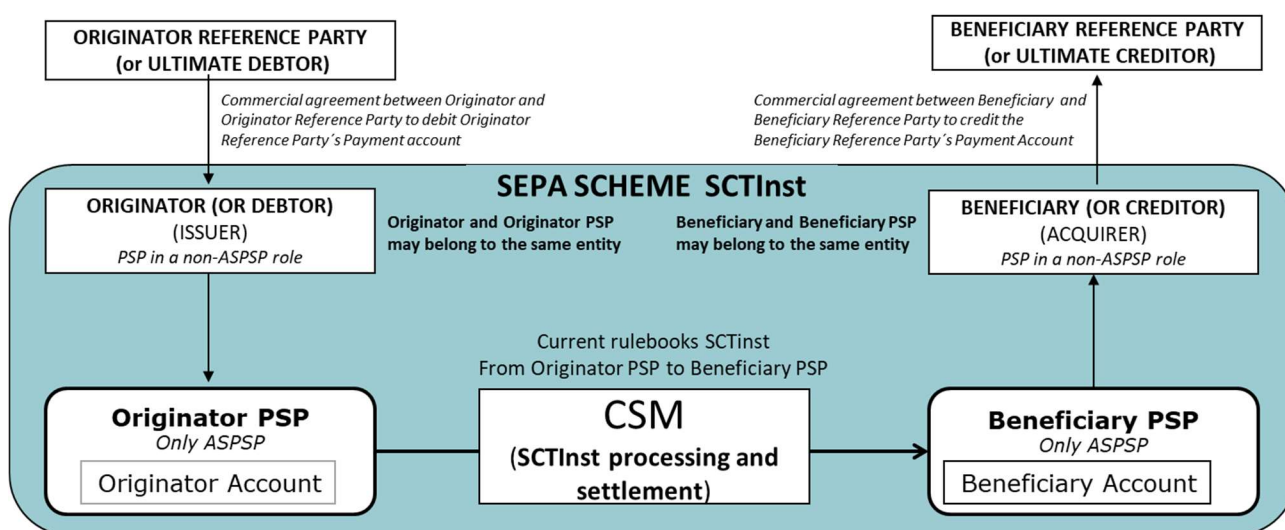
3) Change Request Proposal: Scenario for an EPI E2E SCTInst-based transaction

The following diagram outlines a scenario where both the Consumer PSP and Merchant PSP are respectively acting as Originator and Beneficiary for the transfer of funds on behalf of their respective customers. **The relationship between the Consumer PSP (Debtor/Originator) and Merchant PSP (Creditor/Beneficiary) and their customers (respectively Ultimate Debtor and Ultimate Creditor) is <u>defined outside of the SCTInst Scheme rules</u>**.
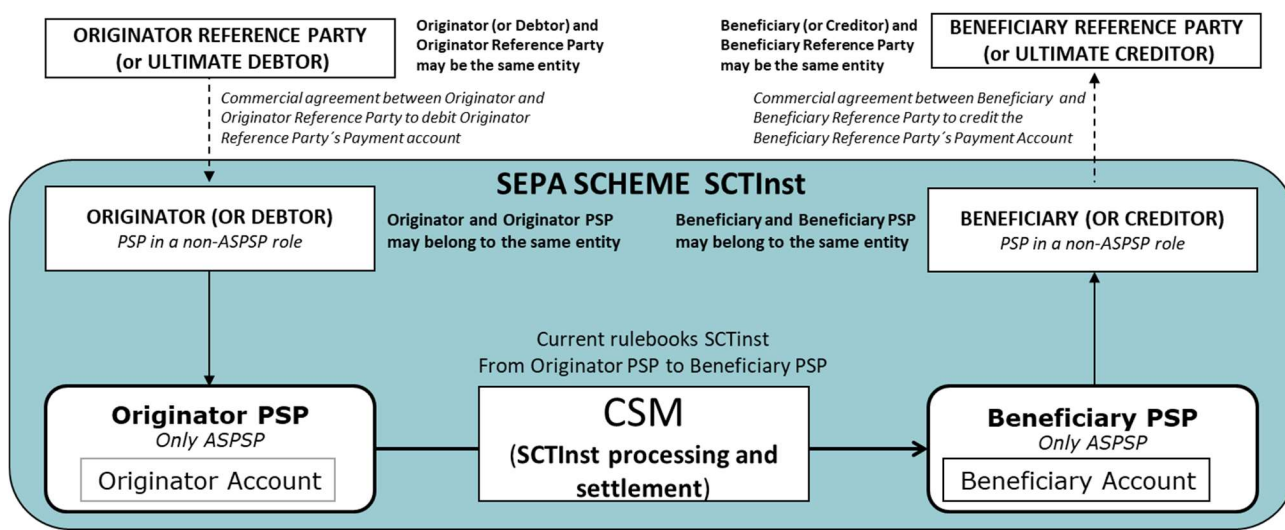
Change Request Proposal

The proposal implies an adaptation of the definition of "Customer" that exists in the current version of the SCTInst Rulebook (Version 2021), which reads:

> *Customer definition in the EPC SCT Inst Rulebook 2021:*
> *"A physical or legal entity that is not active in the business of providing Payment Accounts used for the execution of payments and that is therefore not eligible for scheme participation. Such entity can take up the role of Originator and/or Beneficiary under the Scheme.*

Since an Acquirer, an Issuer, a Consumer PSP and a Merchant PSP could actually act as an entity active in the execution of payments for other types of activities, a slightly revised definition of "Customer" could read:

> *Proposed revised Customer definition in the EPC SCT Inst Rulebook:*
> *"A physical or legal entity in a role different than that of providing Payment Accounts used for the execution of payments. Such entity can take up the role of Originator and/or Beneficiary under the Scheme."*

Consumer and Cardholder would be both referred to as Ultimate Debtor and Merchant as Ultimate Creditor by the EPC SCTInst Implementation Guidelines and are represented as such in the above diagrams.

1.3. Wherever possible, please indicate:

1.   Impact on the Scheme in general:

No impact on the EPC SCTInst Scheme, only on the definition of "Customer" which, as it is today, prohibits ASPSPs scheme participants to act as Originators and Beneficiaries on behalf of their respective customers (Cardholder, Consumer, Merchant).

The proposed change would allow EPI to use SCTInst for the financial settlement of all card-based and E2E SCTInst-based transactions in Europe by relying on a common platform for all those transactions.

2.   Impact on the inter-PSP space:

No impact. See below for PSPs.

3.   Impact on other payment stakeholders:

The proposal would allow any Account Servicing Payment Service Provider (mostly credit institutions according to Regulation (EU) 575/2013)), to act as Originator and Beneficiary of a SCTInst for the benefit of their Payment Service Users, for both card-based SCT Inst transactions and E2E SCT Inst-based transactions.

In their specific role, those Originators and Beneficiaries would act as "Customers", as any other non-ASPSPs which are today allowed to play this role, according to the current EPC definition.

An absence of amendment of the current definition of "Customer" would, therefore, create some form of discrimination between those non-ASPSPs and ASPSPs actors.

4.   Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

The proposed change to the Customer definition (which, as it has been explained, excludes today some ASPSPs scheme participants) would not have any impact on the EPC SCT Inst Implementation Guidelines. It would only imply a slight change in the wording of the "Customer" definition in the SCT Inst Rulebook.

5.   Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No impact on the legal rules of the EPC SEPA Payment Scheme Rulebooks.

6. **The nature of the change request:**

    a. **A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)**

    Proposed change : A change (amendment) to the "Customer" definition, which is restricted today to a physical or legal entity that is excluded from the business of providing Payment Accounts used for the execution of payments.

2. Elements of evaluation

Is the change request a case for SEPA wide adoption?	Yes. This change would allow some major pan-European payment initiatives (EPI being one of them) to deploy massively SCTInst for all types of payment transactions.
Is the change request underpinned by a cost-benefit analysis?	There is no specific cost-analysis at this stage carried out, but the expected massive deployment of SCTInst for all types of payment transactions would allow those transactions to be performed at a reduced/marginal cost at an EU level.
Does the change fit into the strategic objectives for SEPA?	It certainly fits into the strategic objectives of the European Commission, the European Central Bank and the whole payment industry to deploy SCTInst massively at the EU level.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	A change to the "Customer" definition or the adoption of a related variant in covering an existing definition appears to be in line with the strategic objectives of the payment industry and the expectations of the EU regulators to deploy SCTInst at an European-wide basis, and it doesn´t have any impact in the existing EPC SCT Inst Implementation Guidelines.
Do you consider that the change request does not impede SEPA-wide interoperability?	On the contrary, the proposed change request should facilitate a wider and faster SEPA interoperability and acceptability in Europe and facilitate all types of cross-border payments (both card and non-card based)
Do you consider that the change request is in the scope of the scheme involved?	We see no major obstacle to adopt the proposed change request and this without affecting the scope of the scheme involved.

Template for Proposing a Change Request in a SEPA Payment Scheme

European Payments Council

EPC 058-20
Version 2.0
14 September 2020

#23

Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

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Your reference:	
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**30.06.21**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

The launch date will be consistent with the timeline of the publishing of the updated rulebooks of SEPA Instant Credit Transfer (SCT Instant) Scheme and SEPA Direct Debit (SDD) B2B Scheme considering the change requests received from stakeholder groups, which are envisaged to be released in May 2022.

1.2. Description of the change request:

The Global Legal Entity Identifier Foundation (GLEIF) would like to make a change request to the SDD B2B Scheme and SCT Instant Credit Transfer Scheme. In line with the objectives of the European Payments Council (EPC) to automate SCT Inst based on open standards, GLEIF suggests that the EPC considers mandating the LEI in both SDD B2B Scheme and SCT Instant Credit Transfer Scheme for scheme participants to harmonize the identification standards and practices within these schemas and thereby reduce frictions, manual intervention and reconciliation costs.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Including the LEI as a mandatory field for scheme participants in SDD B2B and SCT Instant schemes would be a minor change to the schemes from a technical implementation perspective for scheme participants; however, including the LEI will bring significantly enhanced efficiency to the payment message exchange and reconciliation. Thanks to the LEI, the Originator PSP and Beneficiary PSP identities under the SCT Inst; and Debtor PSP and Creditor PSP under the SDD B2B Scheme, respectively, will be precise in the payment transactions. The LEI will enable an automated way of entity identification of scheme participants, substantially reduce human intervention and improve cost efficiency for all participants in the payment process. GLEIF will elaborate on the reasoning in the following sections.

2. Impact on the inter-PSP space:

GLEIF suggests that mandatory inclusion of the LEI will positively impact the inter-PSP space as the LEI will improve the efficiency of inter-PSP payment message exchange.

GLEIF would like to point out that both the International Bank Account Number (IBAN) of the originator/beneficiary/creditor/debtor and Business Identifier Code (BIC) of the PSP in SCT Instant are not sufficient to provide accurate and unambiguous information for verifying the payment participants in a payment chain. GLEIF would like to remind EPC that BICs are not a source of unique legal entity identification like the LEI. BICs also are assigned to sub-divisions within a legal entity, such as departments, branches, and trading desks. For example, a financial institution might have hundreds of subsidiaries worldwide, and the subsidiaries might also have many sub-divisions. However, the BIC assigned to the sub-divisions does not enable the identification of the affiliated legal entities.

On the contrary, a specific legal entity can only have one LEI. Therefore, the current situation does not facilitate straight-through processing of payment messages exchange, often leads to recalls, canceling and human intervention, especially for cross-border transactions. Therefore, it is crucial

to add the LEI of the Originator/Beneficiary/Debtor/Creditor PSP in payment messages in addition to the BIC code.

Furthermore, over time, as the population of LEIs of non-financial companies increases as recommended by the European Systemic Risk Board, the LEI could be mandated for the originator/beneficiary/creditor/debtor to track precisely the identity of the exact entities who participate in the payment transactions.

GLEIF would like to comment on the PT-02.02 – Mandate Amendment Procedures under the SDD B2B schema. According to the "Mandate Amendment Procedures", the Creditor has an obligation to inform the amendments of the Mandate that are of concern for the Creditor PSP or the Debtor PSP, including the changes in the Creditor Identifier or the Creditor name. GLEIF suggests that this notification process could be straightforward and seamless if the LEI is required from the Creditor. With the Creditor's LEI, the Creditor PSP/Debtor PSP can easily verify and validate the changes on the Creditor with a single call to the GLEIF API, which is open and free to use. Since the LEI reference data includes a "Change History", Creditor PSP/Debtor PSP can track the reference data changes regarding this Creditor in an automated and quick way.

The addition of the LEI primarily for Creditor/Debtor PSPs and then for Creditor/Debtor in the SDD B2B schema can enhance the efficiency of message exchange and reduce manual intervention and costs for inter-PSP message exchange and reconciliation.

3.   Impact on other payment stakeholders:

GLEIF would like to highlight that the Global LEI System is free to use, open, and easily accessible database that users would be able to connect with 24/7 operating hours. The LEI connects to key reference data that provides the information on a legal entity identifiable with an LEI: the official name of the legal entity as recorded in the official registers, the registered address of that legal entity, the country of formation. The Global LEI System links with the local business registries that might be proprietary and in different character sets. Instead of navigating through various access points and languages, the Global LEI System allows consumers to conduct quick due diligence in a trusted way. With the Global LEI System, consumers could also easily know and verify with whom they are transacting.

The importance of easy and quick due diligence across borders is crucial for the debtors/creditors/originators/beneficiaries who utilise the SDD B2B scheme to transfer funds. For example, Dr. Franz Kaiser, Head of Treasury Reporting & Middle Office, Finance FTR at Airbus commented that "*Corporates need to be able to transparently identify counterparties when making and processing payments. This is challenging when dealing with legal entities in different jurisdictions. Airbus payment and KYC processes could be eased if transaction counterparties could easily be uniquely identified, alongside their ultimate beneficiary owners. LEI usage in cross-border payments would bring significant benefits to corporates globally*."

The inclusion of the LEI in SDD B2B and SCT Instant schemes would positively impact all payment stakeholders and the payments ecosystem.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

GLEIF welcomes the inclusion of the LEI as an optional data field in the 'Financial Institution Identification' within the Customer Credit Transfer Initiation dataset in the SCT Instant scheme. From the perspective of technical implementation, including the LEI as a mandatory data element in the SDD B2B scheme and SCT Instant scheme would be a minor technical update to the message standards being used by participants. The GLEIF API enables users to automate access to the LEI and its reference data and is a globally accepted protocol for accessing identity information for legal entities, including the basic business card (level 1) data and corporate hierarchy (level 2) data. Moreover, the LEI is already mapped with identifiers such as BIC and International Securities Identification Number (ISIN) codes. It gives developers access to the full LEI Data search engine functionality, including filters, full-text and single-field searches of legal entities and ownership data.

In addition, the interoperability of the Global LEI System would add extra value to the implementation of SEPA schemes in line with the migration to ISO 20022. The LEI has already been included in the ISO 20022 messaging standard and made mandatory by several ISO 20022 market infrastructures in the process of migration. For example, the Bank of England will require all financial institutions to report their LEI for transactions in the Enhancement Phase of incorporating ISO 20022 to the Clearing House Automated Payment System (CHAPS) by 2024. By mandating the use of the LEI, the market participants will see a smoother transition and efficient implementation of ISO 20022 incorporation to the domestic payment systems in all SEPA countries. Therefore, GLEIF invites the EPC to contribute to this revolutionary change in the payments landscape and support the creation of a more effective payments ecosystem by requiring the LEI for the SDD B2B scheme and SCT Instant scheme participants.

For ensuring a smooth transition, the EPC could consider a phased approach, where (Stage 1) the LEI is added into the schema and coexist with other identifiers that are being used today, (Stage 2) phase-out process for other identifiers gets launched, and (Stage 3) the LEI becomes mandatory and is assigned as the identifier for unique identification of payment participants. The last Stage (Stage 4) could be that the participants without the LEI are rejected from participating in the schema. Assigning reasonable timeframes for each Stage could facilitate the adoption of the LEI.

Lastly, GLEIF would like to remind that the LEI is no stranger to the SEPA scheme participants. GLEIF found out that 90% of SEPA Credit Transfer, 95% of SEPA Credit Transfer Instant, and 93% of SEPA Direct Debit Core scheme participants already have an LEI.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

Including the LEI as mandatory in the SDD B2B scheme and SCT Instant scheme would not have an impact on the legal rules as defined in chapter 5 of the EPC SDD B2B Scheme and SCT Instant Rulebooks.

6. The nature of the change request:

   a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

The change request of including the LEI as mandatory in the SDD B2B scheme and SCT Instant scheme would be adding the LEI, the only global standard for legal entity identification based on an open data regime, to be applied for identifying firstly Creditor/Debtor/Originator/Beneficiary PSPs and then creditor/debtor/originator/beneficiary through a reasonable phased approach.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	Yes.
Is the change request underpinned by a cost-benefit analysis?	Yes. The above change request would require minimum technical updates from SDD B2B and SCT Instant scheme participants. Under the GLEIF's Validation Agent model, debtors/creditors/originators/beneficiaries have the opportunity to get an LEI free of charge from the Validation Agent financial institutions that they have a banking relationship. As the number of Validation Agents increases, all these parties will have the opportunity to get an LEI free of charge and through a seamless experience.
Does the change fit into the strategic objectives for SEPA?	Yes. The above change request would help to achieve the strategic objectives of SEPA in having a harmonised, easily accessible, cost-efficient and secure electronic euro payments across Europe.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes.
Do you consider that the change request does not impede SEPA-wide interoperability?	The inclusion of the LEI would not impede SEPA-wide interoperability, but rather enhance the interoperability by leveraging the linkage of the Global LEI System with national business registers and mapped identification systems such as the BIC code.
Do you consider that the change request is in the scope of the scheme involved?	Yes.

Template for Proposing a Change Request in a SEPA Payment Scheme

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#25

Public

Approved

Responses by e-mail to change-request.EPC-scheme@epc-cep.eu
by 30 June 2021

Name of contributor:	**Scheme Evolution and Maintenance Working Group (SEMWG)**
Organisation:	**EPC**
Address:	
Contact details:	
Your reference:	**#25 -All Schemes-EPC-Changes to the SEPA Payment Scheme Management Rules**
Scheme and document and version number:	Highlight which EPC SEPA Scheme Rulebook(s) this change request relates to: EPC125-05 2021 SEPA Credit Transfer Rulebook EPC004-16 2021 SEPA Instant Credit Transfer Rulebook EPC016-06 2021 SEPA Direct Debit Core Rulebook EPC222-07 2021 SEPA Direct Debit Business to Business Rulebook
Request Date:	**30 June 2021**
For information:	This template is provided by EPC to allow any person or organisation to submit a change request for making a change to the SEPA Payment Schemes in accordance with the rules set out in the document 'SEPA Payment Scheme Management Internal Rules' available on the EPC Website: https://www.europeanpaymentscouncil.eu/document-library/rulebooks/sepa-payment-scheme-management-rules

1. General Description of the Change Request

1.1. Suggested launch date (if any):

End April 2023 with the entry into force of the new composition of the Payment Scheme Management Board (PSMB).

1.2. Description of the change request:

Each SEPA payment scheme rulebook contains an Annex II covering the SEPA Payment Scheme Management Rules ('Internal Rules'). The Internal Rules contain among others the Scheme Management Board (SMB) composition rules.

The EPC suggests the following changes to the Internal Rules:

- The SMB (to be renamed into PSMB – 'Payment Scheme Management Board', in light of the creation of new payment-related schemes managed by the EPC) shall be composed of up to **22** (instead of 20) representatives of Payment Scheme Participants (nominated by an individual National Community of Payment Scheme Participants or a "coalition" of National Communities of Payment Scheme Participants)[1], subject to reaching individually or on a consolidated basis **3.5%** (instead of 5%) of the following composition criterion: the total volume of credit transfers and direct debits of all national communities included with the geographical scope of the Schemes (sources: ECB "Blue Book" for EU countries and national central banks for non-EU countries).

  Any "excess of share" above (a multiple of) 3.5% cannot be contributed to a (another) "coalition".

- At least 1 seat shall be reserved for Payment Institutions **and** 1 seat shall be reserved for Electronic Money Institutions (even if they fail to reach the 3.5% threshold) (instead of 1 common seat for Payment Institutions and Electronic Money Institutions);

- A cap of **4** (instead of 3) seats per National Community from the euro area and 1 (unchanged) seat per National Community from outside the euro area shall apply;

- The Scheme Evolution and Maintenance Working Group (SEMWG) will be renamed into Payment Scheme Evolution and Maintenance Working Group (PSEMWG).

These proposed changes would enter into effect as of the entry-into-force date of the new composition of the Payment Scheme Management Board (PSMB) scheduled at the **end of April 2023**.

1.3. Wherever possible, please indicate:

1. Impact on the Scheme in general:

Yes. This change will impact the composition of the future Payment Scheme Management Board (PSMB).

2. Impact on the inter-PSP space:

No.

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[1] Note: The maximum composition of 25 members remains unchanged, i.e., up to 22 members representing Payment Scheme Participants and 3 Independent Members, including the Chair.

3. Impact on other payment stakeholders:

No.

4. Impact on the message standards (SEPA Scheme Implementation Guidelines and other standards):

No.

5. Impact on the legal rules as defined in chapter 5 of the EPC SEPA Payment Scheme Rulebooks:

No.

6. The nature of the change request:

    a. A change (an existing Rulebook element is deleted, amended or replaced by a new one, or a complete new Rulebook element is added alongside the existing Rulebook elements)

    Yes.

    b. A variant (adding an alternative – optional – rule alongside an existing Rulebook element)

    No.

2. Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the EPC to make an evaluation of the change request submitted.

Is the change request a case for SEPA wide adoption?	YES. It does not affect the day-to-day processing of SEPA transactions nor the business and technical rules of each scheme.
Is the change request underpinned by a cost-benefit analysis?	NO. Not necessary.
Does the change fit into the strategic objectives for SEPA?	YES. It enables a balanced and inclusive representation in the PSMB of all types of PSPs.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	YES.
Do you consider that the change request does not impede SEPA-wide interoperability?	NO.
Do you consider that the change request is in the scope of the scheme involved?	YES.