



SEPA DIRECT DEBIT

SCHEME RULEBOOK

Abstract	This document defines the SEPA Direct Debit Scheme Rulebook.
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Preface to the Rulebook

The publication of this SEPA Direct Debit Scheme Rulebook (the ‘Rulebook’) is an important milestone in the creation of the Single Euro Payments Area (‘SEPA’). This Rulebook will serve as the basis for the payment industry within SEPA to develop and implement products and services that allow their customers to make payments by direct debit as easily across SEPA tomorrow as they do within their local market today.

The European Payments Council (‘EPC’) wishes to ensure that the SEPA Direct Debit Scheme (the ‘Scheme’) will be operational from the start of 2008, and that achieving this launch date remains realistic and achievable by all parties.

This version 2.2 differs from previous versions 2.0 and 2.1 on account of the inclusion of SEPA Scheme Management arrangements in the Rulebook and the requirement to make related changes to Chapter 5 and the draft Adherence Agreement. Version 2.2 will be the baseline version for planned implementation in January 2008.

The Scheme has been designed to be capable of evolution to permit the development of features to satisfy future needs. Following consultation among national banking communities, the EPC Plenary decided at its meeting in December 2005 to separate the core Scheme as set out in versions 2.0, 2.1 and 2.2 of the Rulebook from a subsequent phase of work that will be completed in December 2006. Building on the core Scheme the following additional requirements have been studied and the recommendations were approved by the September Plenary.

- A second process for mandate submission through the Debtor Bank
- Support for business-to-business direct debits

These new features have been incorporated in a version 3.0 of the Rulebook, to be presented to the Plenary in December 2006 for approval for national consultation (on the new features only) with the aim of submitting a final version for approval at the March 2007 Plenary.

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0 DOCUMENT INFORMATION

0.1 References

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

	Document Number	Title	Issued by:
[1]	EPC075-06	Scheme Management Governance ¹	EPC
[2]	EPC170-05	Framework for the Evolution of the Clearing and Settlement of Payments in SEPA – Including the Principles for SEPA Scheme Compliance and Re-statement of the PE-ACH Model (“PE-ACH/CSM Framework”)	EPC
[3]	EBS 204 (ISO 13616)	IBAN: International Bank Account Number (Standard) ²	EPC
[4]	ISO 3166	Country Codes	ISO
[5]	ISO 4217	Currency Code List	ISO
[6]	ISO 9362	Bank Identifier Codes (BIC)	ISO
[7]	EPC029-06	SEPA Data Model	EPC
[8]	EPC261-06	Risk Mitigation in the SEPA Direct Debit Scheme Version 2.2 ¹	EPC
[9]	TR 211	National Direct Debit Schemes in Europe	ECBS
[10]	May 2002 White Paper	Euroland: Our Single Payment Area!	EPC
[11]	EPC114-06	SEPA Direct Debit Scheme Implementation Guidelines	EPC

0.1.1 Defined Terms

This Rulebook makes reference to various defined terms which have a specific meaning in the context of this Rulebook. In this Rulebook, a defined term is indicated with a capital letter. A full list of defined terms can be found in Chapter 7 of this Rulebook.³

¹ Restricted distribution

² It is intended to reference the ISO Standard as soon as the revision, currently under ballot, is approved.

³ Change 06/081

0.2 Change History

Issue number	Dated	Reason for revision
V1.0	01/09/2005	First reading at September 2005 Plenary, and national consultation thereafter.
V2.0	22/02/2006	Approved at 8 March 2006 Plenary.
V2.1	15/09/2006	Approved at 27 September 2006 Plenary.
V2.2	13/12/2006	Approved at 13 December 2006 Plenary.

0.3 Purpose of Document

The EPC made the decision to develop a set of scheme rules when it accepted and approved the Roadmap 2004-2010 at its December 2004 Plenary meeting.

The development of the Scheme was treated as a primary and priority objective, along with the creation of a SEPA Credit Transfer Scheme and a SEPA Cards Framework. The EPC vision is to create a set of core payment instruments to be provided by banks to their consumer and corporate customers within SEPA.

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

The objectives of the Rulebook are:

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

Following adoption by EPC, the Rulebook will be made available as a basis for systems and product development throughout its community, in preparation for scheme pilots and subsequent operational adoption.

0.4 About the EPC

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

The vision for the SEPA was formulated in 2002 at the time of the launch of EPC, when some 42 banks, the three European Credit Sector Associations (‘ECSAs’) and the Euro Banking Association (‘EBA’) came together and, after an intensive workshop, released the White Paper (reference [10]) in which the following declaration was made and subsequently incorporated into the EPC Charter:

"We, the European banks and European Credit Sector Associations:

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

The definition of SEPA is part of the EPC Roadmap as approved by the December 2004 Plenary. SEPA will be the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within Europe (currently defined as consisting of the 25 European Union ('EU') member states plus Iceland, Norway, Liechtenstein and Switzerland), whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location.

The SEPA will be delivered as a priority within the Eurozone. Within SEPA, but outside the Eurozone, there will be opportunities to participate in euro payment systems, and communities will be able to adopt SEPA standards and practices to contribute to the single market for payment services.

0.5 Other Related Documents

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

0.5.1 SEPA Data Model

The complete data requirements for the operation of the Scheme are classifiable according to the SEPA Data Model which recognises the following layers:

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

This Rulebook focuses on the business process layer and appropriate elements of the logical layer. Further required elements of the logical layer and the specification of the physical layer, including message standards are specified in the SEPA Data Model (reference [7]).

The SEPA Data Model (reference [7]) describes and specifies in detail the three layers and inter alia their application to the Scheme. The SEPA Data Model constitutes a binding supplement to the Rulebook. The Implementation Guidelines (reference [11]) are also a binding supplement to the Rulebook.

0.5.2 PE-ACH/CSM Framework

The PE-ACH/CSM Framework document (reference [2]) establishes the principles on which CSMs will support the schemes for credit transfer and direct debit on the basis of separation between the Scheme and relevant CSMs. The document referred to provides an update and clarification of the PE-ACH concept, building on work already completed by the EPC. The Roadmap 2004-2010 enshrined the principle that scheme and infrastructure should be separated and therefore the PE-ACH/CSM Framework forms an important complementary document.

0.5.3 SEPA Scheme Management⁴

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

SEPA Scheme Management can be divided into two functions. The first function involves managing the development and evolution of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules.

0.5.4 SEPA Scheme Management - Development and Evolution⁴

The development and evolution function shall be performed by the EPC Plenary, supported by existing working and support groups or by such other groups as it may establish from time to time. The EPC Plenary shall perform the development and evolution function in accordance with such procedures as are established by the EPC from time to time.

The EPC Plenary shall implement formal governance and management structures and processes for fostering dialogue, development and the creation of new schemes in SEPA. Document(s) (reference [1]) describe the delineation of responsibilities between the EPC Plenary and its working and support groups, the Participants and others as applicable.

0.5.5 SEPA Scheme Management - Administration and Compliance⁴

The administration and compliance function shall be performed by a Scheme Management Committee to be established by the EPC in accordance with the EPC Charter ("SMC"). The SMC shall perform the administration and compliance function in accordance with such procedures as are established by the EPC from time to time.

The SMC shall be responsible for the promotion and management of compliance, for the implementation of the adherence process as well as for the ongoing management of the Scheme. Document(s) (reference [1]) describe the delineation of responsibilities between the SMC, the Participants and others as applicable.

⁴ Change 06/107

0.5.6 Adherence Agreement

The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is annexed. It might be necessary to adjust the Adherence Agreement depending upon the final text of the EPC document(s). The Rulebook and Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the EPC. The procedure for joining the Scheme is set out in Chapter 5.

1 VISION & OBJECTIVES

1.1 Introduction

The Scheme provides a set of inter-bank rules, practices and standards which will allow the banking industry in SEPA to offer a core and basic direct debit product to customers. As a result, all core direct debits, whether ‘domestic’ or ‘cross-border’, will be provided on the same essential conditions and modalities throughout SEPA.

1.2 Vision

- The Scheme establishes a set of inter-bank rules practices and standards for direct debits in euro in SEPA.
- It thereby provides the basis for a direct debit product which will provide customers of bank-provided payment services (individuals, small and medium sized enterprises, corporates and government entities) with a straightforward instrument possessing the necessary reliability, predictable execution time and reach.
- Direct debits within SEPA will be able to be processed under the conditions of this Scheme.
- SEPA Direct Debits will be fully automatable and based on the use of open standards and the best practices of straight through processing (‘STP’) without manual intervention.
- The EPC considers that meeting the basic needs of SEPA will be best achieved by defining and implementing an entirely new direct debit scheme based on a new set of standards and an EU-wide legal framework. This is considered to be a faster and less complex way forward rather than setting out to harmonize the numerous existing national schemes. The new Scheme will co-exist with existing national schemes during a transitional period.

1.3 Objectives

- To establish a scheme with no disparities between national and cross-border direct debits and with full Reachability throughout SEPA.
- To meet the actual and future needs of parties via a simple, well-controlled, fully dematerialised, secure, reliable, transparent and cost-efficient instrument.
- To enable the achievement of best-in-class security, low risk and improved cost efficiency for all participants in the payments process.
- To allow the further development of a healthy and competitive market for payment services.
- To improve the current level of service provided to customers towards the highest existing service level experienced in Europe today.

- To provide a framework for the removal of local inhibitors and the harmonisation of standards and practices.
- To develop a core scheme that is flexible enough to be adapted to various kinds of future market requirements and processes e.g. Electronic Bill Presentment and Payment ('EBPP') and electronic signatures.

1.4 Binding Nature of the Rulebook

Becoming a Participant in the Scheme will involve signing the Adherence Agreement. By signing the Adherence Agreement, Participants agree to respect the rules described in the Rulebook as the Rulebook sets out the liabilities and responsibilities of each Participant in the Scheme.

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

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

1.5 Separation of the Scheme from the Infrastructure

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

The result is that the direct debit instrument based on a single set of rules, practices and standards is operated on a fully consistent basis by CSMs (as defined in reference [2]) chosen by individual banks as the most appropriate for their needs.

1.6 Other Features of the Scheme

- The rights and obligations of Participants, and, as appropriate, their Customers, will be clear and unambiguous.
- Direct debit messages will use open, industry-recognised standards.
- The Scheme will ensure full interoperability between Participants.
- The rules will ensure that responsibility for risk management will be allocated to where the risk lies and that liability falls where the fault lies.
- Individual banks are free to innovate and satisfy customer needs in a competitive market place, as long as these innovations do not conflict with the Rulebook.

1.7 The Business Benefits of the Scheme

1.7.1 Advantages for and Expectations of Creditors

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

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

- A simple and cost-efficient way to collect Funds
- The ability to determine the exact date of Collection
- The certainty of payment completion within a predetermined time-cycle
- The opportunity to optimise cash-flow and treasury management
- Straightforward reconciliation of received payments
- The ability to automate exception handling such as: Returned, Rejected, or Refunded Collections and Reversals
- One payment instrument throughout SEPA for Creditors holding a bank account in SEPA
- The opportunity to collect Funds from Debtors through the use of a single payment instrument
- The reduction of administrative costs and the enhancement of security due to the optional use of digital signatures for signing Mandates, once electronic signatures become available.⁵

⁵ Change 06/082

1.7.2 Advantages for and Expectations of Debtors

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

- A simple means of paying bills, without the risk of late payment and its consequences
- The Debtor is easily reachable for Europe-wide business offers since the Scheme is a single, trusted payments instrument throughout SEPA for both national and SEPA Creditors.
- Straightforward reconciliation of debits on account statements
- The possibility to sign a Mandate on paper or in a fully-electronic way once electronic signatures become available.
- A fast and simple Refund procedure

1.7.3 Advantages for and Expectations of Banks

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

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

1.7.4 Advantages for CSMs

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

1.8 Harmonised Legislation

It is a prerequisite that the EU will harmonise applicable legislation in relation to the provision of direct debit services by payment service providers to payment service users. If the Direct Debit Scheme is to be launched on 1 January 2008, it is required that harmonised legislation will be in place in all EU and EEA countries before that date.

For Participants from non-EU countries in SEPA, such legislation must be applicable to them, for example, as provided for under procedures of the EEA Joint Committee, or they must ensure that their national law is compatible and consistent with the new harmonised legislation.

2 SCOPE OF THE SCHEME

2.1 Application to SEPA

The Scheme is applicable within SEPA, as defined by the EPC. The current definition of SEPA encompasses the 25 EU member states together with Iceland, Liechtenstein, Norway, and Switzerland.

2.2 Nature of the Scheme

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

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

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

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

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

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

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

2.3 Recurrent and One-off Direct Debits

The Scheme caters for both recurrent and one-off Collections. Recurrent direct debits are those where the authorisation by the Debtor is used for regular direct debits initiated by the Creditor. One-off direct debits are those where the authorisation is given to initiate only one single direct debit, authorisation which cannot be used for any subsequent transaction.⁶ There is no difference in the legal nature of these two types.

2.4 Additional Optional Services

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

There are two types of AOS, namely those offered by individual Participants, and those offered by communities of Participants.

AOS may be offered by an individual Participant to its own Customers as part of its product and services offering in a competitive environment. In offering such products and services, the Participant must ensure that it does not compromise in any way the Scheme and the roles, responsibilities, and liabilities of other Participants. Furthermore, it should not impact the interoperability of the Participant in the Scheme.

AOS may be offered by a community of Participants. Such communities may be existing communities of Participants, or communities established for the purpose of sharing the provision of these services. The following conditions apply:

- Participants who take part in a community AOS shall not by joining such a community AOS exclude themselves from the Scheme – they must provide full interoperability for all Participants operating in the Scheme including those not participating in the AOS
- A community AOS shall operate according to the principles of fair competition
- A community AOS may not disturb the operation of, or compromise in any way, the SEPA Scheme for Participants who do not take part in the AOS

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

2.5 Currency

The Scheme operates in euro.

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

⁶ Change 06/102

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

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

2.6 Value Limits for Amounts

At the inter-bank level, the Scheme does not limit the value of a transaction.⁷

2.7 Reachability

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

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

⁷ Change 06/077

3 ROLES OF THE SCHEME ACTORS

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

3.1 The Actors

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

- The **Creditor**: receives the Mandate from the Debtor to initiate Collections, which are instructions to receive Funds from the Debtor Bank by debiting the account of the Debtor. On the basis of this Mandate, the Creditor collects the direct debits.
- The **Creditor Bank**: is the bank where the Creditor's account is held and which has concluded an agreement with the Creditor about the rules and conditions of a product based on the Scheme. On the basis of this agreement it receives and executes instructions from the Creditor to initiate the Direct Debit Transaction by forwarding the Collection to the Debtor Bank in accordance with the Rulebook.
- The **Debtor Bank**: is the bank where the account to be debited is held and which has concluded an agreement with the Debtor about the rules and conditions of a product based on the Scheme. On the basis of this agreement, it executes each Collection of the direct debit originated by the Creditor by debiting the Debtor's account, in accordance with the Rulebook.
- **The Debtor**: gives the Mandate to the Creditor to initiate Collections. The Debtor's bank account is debited in accordance with the Collections initiated by the Creditor. By definition, the Debtor is always the holder of the account to be debited.

Creditor Banks and Debtor Banks are Participants in the Scheme. The operation of the Scheme also involves other parties indirectly:

- **CSMs**: Clearing and Settlement Mechanisms such as an automated clearing house or other mechanisms such as intra-bank and intra-group arrangements and bilateral or multilateral agreements between Participants. The term Clearing and Settlement Mechanism does not necessarily connote one entity. For example, it is possible that the Clearing function and the Settlement functions will be conducted by separate actors. The mechanisms will be as specified in the Framework for the Evolution of the Clearing and Settlement of Payments in SEPA – Including the Principles for SEPA Scheme Compliance and Re-Statement of the PE-ACH Model referred to in section 0.5 (reference [2]).
- **Intermediary Banks**: Banks offering intermediary services to Debtor Banks and/or Creditor Banks, for example in cases where they are not themselves direct participants in a CSM.

Another person may also be involved in a transaction which gives rise to a direct debit payment or may need to be mentioned in the data transmitted in connection with a direct debit payment:

- The Debtor Reference Party is a person in relation to whom a Debtor makes a payment. As an example, this Party can be a person on behalf of or in connection with whom the Debtor purports to make a payment, whether contractually obliged to do so or not, and who is identified to the Debtor Bank as such a person by the Debtor in the form required by the Debtor Bank.

Reference in any payment instruction to a Debtor Reference Party does not imply that such party is a Debtor or otherwise a payer, or is contractually obliged or entitled in connection with any payment obligation.

3.2 The Four Corner Model

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

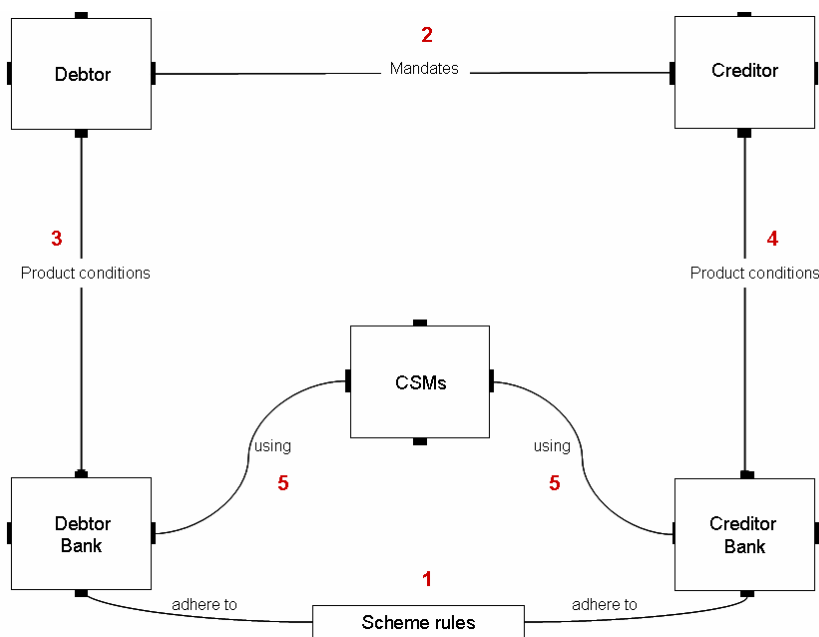


FIGURE 1: 4-CORNER MODEL - CONTRACTUAL

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

- (1) The contractual relationships underlying the Scheme to which all Participants are bound through the Adherence Agreement.
- (2) Between the Creditor and the Debtor, regarding the requirement to make a payment. This will result in a Mandate, agreed between Creditor and Debtor, and signed by the Debtor. Whilst the data elements required for the Mandate are specified by the Scheme, the underlying relationship is outside the Scheme.

- (3) Between the Debtor Bank and the Debtor concerning the direct debit service to be provided and related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Direct Debit as required by the Scheme.
- (4) Between the Creditor Bank and the Creditor concerning the direct debit service to be provided and the related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Direct Debit as required by the Scheme.
- (5) Between the Creditor Bank and the Debtor Bank and the selected CSM concerning the Terms and Conditions of the services delivered. Provisions for these relationships are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of a SEPA Direct Debit. Principles for the operation of such CSMs in relation to SEPA payment instruments are set out within the PE-ACH/CSM Framework (reference [2]).
- (6) As applicable, between the Creditor Bank and/or the Debtor Bank and any Intermediary Bank. Provisions for these relationships are not governed by the Scheme. This relationship is not illustrated above.

3.3 Governing laws

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

- The Rulebook is governed by Belgian law
- The Adherence Agreements are governed by Belgian law
- The Mandate must be governed by the law of one of the 29 SEPA countries

3.4 Relationship with Customers

The Rulebook does not impose any requirement as to the Terms and Conditions between a Participant and its Customer, but Participants must ensure that the Terms and Conditions are effective so as to enable Participants to comply with their obligations under the Scheme.

4 BUSINESS AND OPERATIONAL RULES

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

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

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

4.1 The Mandate

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

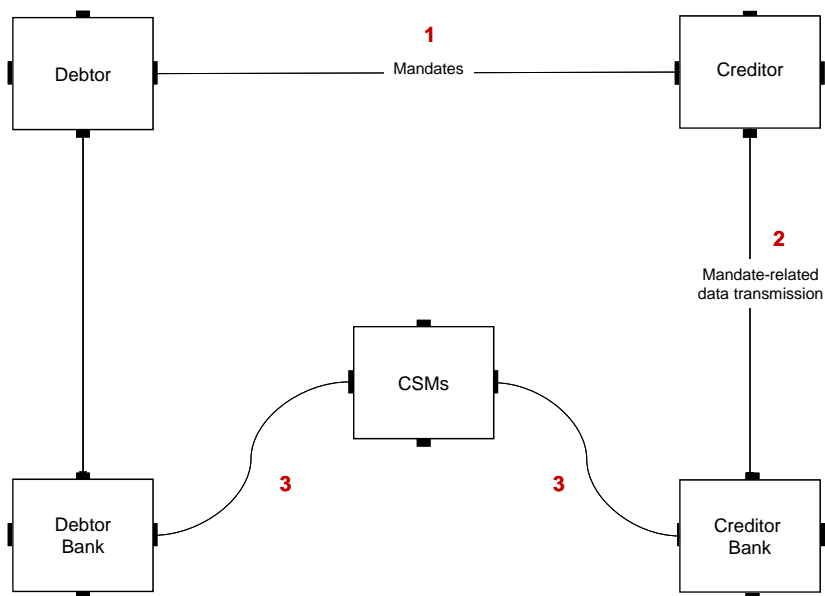


FIGURE 2: 4-CORNER MODEL - MANDATE

The Mandate (1) is the authorisation and expression of consent given by the Debtor to the Creditor to allow such Creditor to initiate Collections for debiting the specified Debtor's account and to allow the Debtor Bank to comply with such instructions, in accordance with the Rulebook. The Mandate may make reference to the Debtor's rights under the Scheme which are described in Annex III.

A Mandate may exist as a paper document which is physically signed by the Debtor. Alternatively, it may be an electronic document which is created and signed in a secure electronic manner.

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

The Mandate must always be signed by the Debtor as account holder or by a person in possession of a form of authorisation (such as a power of attorney). The Creditor may offer the Debtor the possibility to complete the Mandate by using an automated process, including the provision of an electronic signature. After signing, the Debtor must send the Mandate to the Creditor.

The signed Mandate, whether paper-based or electronic, must be stored by the Creditor as long as the Mandate exists. Any paper Mandate must be stored intact by the Creditor according to national legal requirements. After cancellation, the Mandate must be stored by the Creditor according to the applicable national legal requirements and as a minimum as long as the Refund period defined for an Unauthorised Transaction. When paper-based, the data elements of the signed Mandate must be dematerialised by the Creditor without altering the content of the paper Mandate; when electronic, the data elements must be extracted from the electronic document without altering the content of the electronic Mandates. The Mandate-related data must be transmitted to the Creditor Bank (2), along with each Collection of a recurrent SEPA Direct Debit or with the one-off Collection.

The Mandate-related data must be transmitted (3) by the Creditor Bank to the Debtor Bank in electronic form as part of the Collection in one single flow, using the selected CSM. The Debtor Bank may choose to offer AOS to the Debtor based on the Mandate content. The Creditor Bank may also choose to offer AOS to the Creditor based on the Mandate content.

4.2 Collections

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

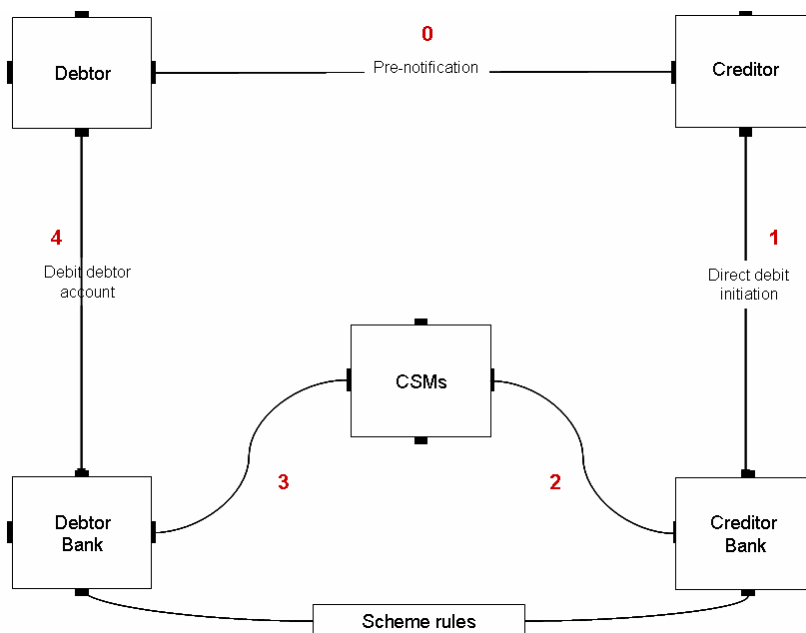


FIGURE 3: 4-CORNER MODEL – COLLECTIONS

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

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

The Creditor must conform to a stipulated period for the submission of Collections in advance of the Settlement Date. For the first of a recurrent series and for one-off direct debits, the minimum period between Due Date and the day on which the Debtor Bank must receive the Collection, is specified in Section 4.3 and is longer than for subsequent direct debits. For such Collections, the Collection must include information that identifies it as the first of a recurrent series under a new Mandate, or as a one-off transaction, in addition to the normal information required. For subsequent Collections in a recurrent series the minimum period is shorter and specified in Section 4.3.

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

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

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

The Debtor has the right to request the Debtor Bank to completely prohibit his bank account to be debited for any Collection.

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

Accordingly, the point in time of acceptance in relation to a collection means the point in time determined by the relevant Debtor Bank as coinciding with the debit date, regardless of other steps taken under the Rulebook⁸.

The Debtor is entitled to obtain a Refund by request to the Debtor Bank during a period defined in the Rulebook in section 4.3. In such cases, the Debtor Bank must reimburse the Debtor, in the knowledge that it is fully authorised by the Scheme to obtain a Refund from the Creditor Bank. The Creditor Bank is authorised by the Scheme to recover this Refund from the Creditor and should have a right in the terms it has with the Creditor to recover amounts paid as Refunds. This Refund does not relieve the Debtor of its responsibility to resolve the disputed Collection with the Creditor, nor does the payment of a Refund by the Debtor Bank prejudice the outcome of such a dispute.

The resolution of a disputed Collection is a matter to be agreed directly between the Debtor and the Creditor.

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

⁸ Change 06/110

If a Creditor does not present a Collection under a given valid Mandate for a period of 18 months (starting from the date of the latest Collection presented, even if rejected, returned or refunded), the Creditor must cancel the Mandate and is no longer allowed to initiate Collections based on this cancelled Mandate. If there is a further requirement for a direct debit, a new Mandate must be established. The Rulebook does not oblige the Debtor Bank or the Creditor Bank to check the correct application of this rule; it is only an obligation for the Creditor.

4.3 Time Cycle of the Processing Flow

The processing flow of a Collection is described as follows:

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

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

A Customer Banking Business Day is a day on which banks in the relevant jurisdiction are generally open for business with Customers. A Calendar Day is any day of the year.

4.3.1 Standard Relation between Key dates

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

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

The **Due Date (day 'D')** of the Collection is the day when the payment of the Debtor is due to the Creditor. It must be agreed on in the underlying contract or in the general conditions agreed between the Debtor and the Creditor.⁹

The general rule is that the key dates:

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

⁹ Change 06/083

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

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

4.3.2 Non-Standard Relation between Key Dates

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

- If for any reason, the Collection is delayed and has a Due Date that does not allow the Collection to be received by the Debtor Bank according to the rule described in Section 4.3.4, then this Due Date must be replaced by the earliest possible new Due Date by the Creditor or the Creditor Bank as agreed between them. At inter-bank level, a given Due Date may never be changed.
- If the Due Date falls on a day which is not an Inter-Bank Business Day, then the Settlement Date will be the next Inter-Bank Business Day.
- If the Settlement Date falls on a day which is not a Customer Banking Business Day in the country of the Debtor Bank, then the debit date will be the next Customer Banking Business Day. The Debtor Bank may debit the Debtor's account with the value date = Settlement Date.¹⁰
- If the Debtor Bank cannot debit the Debtor's account on the Due Date (for example, insufficient Funds available or the need to carry out additional checks requested by the Customer as an AOS) the debit can be executed later. The Debtor Bank must always carry out the Return in time, in order to respect that the Returns can be settled on D+5 Inter-Bank Business Days at the latest.

4.3.3 Cut-off Times



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

¹⁰ Change 06/103

4.3.4 Time Cycle

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

In the diagram, the following abbreviations are used:

Legend:	
	Black – data flows
	Red and/or broken line – financial flows ¹¹
CB	Creditor Bank
DB	Debtor Bank
CSM	Clearing and Settlement Mechanism
*TD	Counted in Inter-Bank Business Days (TARGET Days)
**CD	Counted in Calendar Days
***BD	Counted in Customer Banking Business Days

¹¹ Change 06/084

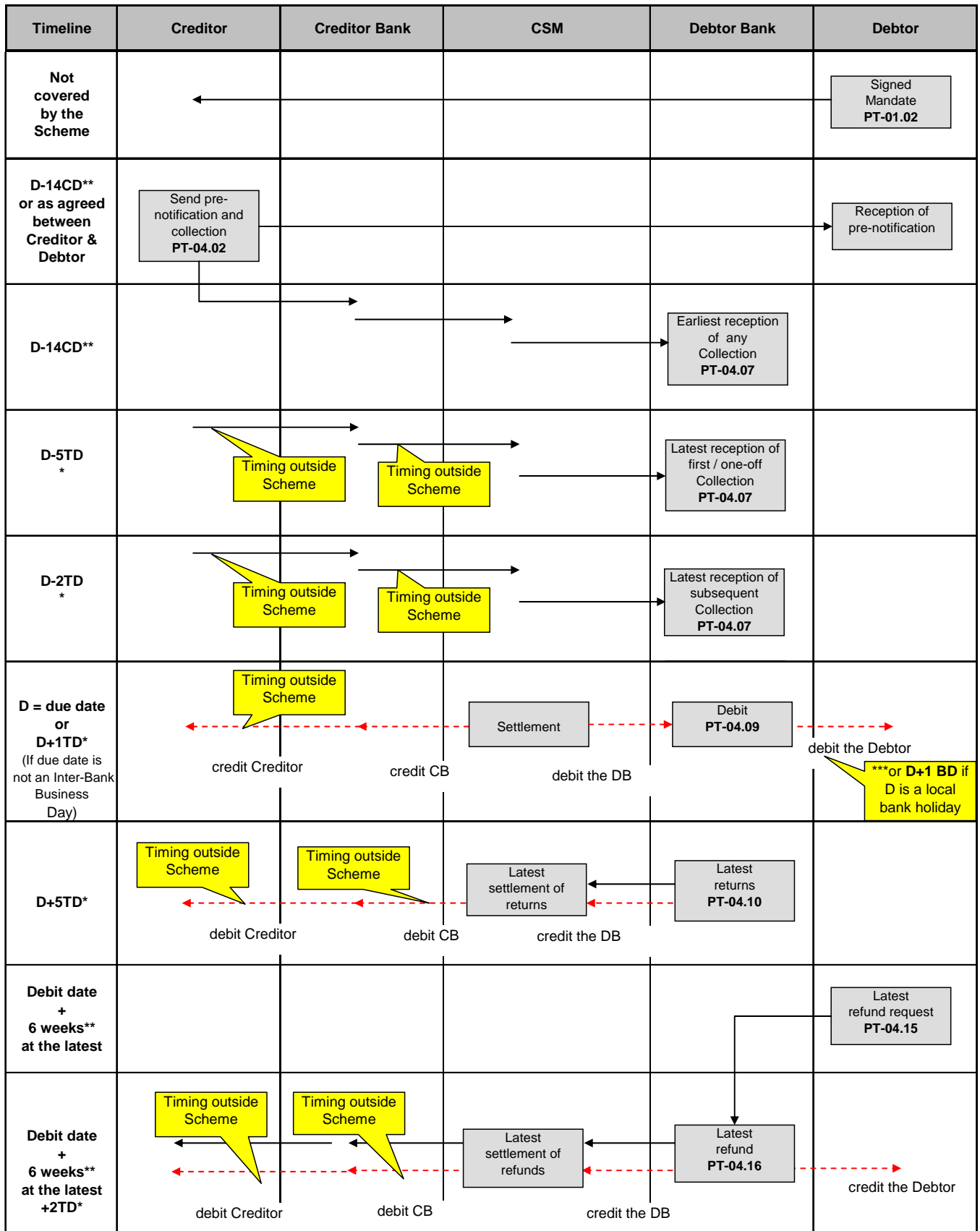


FIGURE 4: PROCESSING FLOW TIME CYCLES

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

- The Pre-notification must be sent by the Creditor at the latest 14 Calendar Days before the Due Date unless otherwise agreed between the Debtor and the Creditor.
- The Creditor is allowed to send the Collection to the Creditor Bank after the Pre-notification is sent to the Debtor, but not earlier than 14 Calendar Days before Due Date, unless otherwise agreed between the Creditor and the Creditor Bank.
- If a Collection is a first or a one-off Collection, the Debtor Bank must receive the Collection from the Creditor Bank via the CSM at the latest five Inter-Bank Business Days before Due Date and not earlier than 14 Calendar Days before Due Date.
- If a Collection is a subsequent Collection in a series of recurrent Collections, the Debtor Bank must receive the Collection from the Creditor Bank via the CSM at the latest two Inter-Bank Business Days before Due Date and not earlier than 14 Calendar Days before Due Date.
- The latest date for Settlement of the Returns is five Inter-Bank Business Days after the Settlement Date of the Collection presented to the Debtor Bank.
- The deadline for Refund requests of an authorised transaction by the Debtor to be received by the Debtor Bank is six weeks after the debit date. If the request for Refund concerns an Unauthorised Transaction (see definition in section 4.4 under **Refunds**), the period for making the request available to the Debtor Bank is longer and limited to one year after the debit date. This period could be reviewed if the PSD specifies another limit. The latest day for the Settlement of a Refund transaction is two Inter-Bank Business Days after these periods. Again the timing for debiting the Creditor Bank is agreed between the CSM and the Creditor Bank. The timing for debiting the Creditor is outside the scope of the Scheme.
- The Creditor Bank must ensure that Returns or Refunds that are presented for Settlement later than the latest day allowed by these rules are not processed by the Creditor Bank or by the CSM mandated to act as such and that the Debtor Bank is informed of this.
- Reversals may only be processed after Settlement and within the two Inter-Bank Business Days following the Due Date requested in the original Collection. Later presentations must not be processed by the Creditor Bank or CSMs mandated to act as such and the Debtor Bank must be so informed.

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

4.3.5 Charging Principles

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

4.4 Exception Handling

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

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

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

- Technical reasons detected by the Creditor Bank, the CSM, or the Debtor Bank, such as invalid format, wrong IBAN check digit
- The Debtor Bank is unable to make the Collection for a reason which is likely to be reasonably acceptable to Participants
- The Debtor made a Refusal request to the Debtor Bank. The Debtor Bank will generate a Reject of the Collection being refused

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

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

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

Revocations are requests by the Creditor to recall the instruction for a Collection prior to the acceptance by the Creditor Bank. This forms part of the bilateral agreement between Creditor and Creditor Bank and is not covered by the Scheme.

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

Refunds are claims by the Debtor for reimbursement of a direct debit under the terms agreed by Debtors with their Debtor Bank. If the disputed Collection is not covered by a valid Mandate, the transaction is considered to be an Unauthorised Transaction. The claim must be sent to the Debtor Bank after Settlement and within the period specified above in section 4.3.

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

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

4.5 Process Descriptions

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

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

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

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

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

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

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

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

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

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

The following processes constitute the Scheme:

- | | |
|--------------|---|
| PR-01 | Issuing the Mandate |
| PR-02 | Amendment of the Mandate |
| PR-03 | Cancellation of the Mandate |
| PR-04 | Collection of the Direct Debit Collection (covering both correct transactions and R-transactions arising from the processing of a Collection) |
| PR-05 | Reversal of a Collection on the initiative of a Creditor |

4.5.1 Issuing the Mandate (PR-01)

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

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

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

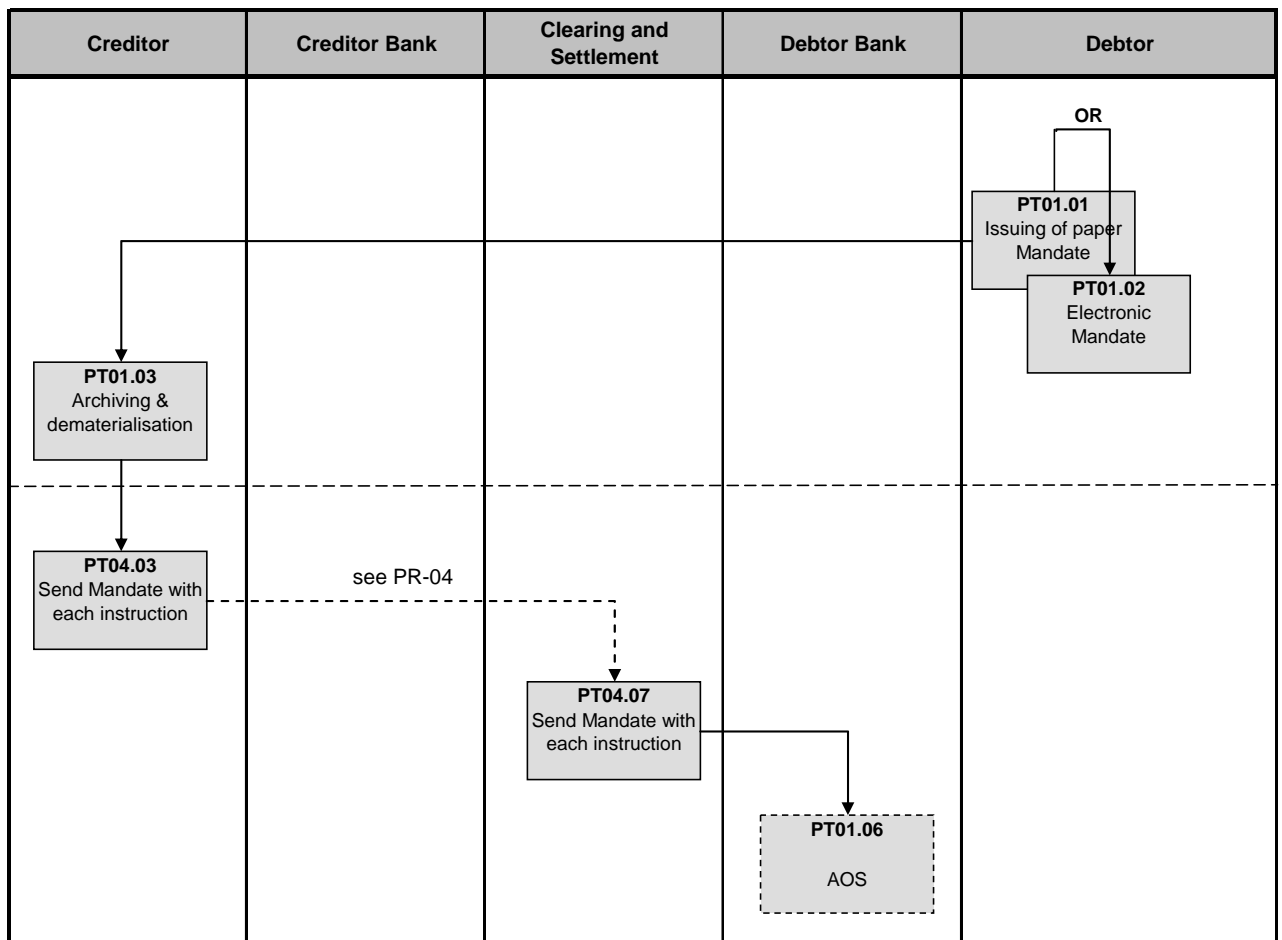


FIGURE 5: PR01 - ISSUING THE MANDATE

4.5.2 Amendment of the Mandate (PR-02)

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

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

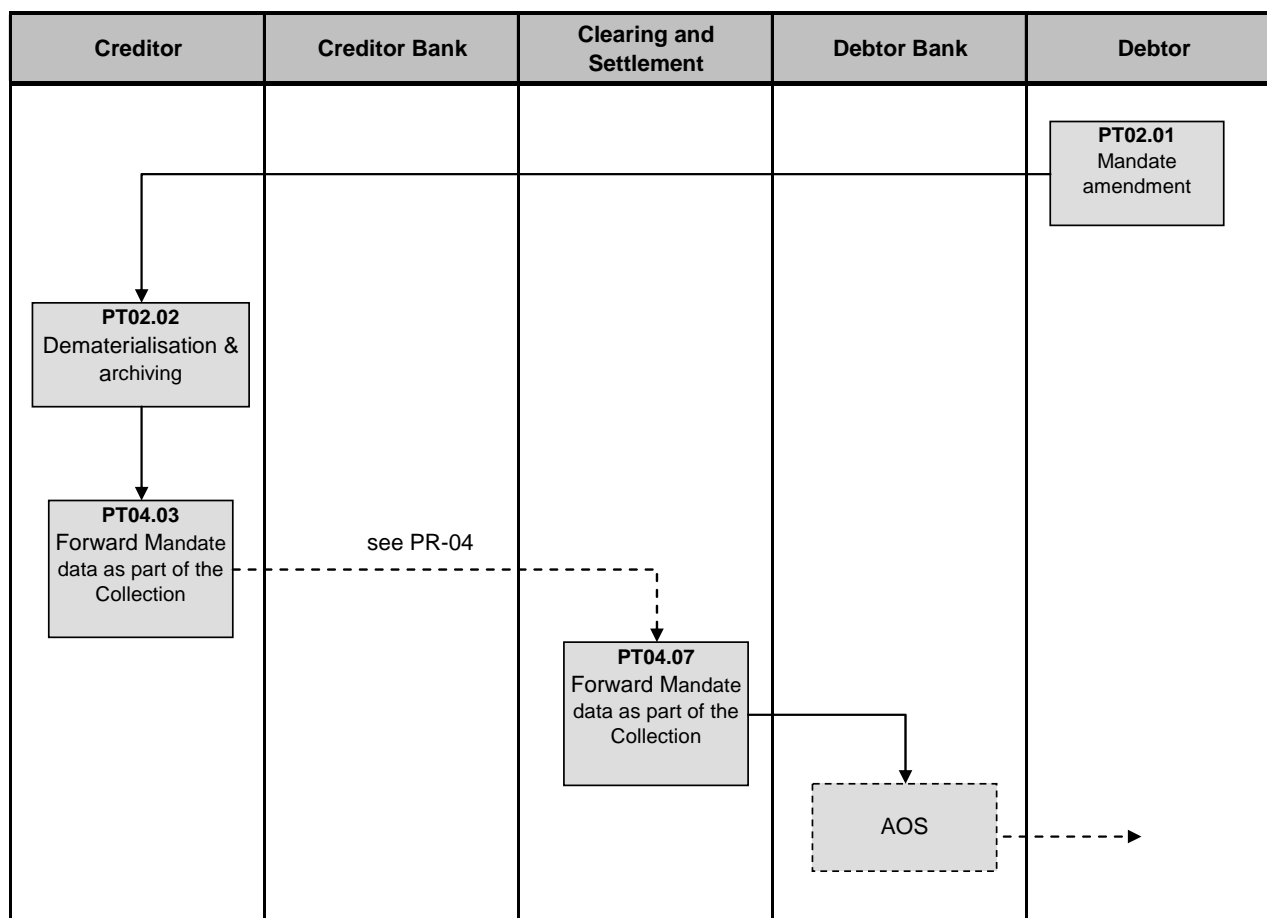


FIGURE 6: PR02 - AMENDMENT OF THE MANDATE

4.5.3 Cancellation of the Mandate (PR-03)

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

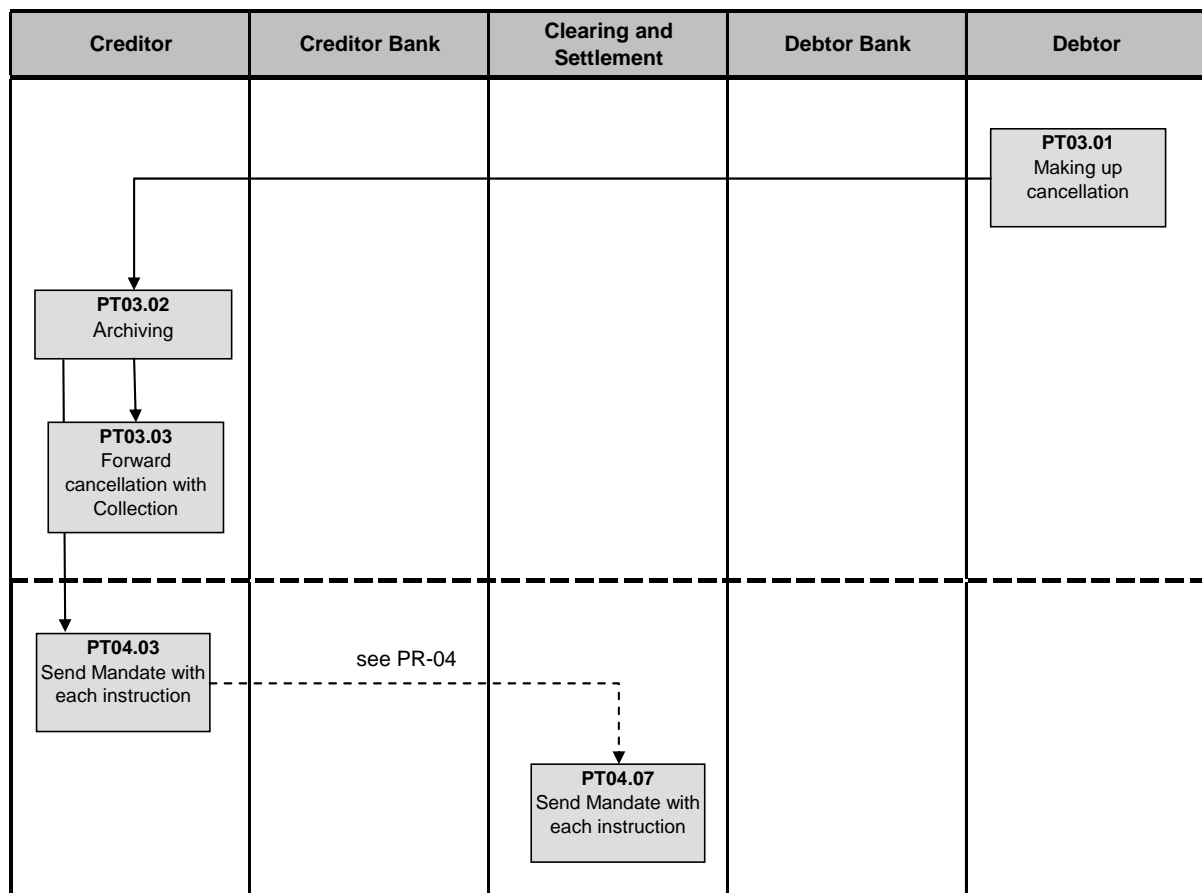


FIGURE 7: PR03 - CANCELLATION OF THE MANDATE

4.5.4 Collection of the Direct Debit Transaction (PR-04)¹²

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

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

¹² Change 06/086

- PT-04.18** The Creditor Bank debits the Creditor with the amount of the Refunded Collections.
- PT-04.19** The Creditor must handle the disputed Collection directly with the Debtor, without involvement of the banks.
- PT-04.20** The Debtor initiates a request for a Refund (after the six week Refund period) for an Unauthorised Transaction.
- PT-04.21** The Debtor Bank acknowledges the request for Refund and requests a Mandate copy from the Creditor Bank.
- PT-04.22** The Creditor Bank forwards the request for Refund to the Creditor.
- PT-04.23** The Creditor investigates the request for Refund and sends a copy of the Mandate to the Debtor Bank.
- PT-04.24** The Debtor Bank sends the Refund of an Unauthorised Transaction to the CSM.
- PT-04.25** The CSM sends the Refund of an Unauthorised Transaction to the Creditor Bank.
- PT-04.26** The Creditor Bank debits the Creditor with the amount of the refunded Unauthorised Transaction.
- PT-04.27** The Creditor handles the dispute of a Refund for an Unauthorised Transaction.

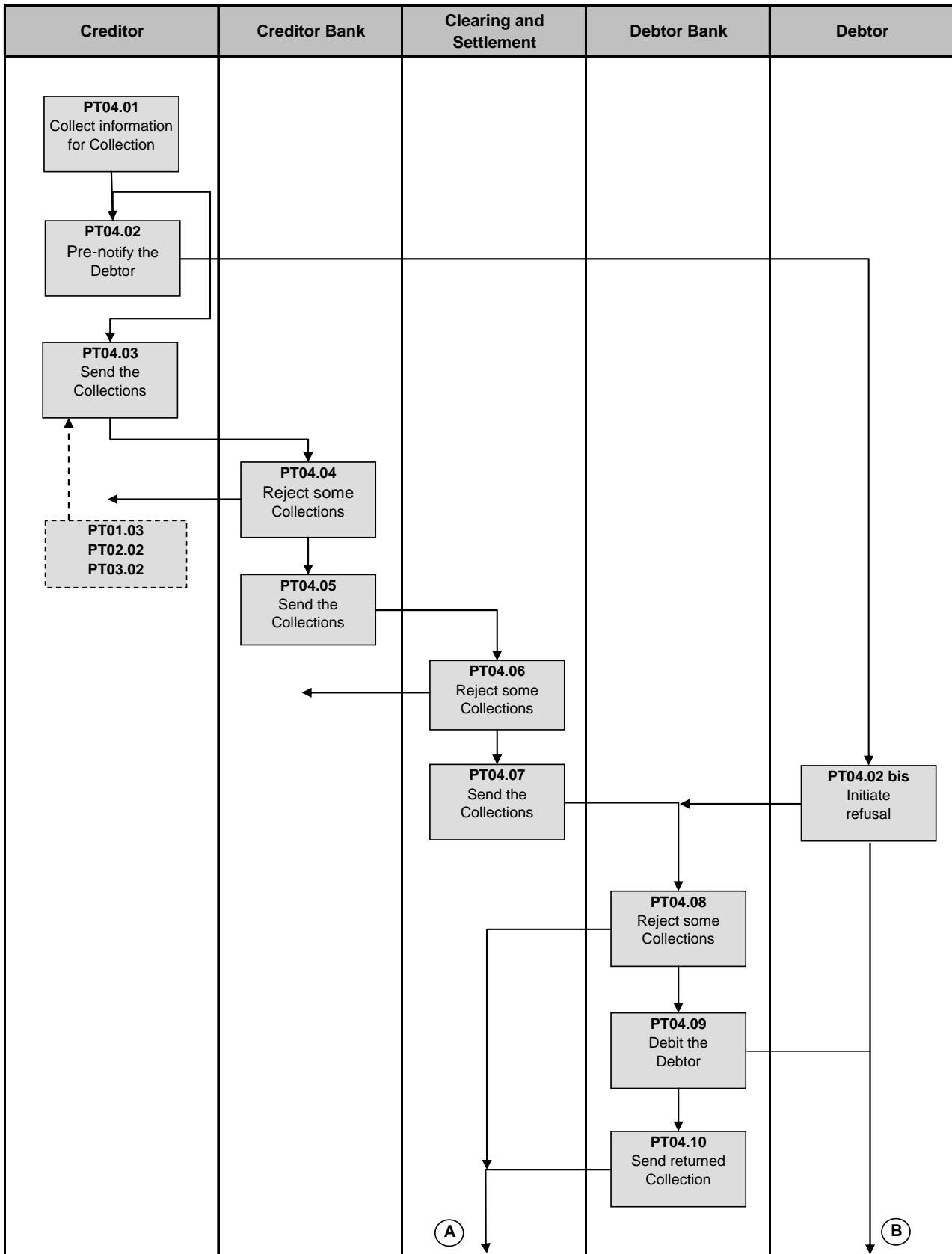


FIGURE 8: PR04 - COLLECTION OF DIRECT DEBIT (1)

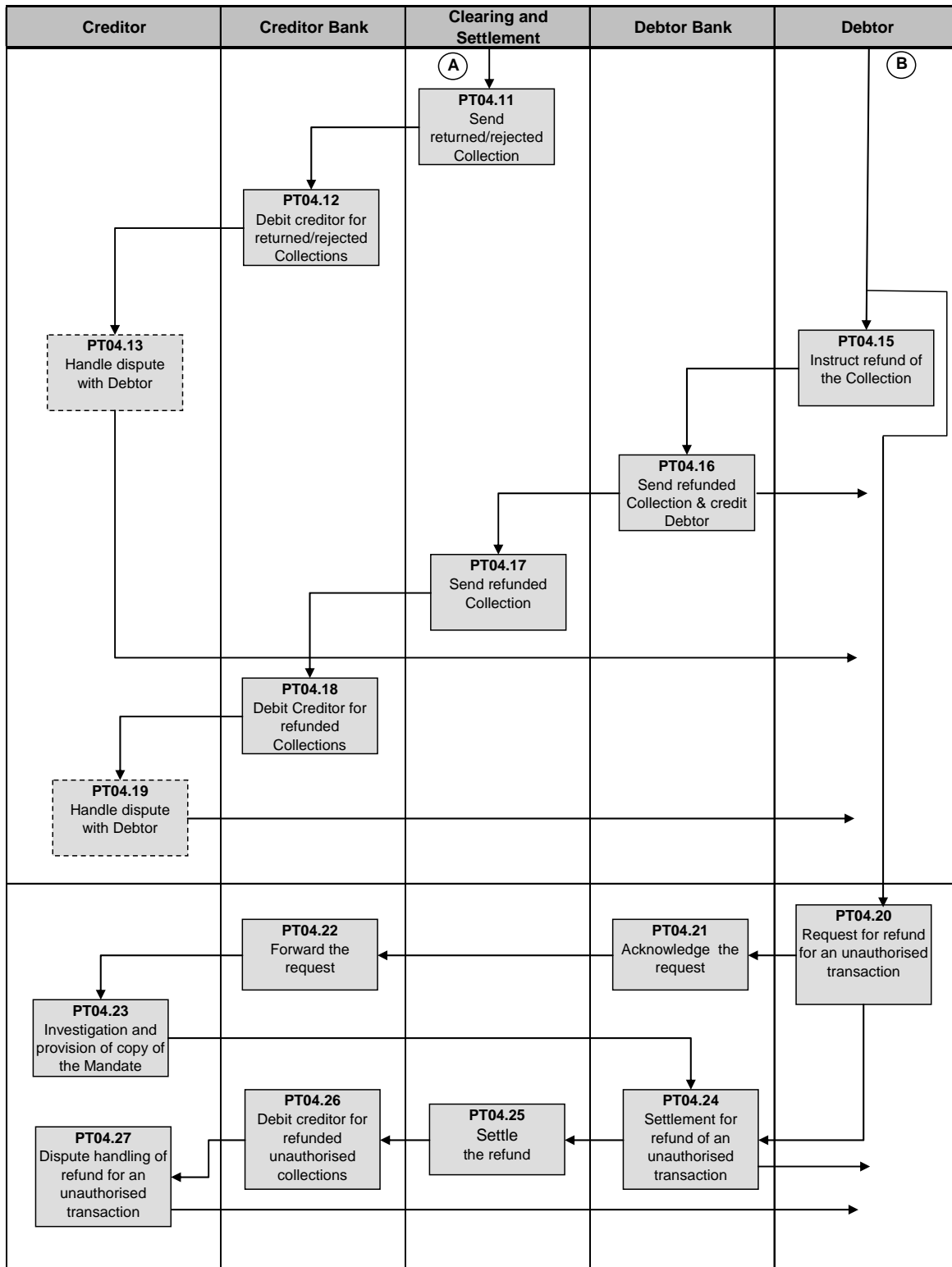


FIGURE 9: PR04 - COLLECTION OF DIRECT DEBIT (2)

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

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

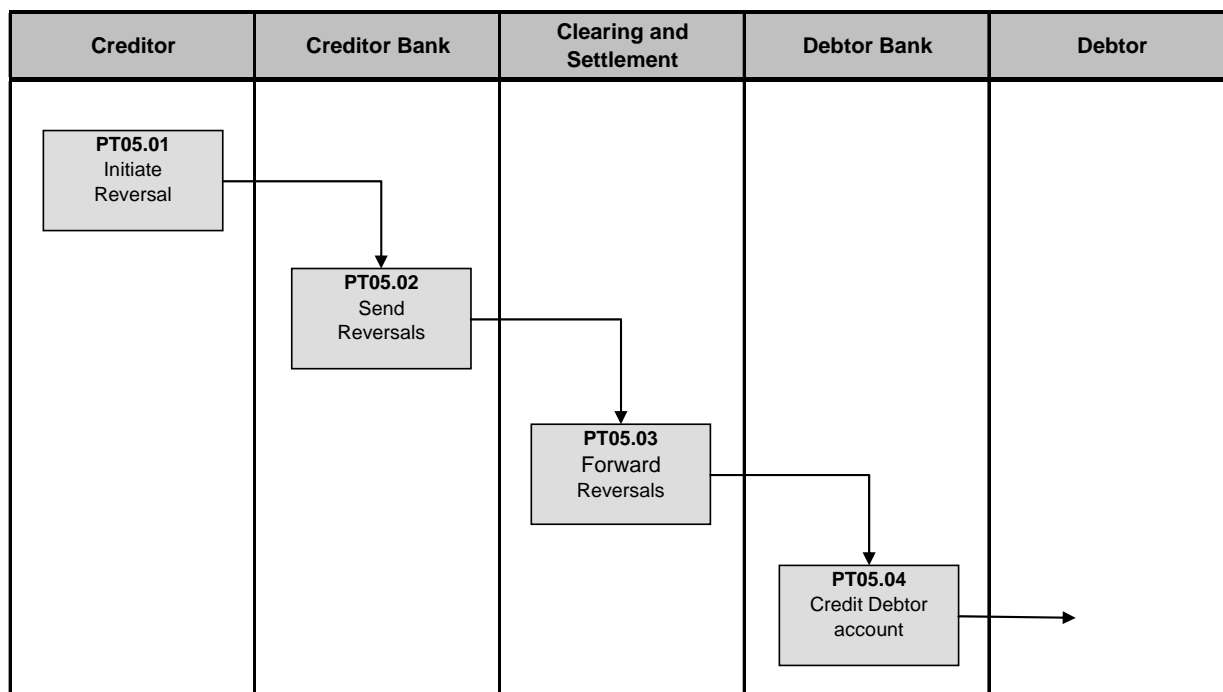


FIGURE 10: PR05 - REVERSAL OF A TRANSACTION

4.6 Description of the Process Steps

4.6.1 Issuing of the Mandate (PR-01)

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

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

PT-01.02 – The Issuing/Signing of a Mandate Electronically
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Description	To be included later.
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PT-01.03 – Dematerialisation/Archiving of Mandates
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Description	<p>The Creditor dematerialises the paper Mandate. DS-02 describes the data to be dematerialised. The process of dematerialisation consists of the conversion of the written information on the paper Mandate into electronic data. It is strongly recommended that Creditors use proven techniques for this process, such as the double-keying of important information items, cross-checking between information items, etc.</p> <p>The paper version must be kept in a safe place during the existence of the Mandate. After cancellation, the Mandate must be stored by the Creditor according to the national legal requirements and as a minimum as long as the Refund period defined for an Unauthorised Transaction.</p> <p>The Creditor must send the information on the signed Mandates, after dematerialisation, to the Creditor Bank as part of each transaction based on this Mandate as described in PT04.03.</p>
Starting day/time	On receipt of the signed Mandate by the Creditor.

Information Input The Mandate data.

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

4.6.2 Amendment of the Mandate (PR-02)

PT-02.01 – Mandate Amendment Handled Between Creditor and Debtor

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

PT-02.02 – Mandate Amendment Procedures

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

The Creditor or the Debtor can amend the Mandate at any time.

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

- The Creditor needs to change the unique Mandate reference of an existing Mandate because of internal organisational changes (restructuring)
- The Creditor identity has changed due to the merger, acquisition, spin-off or organisational changes (which implies a new identifier of the Creditor)
- The Creditor has changed his name¹³
- The Debtor decides to use another account within the same bank or in another bank

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

The Creditor must issue a direct debit respecting the time-cycle of the first direct debit, when the cause of the amendment is that the Debtor decides to use another account in another bank

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

¹³ Change 06/079

4.6.3 Cancellation of the Mandate (PR-03)

PT-03.01 – Mandate Cancellation between Creditor and Debtor

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

PT-03.02 – Cancellation /Archiving by Creditor

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

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

PT-04.01 – Generation of Collection Data by Creditor

Description The Creditor prepares the Collection of Direct Debit Transactions to be sent to the Creditor Bank. The data to be used in the Collection is described in DS-04.

Starting day/time At any date

Duration No limits

Information Output The instruction for Collection, containing the data of DS-04.

PT-04.02 – Creditor to Debtor Pre-notification

Description Prior to the sending of the Collection to the Creditor Bank, the Creditor notifies the Debtor of the amount and date on which the Collection will be presented to the Debtor Bank for debit. This notification may be sent together with or as part of other commercial documents (e.g. an invoice) or separately.

The Pre-notification could also include:

- The schedule of payments for a number of repetitive direct debits for an agreed period of time
- An individual advice of a Collection for collection on a specified Due Date

The Creditor and the Debtor may agree to act otherwise for the Pre-notification.

Duration No limit.

Closing day/time The Pre-notification must be sent by the Creditor at the latest 14 Calendar Days before the Due Date unless otherwise agreed between the Debtor and the Creditor.

Rules applied: See Section 4.3 for the general time cycle of the direct debit process.

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

Description	<p>The Debtor may instruct the Debtor Bank to refuse any future Collection, based on information received through Pre-notification.</p> <p>This Refusal must be handled by the Debtor Bank, but only in accordance with the conditions sent to the Debtor :</p> <ul style="list-style-type: none"> • If the Debtor Bank agrees to handle the claim prior to inter-bank Settlement, the Refusal results in the Debtor Bank rejecting the associated Collection: see PT-04.08. • When handled after inter-bank Settlement, the Refusal is handled as a Refund claim: see PT-04.16¹⁴.
Starting day/time	After the receipt of the Pre-notification by the Debtor or any other source of information about the Collection to be presented by the Creditor.
Duration	For the Scheme: allowed up to and including Due Date , but the precise time limit is to be agreed between the Debtor Bank and the Debtor

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

Description	<p>The Creditor prepares one or more Collections to send to its bank, according to their bilateral agreement.</p> <p>The Mandate-related information for new Mandates or amended Mandates (if needed, see PR-02) must be sent as part of all the Collections. The cancellation-code, indicating that this is the last Collection (see PR-03) under the Mandate, due to the cancellation of the Mandate, must also be sent as part of the last Collection.</p> <p>The Creditor Bank is responsible towards all actors for the good organisation of this process with Creditors.</p> <p>The Creditor must transmit the mandatory set of information as described in detail in DS-03.</p>
Starting day/time	<p>14 Calendar Days before closing day, unless defined in a bilateral agreement between the Creditor Bank and the Creditor, in line with the Scheme time cycle.</p> <p>The Creditor is allowed to send the Collection to the Creditor Bank once the Mandate has been signed and when the Pre-notification has been sent in time (see PT-04.02) to the Debtor.</p> <p>The Creditor Bank must inform the Creditor about the Cut-off Time and time-cycles to be respected for the Collection of first/one-off Collections and for the collection of subsequent Collections (see Section 4.3).</p>
Duration	14 Calendar Days unless otherwise agreed between the Creditor Bank and the Creditor.

¹⁴ Change 06/099

Closing day/time	At the latest on D-2 Inter-Bank Business Days for a recurrent Collection in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D-2 Inter-Bank Business Days at the latest.
	At the latest on D-5 Inter-Bank Business Days for a first or one-off Collection in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D-5 Inter-Bank Business Days at the latest.
Information Input	The instruction for Collection, containing the data of DS-03.
Information Output	The instruction for Collection, containing the data of DS-03.

PT-04.04 Reject of Collections Containing Errors
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Description	The Creditor Bank must check the syntax of the instructions on receipt of the File. If the Creditor Bank detects syntax errors in the instructions received, the instructions involved will be sent back to the Creditor for correction. The Creditor can make the necessary corrections and inject the same instructions in another File.
Starting day/time	The day of receipt of the instructions from the Creditor, or in the following days as agreed between the Creditor Bank and the Creditor.
Information Input	The instruction for Collection containing the data of DS-03.
Information Output	The message for rejection of a Collection containing the data of DS-05.

PT-04.05 – Creditor Bank Sends Collections to the CSM

Description	<p>Based on the Collections received from the Creditor, the Creditor Bank must send the Collections containing the mandatory information to the CSM, as described in DS-04.</p> <p>If the Collections are to be presented to the Debtors with an account to be debited in the Creditor Bank (in-house traffic), the Creditor Bank is allowed to inject these instructions in the debiting process-step at the same day as for instructions sent to the Creditor Bank (in its capacity as a Debtor Bank) by another Creditor Bank.</p>
Starting day/time	After process step PT04.03.
Duration	No limit
Closing day/time	<p>D-2 Inter-Bank Business Days at the latest for recurrent Collections in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D-2 Inter-Bank Business Days at the latest.</p> <p>D-5 Inter-Bank Business Days at the latest for first and one-off Collections in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D-5 Inter-Bank Business Days at the latest.</p> <p>In the case of late presentment by the Creditor, the Creditor Bank must replace, in agreement with the Creditor, the outdated Due Date by a new Due Date in order to respect the time-cycle requirements as defined in Section 4.3.</p>
Information Input	The instruction for Collection, containing the data of DS-04.
Information Output	The instruction for Collection, containing the data of DS-04.

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

Description	The CSM uses the rule on the unique Scheme format for inter-bank Collections for the control of the instructions received from the Creditor Bank. It will reject instructions containing errors, returning such instructions to the Creditor Bank.
Starting Day/time	Date of the reception of the instructions from the Creditor Bank, or in the following days as agreed in the rules of the CSM.
Information Input	The instruction for Collection, containing the data of DS-04.
Information Output	The message for rejection of a Collection, containing the data of DS-05.

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

Description	The CSM, after having checked and accepted the Files containing the Collections, sends the Collections received from all the Creditor Banks to the Debtor Bank. The Settlement resulting from these Collections is executed on day D by crediting the Creditor Bank and debiting the Debtor Bank. The timing for crediting the Creditor for the Collections is outside of the scope of the Scheme.
Starting day/time	D-14 Calendar Days
Closing day/time	D-2 Inter-Bank Business Days at the latest for recurrent Collections. D-5 Inter-Bank Business Days at the latest for first and one-off Collections.
Information Input	The instruction for Collection, containing the data of DS-04.
Information Output	The instruction for Collection, containing the data of DS-04.

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

Description	See attribute AT-R3 for the description of the reasons for Reject and the corresponding values of the reason code.
Starting day/time	Day of reception.
Closing day/time	Before inter-bank Settlement.
Information Input	The instruction for Collection, containing the data of DS-04.
Information Output	The message for rejection of a Collection, containing the data of DS-05.

PT-04.09 – Debtor Bank Debits the Debtor

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

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

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

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

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

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

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

PT-04.15 – Debtor Requests Refund of Debited Amount

Description	The Debtor must instruct the Debtor Bank, stating one of the reasons included in the code list in section 4.8.34, to refund the Collection by making a credit transaction on the Debtor's account for the amount of the Collection. The Debtor Bank is fully authorised by the Scheme to obtain a Refund from the Creditor Bank. This Refund does not relieve the Debtor of its responsibility to seek a resolution with the Creditor, nor does the payment of a Refund prejudice the outcome of the resolution.
Starting day/time	After the Debtor Bank has debited the Debtor's account.
Duration	Six weeks
Closing day/time	Six weeks after the debit date.
Information Input	The information to the Debtor.
Information Output	The message for Refund of a Collection, containing the data of DS-05.

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

Description	<p>The Debtor Bank must credit the Debtor’s account with the Original Amount of the initial Collection. The Debtor Bank sends the Collection Refund instruction to the CSM.</p> <p>The Debtor Bank has the right to receive compensation, called the Refund compensation, from the Creditor Bank for the related interest loss incurred by the Debtor Bank by the crediting of the Debtor’s account with value date = Due Date of the initial Collection.</p> <p>This compensation is a variable amount, being the interest calculated according to the average of the daily EONIA rates (published on a daily basis by the ECB), for the number of Calendar Days between the Settlement Date of the original Collection (Settlement Date is included in the number of days) and the Settlement Date of the Refund instruction by the CSM after presentation by the Debtor Bank (Settlement day is not included in the number of days).</p> <p>The Debtor Bank must recover this compensation from the Creditor Bank by specifying the compensation amount in AT-R6 in the DS-05 for Refund.</p>
Starting day/time	Debit date.
Duration	Six weeks + 2 Inter-Bank Business Days
Closing day/time	Debit date + six weeks + 2 Inter-Bank Business Days
Information Input	The message for Refund of a Collection, containing the data of DS-05.
Information Output	The message for Refund of a Collection, containing the data of DS-05.

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

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

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

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

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

Description	<ul style="list-style-type: none"> • The Debtor is allowed to send a request to the Debtor Bank to Refund a Collection that was not authorised by him. This means that the Debtor considers that a valid Mandate does not exist. • The Debtor must give a written claim (and available supporting evidence) to the Debtor Bank.
Starting day/time	After the six weeks Refund period applicable to any Collection.
Duration	Limited to one year after the debit date of the disputed Collection. This period could be reviewed if the Payment Services Directive specifies another limit.
Information Input	The details of the executed Collection
Information Output	The written claim (with the supporting evidence).

PT-04.21 – Debtor Bank Acknowledges the Request for Refund – Requests Mandate Copy from Creditor

Description The Debtor Bank acknowledges the request to the Debtor and decides to accept or to reject the request. If accepted, the Debtor Bank must forward the claim (and supporting evidence) to the Creditor Bank, who must forward it to the Creditor.¹⁵

At the request of the Debtor Bank, the Creditor Bank receives a request from the Debtor Bank to obtain through the intermediary of the Creditor Bank a copy of a Mandate document. This request must specify the identifier of the Creditor and the unique Mandate reference.¹⁶

Starting day/time After PT-04.20

Duration 10 Calendar Days.

Information Input The written claim (with the supporting evidence).

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

Description The Creditor Bank receives the claim (with the supporting evidence) from the Debtor Bank and forwards it to the Creditor.

Starting day/time After PT-04.21.

Duration Immediately after receipt of the request.

Information Input Written claim (with supporting evidence).

¹⁵ Change 06/085

¹⁶ Change 06/098

PT-04.23 – Creditor Investigates Request for Refund and Provides Mandate Copy

Description	The Creditor must evaluate the claims received, and provide a copy of the signed Mandate through the Creditor Bank to the Debtor Bank. After receipt of the request, the answer must be: <ul style="list-style-type: none"> • Made available to the Debtor Bank within 10 Calendar Days • Sent to the Debtor Bank through the Creditor Bank on paper or by using an electronic File for which a standard procedure needs to be defined
Starting day/time	On reception of the request for information.
Duration	10 Calendar Days.
Information Input	The details in support of the claim made by the Debtor
Information Output	The copy of the signed Mandate

PT-04.24 –Debtor Bank Sends the Refund of an Unauthorised Transaction to the CSM

Description	<p>After 30 Calendar Days, starting from the receipt of the claim by the Debtor Bank, the Debtor Bank is allowed to send the Refund of the direct debit via the CSM up to the Creditor Bank, if the copy of the signed Mandate is not received within 30 Calendar Days following the receipt of the claim by the Debtor Bank, or if the copy received does not constitute a valid justification for the Debtor Bank for refusing the Refund. The Debtor Bank credits the account of the Debtor for the amount of the Collection.¹⁷</p> <p>The same Refund compensation as described in PT-04.16 may be recovered from the Creditor Bank by using the same rule.</p>
Starting day/time	After the receipt of the copy of the signed Mandate from the Creditor, at the latest within 30 Calendar Days of the receipt of the request of the Debtor (PT-04.20).
Duration	10 Calendar Days after PT-04.23.
Information Input	The written claim (with the supporting evidence) and the copy of the signed Mandate.
Information Output	The message for Refund of an unauthorised Collection, containing the data of DS-05.

¹⁷ Change 06/096

PT-04.25 – CSM Sends the Refund of an Unauthorised Transaction to the Creditor Bank

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

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

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

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

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

4.6.5 Payment of a Reversal (PR-05)

PT-05.01 – Creditor Initiates Reversal Transactions of Settled Transactions

Description	Reversals are instructions initiated by the Creditor after Settlement of the original Scheme instruction, when the Creditor notices that the instructions should not have been presented for one of the reasons described in section 4.8 AT-31. ¹⁸
Starting day/time	Date D = Due Date=Settlement date.
Closing day/time	Date D+2 Inter-Bank Business Days (to be counted end-to-end from PT-05.01 to PT-05.03)
Information Output	The Reversal instructions for the payment by the Creditor (DS-07) in order to allow the Creditor Bank to populate DS-07 on inter-bank level. The Reversal instruction contains the reference of the original Collection to allow the Debtor to make the reconciliation between the Reversal and the original Collection.

PT-05.02 – Creditor Bank Submits Reversal Transactions to the CSM and Debits the Creditor’s Account

Description	The Creditor Bank forwards Reversal transactions to the CSM. As the Reversal process is based on an exception handling and should stay an exceptional process, Creditor Banks should carefully monitor the use of this process by the Creditors, in order to avoid abuse of the exception handling system by the Creditor for reasons other than those set out in section 4.3.5. ¹⁹
Starting day/time	Date D, after PT-05.01
Closing day/time	Date D+2 Inter-Bank Business Days (to be counted end-to-end from PT-05.01 to PT-05.03 inclusive)
Information Input	The Reversal instructions for the payment by the Creditor (DS-07).
Information Output	The Reversal instructions for the payment by the Creditor (DS-07).

¹⁸ Change 06/089

¹⁹ Change 06/090

PT-05.03 – CSM Forwards Reversal Transactions to Debtor Bank

Description	The CSM settles the Reversals (by debiting the Creditor Bank and crediting the Debtor Bank) and forwards Reversal transactions to the Debtor Bank. .
Starting day/time	Date D, after PT-05.02
Closing day/time	Date D+2 Inter-Bank Business Days + the time needed for the CSM to handle (forward and settle) the Reversals (counted end-to-end from PT-05.01 to PT-05.03 inclusive).
Information Input	The Reversal instructions for the payment by the Creditor (DS-07).
Information Output	The Reversal instructions for the payment by the Creditor (DS-07).

PT05.04 – Debtor Bank Credits Debtor for Reversal Transaction

Description	The Debtor Bank credits the account of the Debtor. The Scheme does not oblige the Debtor Bank to check whether the original Collection has been debited to the Debtor's account or has been rejected, returned or refunded. A Return of a Reversal is not possible, except for syntax errors that make the normal execution of the Reversal technically impossible.
Starting day/time	Date D, after PT05.03.
Closing day/time	Date D+n (unlimited for the Scheme)
Information Input	The Reversal instructions for the payment by the Creditor (DS-07).
Information Output	The information to the Debtor, according to the description of DS-06.

4.7 Business Requirements for Datasets

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

4.7.1 List of Sets of Data Requirements

- | | |
|--------------|--|
| DS-01 | The Mandate. |
| DS-02 | The dematerialised Mandate. |
| DS-03 | Customer to bank Collection |
| DS-04 | The inter-bank Collection |
| DS-05 | Direct debit Rejection, Return or Refund of a Collection or a Reversal. |
| DS-06 | Bank to Customer Collection |
| DS-07 | The inter-bank Reversal instruction for a Collection by the Creditor. |
| DS-08 | A means for inter-bank communication for dealing with exceptions. (To be defined). |

4.7.2 DS-01 - The Mandate

SEPA Direct Debit Mandate		CREDITOR'S NAME & LOGO
<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <p style="font-size: small; margin: 0;">Mandate reference - to be completed by the creditor</p>		
<p>By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.</p> <p>As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 6 weeks starting from the date on which your account was debited. Your rights are explained in a statement that you can obtain from your bank.</p> <p>Please complete all the fields marked *.</p>		
Your name <small>Your name</small>	* <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 1 <small>Name of the debtor(s)</small> <small>Name of the debtor(s)</small>	
Your address <small>Your address</small>	* <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 2 <small>Street name and number</small> <small>Street name and number</small> * <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 3 <small>Postal code</small> <small>City</small> <small>Postal code</small> <small>City</small> * <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 4 <small>Country</small> <small>Country</small>	
Debtor identification code <small>Debtor identification code</small>	* <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 5 <small>For business users: write any code number here which you wish to have quoted by your bank.</small> <small>For business users: write any code number here which you wish to have quoted by your bank.</small>	
Creditor's name <small>Creditor's name</small>	* <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 6 <small>Creditor name</small> <small>Creditor name</small> ** <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 7 <small>Creditor Identifier</small> <small>Creditor Identifier</small> ** <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 8 <small>Street name and number</small> <small>Street name and number</small> ** <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 9 <small>Postal code</small> <small>City</small> <small>Postal code</small> <small>City</small> ** <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 10 <small>Country</small> <small>Country</small>	
Your account number <small>Your account number</small>	* <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 11 <small>Account number - IBAN</small> <small>Account number - IBAN</small> * <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 12 <small>SWIFT BIC</small>	
Person on whose behalf payment is made <small>Person on whose behalf payment is made</small>	* <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 13 <small>Debtor Reference Party: If you are making a payment in respect of an arrangement between (NAME OF CREDITOR) and another person (e.g. where you are paying the other person's bill) please write the other person's name here.</small> <small>If you are paying on your own behalf, leave blank.</small> <small>Debtor Reference Party: If you are making a payment in respect of an arrangement between (NAME OF CREDITOR) and another person (e.g. where you are paying the other person's bill) please write the other person's name here.</small> <small>If you are paying on your own behalf, leave blank.</small>	
In respect of the contract <small>In respect of the contract:</small>	** <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 14 <small>Identification number of the underlying contract</small> <small>Identification number of the underlying contract</small> ** <input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 15 <small>Description of contract</small> <small>Description of contract</small>	
Type of payment <small>Type of payment</small>	* Recurrent payment <input type="checkbox"/> or One-off payment <input type="checkbox"/> 16 <small>Recurrent payment</small> or <small>One-off payment</small>	
City or town in which you are signing <small>City or town in which you are signing</small>	<input style="width: 90%; border: none; border-bottom: 1px solid black;" type="text"/> 17 <small>Location</small> <small>Location</small> Date * <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black;" type="text"/> <small>Date</small>	
Please sign here	Signature(s) <small>Signatures</small> * <div style="border: 1px solid black; height: 40px; width: 100%; margin-top: 5px;"></div>	
Please return to: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Creditor's use only XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	

FIGURE 11: Illustration of a Direct Debit Mandate^{20 21}

²⁰ Creditor is to complete fields marked ** before supplying form to Debtor

²¹ Change 06/100

Description The Mandate is defined in section 4.1.

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

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

The Scheme does not standardise the font or colours used in the Mandate, although the Creditor should always ensure that the Mandate information is clearly legible. Any specific detailed agreement articles for the Creditor/Debtor relationship must be placed outside the content of lines 1 to 16 as indicated on the illustration in Figure 11 (see ‘Creditor’s use only’ below). The reverse side of a Mandate must not set out any information that might be misunderstood by the Debtor to be part of the Mandate.

The Scheme requires the Mandate to have a clear heading entitled “SEPA Direct Debit Mandate” and the following attributes are to be contained within the Mandate in the line order shown:

Mandate attributes:

- Unique Mandate reference
- Name of the Debtor (line 1)
- Address of the Debtor (line 2)
- Postal code/city of the Debtor (line 3)
- Debtor’s country of residence (line 4)
- Debtor identification code (line 5)
- Creditor company name (line 6)
- Creditor’s identifier (line 7)
- Creditor’s address street and number (line 8)
- Creditor’s postal code and city (line 9)
- Country of the Creditor (line 10)
- Debtor’s account number IBAN (line 11)
- The BIC code of the Debtor Bank (line 12)
- Name of the Debtor Reference Party (line 13) ²²
- Underlying contract identifier (line 14)
- Contract description (line 15)
- Type of payment (line 16)
- Signature place and time (line 17)
- Signature(s)

²² Change 06/097

The name of these fields in order to assist the Debtor while filling in the Mandate, as presented in the illustration for the lines 1-17.

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

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

‘Creditor’s use only’ box

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

Attributes contained

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

- By the Creditor: 20 The identification Code of the SEPA Direct Debit Scheme, represented by the wording ‘SEPA Direct Debit Mandate’ ²³
- By the Creditor: 01 The unique Mandate reference
- By the Debtor: 14 The name of the Debtor
- By the Debtor: 09 The address of the Debtor
- By the Debtor: 15 The name of the Debtor Reference party (optional) ²⁴
- By the Debtor: 07 The account number (IBAN) of the account of the Debtor to be debited
- By the Debtor: 13 The BIC code of the Debtor Bank
- By the Debtor: 27 Debtor identification code (optional)
- By the Creditor: 02 The identifier of the Creditor
- By the Creditor: 03 The name of the Creditor ²⁵
- By the Creditor: 05 The address of the Creditor
- By the Debtor: 25 The date of signing
- By the Debtor(s): 33 The signature(s) of the Debtor(s)
- By the Creditor: 21 The Transaction Type (only the values ‘one-off’ and ‘recurrent’ are allowed)
- By the Creditor: 08 The identifier of the underlying contract

Guidelines for the design of the SEPA Direct Debit Mandate

- The standard heading ‘SEPA Direct Debit Mandate’ is mandatory
- The text on the Mandates must be in one or two or more languages of the country of the Debtor, plus in English if the Creditor is not able to determine with reasonable certainty the language of the Debtor
- The reverse side of the Mandate document may contain the same wording as the front side in a second language when this is appropriate. ²⁶
- The Mandate must be clearly separated from any other text. No additional material can appear within the boundary of the Mandate.
- Clear instructions to the Debtor for the Return of the form must be shown on the face of the Mandate
- Creditor’s name, address and identifier number may be pre-printed or stamped on the Mandate

²³ Change 06/091

²⁴ Change 06/097

²⁵ Change 06/092

Creditor's responsibilities

The Creditor must:

- ensure that all Mandates and literature in respect of its SEPA Direct Debit application complies with these guidelines and should approach its bank if it needs any clarification
- ensure that the Mandate is correctly completed prior to sending any dematerialised information to any other party

4.7.3 DS-02 - The Dematerialised Mandate

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

Attributes contained

- 01 The unique Mandate reference
- 14 The name of the Debtor
- 09 The address of the Debtor
- 27 Debtor identification code (if present in DS-01)
- 15 The name of the Debtor Reference Party , if present in DS-01
- 07 The account number (IBAN) of the Debtor to be debited
- 08 The identifier of the underlying contract
- 13 The BIC code of the Debtor Bank
- 02 The identifier of the Creditor
- 03 The name of the Creditor
- 05 The address of the Creditor
- 25 The date of signing of the Mandate
- 16 The placeholder for the electronic signature data
- 21 The Transaction Type (only the values 'one-off' and 'recurrent' are allowed)
- 24 The reason for amendment of the Mandate (mandatory for amendments)
- 36 The signing date of the cancellation of the Mandate

4.7.4 DS-03 – Customer to Bank Collection²⁷

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

Attributes contained

- 21 The transaction type (recurrent, one-off, first, last or Reversal)
- 10 The Creditor's reference of the Collection
- 03 The name of the Creditor
- 05 The address of the Creditor (optional)
- 02 The identifier of the Creditor
- 04 The account number (IBAN) of the account of the Creditor to be credited for the Collection
- 14 The name of the Debtor
- 09 The address of the Debtor (optional)
- 27 Debtor identification code (optional)
- 15 The name of the Debtor Reference Party (if present in DS02)
- 07 The account number (IBAN) of the account of the Debtor to be debited for the Collection
- 13 The BIC code of the Debtor Bank
- 01 The unique Mandate reference
- 25 The date of signing of the Mandate
- 16 The placeholder for the electronic signature data
- 06 The amount of the Collection in euro
- 11 The Due Date of the Collection
- 24 The reason for amendment of the Mandate (mandatory if the Mandate has been amended)
- 18 The identifier of the original Creditor who issued the Mandate (mandatory if the Mandate has been taken over by another Creditor than the Creditor who issued the Mandate)
- 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (mandatory if the Mandate has been taken over by another Creditor than the Creditor who issued the Mandate)
- 22 The Remittance Information from the Creditor to the Debtor such as the identification number of the underlying contract, the reference number of the Pre-notification, etc. (optional)

Remarks These attributes reflect business requirements and do not prescribe fields in the logical or physical layers of the SEPA Data Model as defined in section 0.5 (reference [7]).

²⁷ Change 06/080

4.7.5 DS-04 – The Inter-bank Collection²⁷

Description	This dataset contains all the mandatory information items imposed by the Scheme for the Creditor Bank to send this instruction to the Debtor Bank through the CSM. It is also called “Collection” in the Rulebook. This dataset will be present in the successive process steps of Process 04, starting from step 03 and must be forwarded by all actors up to the Debtor Bank. Attributes are mandatory unless otherwise indicated.
Attributes contained	<ul style="list-style-type: none"> • 20 The identification code of the Scheme • 21 The transaction type (recurrent, one-off, first, last) • 10 The Creditor’s reference of the Collection • 03 The name of the Creditor • 05 The address of the Creditor (if present in DS-03) • 02 The identifier of the Creditor • 04 The account number (IBAN) of the account of the Creditor to be credited for the Collection • 12 The BIC code of the Creditor Bank • 14 The name of the Debtor • 09 The address of the Debtor (if present in DS-03) • 27 Debtor identification code (if present in DS-03) • 15 The name of the Debtor Reference Party (if present in DS-03) • 07 The account number (IBAN) of the account of the Debtor to be debited • 13 The BIC code of the Debtor Bank • 01 The unique Mandate reference • 25 The date of signing of the Mandate ²⁸ • 16 The placeholder for the electronic signature Data (if present in DS-03) • 06 The amount of the Collection in euro • 11 The Due Date of the Collection • 26 The Settlement Date of the Collection • 24 The reason for amendment of the Mandate (if present in DS-03)) • 18 The identifier of the original Creditor who issued the Mandate (if present in DS-03) • 19 The unique Mandate reference as given by the original Creditor who issued the Mandate (if present in DS-03) • 22 The Remittance Information from the Creditor to the Debtor such as the identification number of the underlying contract, the reference number of the Pre-notification, etc. (if present in DS-03) • 43 The Creditor Bank’s reference of the Collection
Remarks	These attributes reflect business requirements and do not prescribe fields in the logical or physical layers of the SEPA Data Model as defined in section 0.5 (reference [7]).

²⁸ Change 06/088

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

Description	This dataset describes the content of a Reject, Return or Refund of a Collection or a Reversal. Attributes are mandatory unless otherwise indicated.
Attributes contained	<ul style="list-style-type: none"> • R1 The type of “R” message • R2 Identification of the type of party initiating the “R” message • R3 The reason code for non-acceptance of the Collection • R4 The Settlement Date for the Return, or Refund • R5 Specific reference of the bank initiating the Reject/Return/Refund for Reject/Return/Refund • R6 The Refund compensation recovered by the Debtor Bank from the Creditor Bank (optional, applies only for a Refund) ²⁹ • An exact copy of all the attributes of the received DS-04 which is being returned/rejected/refunded or the received DS-07 which is being rejected/returned
Remarks	These attributes reflect business requirements and do not prescribe fields in the logical or physical layers of the SEPA data model as defined in section 0.5 (reference [7]).

²⁹ Change 06/093

4.7.7 DS-06 - Bank to Customer Direct Debit Information

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

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

Description	This dataset contains all the Scheme-imposed attributes for the sending of a Reversal for a Collection. See also section 4.4 for the exact definition of a Reversal. Attributes are mandatory unless otherwise indicated.
Attributes contained	<ul style="list-style-type: none"> • 04 The account number (IBAN) of the Creditor to be debited for the message • 12 The BIC code of the Creditor Bank • R2 Identification of the type of party initiating the “R” message • R4 The Settlement Date for the Reversal instruction • 44 The amount of the Reversal in euro • 31 The Reversal reason code • 43 The Creditor Bank’s reference of the Collection • R7 The specific reference of the Creditor Bank for the Reversal • An exact copy of all the attributes of the original DS-04 which is being reversed.
Remarks	These attributes reflect business requirements and do not prescribe fields in the logical or physical layers of the SEPA Data Model as defined in section 0.5 (reference [7]).

4.8 Business Requirements for Attributes

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

4.8.1 List of Attributes

AT-01 The unique Mandate reference

AT-02 The identifier of the Creditor

AT-03 The name of the Creditor

AT-04 The account number (IBAN) of the Creditor

AT-05 The address of the Creditor

- AT-06 The amount of the Collection in euro
- AT-07 The account number (IBAN) of the Debtor
- AT-08 The identifier of the underlying contract
- AT-09 The address of the Debtor
- AT-10 The Creditor's reference of the Direct Debit Transaction
- AT-11 The Due Date of the Collection
- AT-12 BIC code of the Creditor Bank
- AT-13 BIC code of the Debtor Bank
- AT-14 The name of the Debtor
- AT-15 The name of the Debtor reference Party
- AT-16 The placeholder for the electronic signature data
- AT-18 The identifier of the original Creditor who issued the Mandate
- AT-19 The unique Mandate reference as given by the original Creditor who issued the Mandate
- AT-20 The identification code of the Scheme
- AT-21 The transaction type
- AT-22 The Remittance Information sent by the Creditor to the Debtor in the Collection
- AT-24 The reason for amendment of the Mandate
- AT-25 The date of signing of the Mandate
- AT-26 The Settlement Date of the Collection
- AT-27 Debtor identification code
- AT-31 The Reversal reason code
- AT-33 The signature(s) of the Debtor(s)
- AT-36 The signing date of the cancellation of the Mandate
- AT-43 The Creditor Bank's reference of the Collection
- AT-44 The amount of the Reversal in euro.
- AT-R1 Type of "R" message

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

AT-R3 The reason code for non-acceptance

AT-R4 The Settlement Date for the message DS-05 (Return or Refund) or DS-07 (Reversal)

AT-R5 Specific reference of the bank initiating the Reject/Return/Refund for Reject/Return/Refund.

AT-R6 The Refund compensation recovered by the Debtor Bank from the Creditor Bank

AT-R7 The specific reference of the Creditor Bank for the Reversal

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

4.8.2 AT-01 –The Unique Mandate Reference

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

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

4.8.3 AT-02 – The Identifier of the Creditor

Description: **1 The Creditor Identifier**

The identifier of the Creditor is unique in the Scheme: each identifier allows the identification of one Creditor without ambiguity in SEPA.

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

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

2 The Structure of the Identifier

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

The Creditor identifier contains the following elements:

- a. The ISO country code** (reference [4]) of the country where the national identifier of the Creditor, used in the national DD scheme, has been issued
- b. The check digit** (covering a + d)
- c. The extension, called Creditor Business Code**, allowing the Creditor to identify different business lines or different services. This extension is not needed to identify a Mandate in a unique way, but contains useful information for the Creditor and for the Debtor. It can be used by the Creditor in a flexible way, not being part of the real identifying part of the Creditor Identifier. Creditors can change it over time for business reasons.
- d. The country-specific part** of the Creditor identifier being the national identifier of the Creditor, as used in the national DD scheme

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

The detailed specifications of this identifier are provided in detail in the SEPA Direct Debit Implementation Guidelines (reference [11]).

3 Implementation and Transition Period

From the start of the Scheme in January 2008, the structure of the Creditor Identifier as defined above and specified in the Implementation Guidelines (reference [11]) will be used in the Scheme. For countries using a national identifier in current DD schemes which has insufficient capacity or is unsatisfactory for the intended use, they may define a new or adapted national identifier.

4 SEPA-wide use of the Creditor Identifier

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

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

4.8.4 AT-03 – The Name of the Creditor

Description: The name of the Creditor as forwarded to the Debtor.

4.8.5 AT-04 – The Account Number of the Creditor

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

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

4.8.6 AT-05 – The Address of the Creditor

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

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

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

The first part must be larger than or equal to zero euro, and equal to or not larger than 999.999.999 euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents.³⁰

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

4.8.8 AT-07 – The Account Number of the Debtor

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

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

4.8.9 AT-08 - The Identifier of the Underlying Contract

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

4.8.10 AT-09 - The Address of the Debtor

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

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

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

4.8.12 AT-11 – The Due Date of the Collection

Description: See section 4.3.1

4.8.13 AT-12 - BIC Code of the Creditor Bank

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

4.8.14 AT-13 - BIC Code of the Debtor Bank

Description: See Chapter 7, Defined Terms in the Rulebook

³⁰ Change 06/094

4.8.15 AT-14 – The Name of the Debtor

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

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

Description: See section 3.1.

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

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

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

4.8.18 AT-18 - The Identifier of the Original Creditor who issued the Mandate

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

4.8.19 AT-19 - The Unique Mandate Reference as given by the Original Creditor who issued the Mandate

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

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

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

4.8.21 AT-21 – The Transaction Type

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

Value range:

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

Remarks The values given for the codes are arbitrary for inventory purposes, not taken from an approved standard.

4.8.22 AT-22 – The Remittance Information Sent by the Creditor to the Debtor in the Collection

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

4.8.23 AT-24 – The Reason for Amendment of the Mandate

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

Value range: Change of AT-01 (the Creditor defining a new unique Mandate reference)
Change of AT-02 (new Creditor Identifier Information)
Change of AT-03 (The Name of the Creditor)³¹
Change 1 of AT-07 (the Debtor specifying another account to be debited in the same bank)
Change 2 of AT-07 (the Debtor specifying another account to be debited in another bank)
Change of AT-01 and change of AT-02

4.8.24 AT-25 – The Date of Signing of the Mandate

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

4.8.25 AT-26 – The Settlement Date of the Collection

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

4.8.26 AT-27 Debtor Identification Code

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

4.8.27 AT-31 – The Reversal Reason Code

Description: This code explains the reason for the initiation of the Reversal for a Collection. It is defined by the Creditor who initiates the Reversal. It can be used by the Debtor Bank to inform the Debtor about the reason for the credit of the account of the Debtor.

Value range:³² Duplicate entry
Not specified

4.8.28 AT-33 – The Signature(s) of the Debtor(s)

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

4.8.29 AT-36 – The Signing Date of the Cancellation of the Mandate

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

³¹ Change 06/079

³² Change 06/104

4.8.30 AT-43 – The Creditor Bank’s Reference of the Collection

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

4.8.31 AT-44 – The Amount of the Reversal in euro

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

4.8.32 AT-R1 – Type of “R” message

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

Value range:

- Reject of a Collection
- Return of a Collection
- Refund of a Collection
- Return of a Reversal³³

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

Description: Types are:

- Creditor Bank (for Reject, Reversal)
- Debtor Bank (for Reject, Return)
- CSM (for Reject only)
- Creditor (for Reversal only)
- Debtor (for Refund only)

³³ Change 06/087

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

Value range: The reasons for a **Reject, Return or Refund** by the Creditor Bank need not be specified, they are left to a bilateral agreement between Creditor's bank and its Customer (Creditor).

The reasons for a **Reject** by the CSM or the Debtor's bank are as follows:

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

The reasons for a **Return** by the Debtor's bank are as follows:

- Account identifier incorrect (i.e. invalid IBAN or account number does not exist)
- Account closed
- Debtor deceased
- Direct debit forbidden on this account for regulatory reasons
- Duplicate collection
- Account blocked
- Reason not specified
- Insufficient Funds
- No valid Mandate
- Account blocked for Direct Debit by the Debtor
- Regulatory reason
- Specific service offered by the Debtor Bank

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

- Unauthorised Transaction
- Disputed authorised transaction

The reasons for a **Return of a Reversal** are as follows:³⁴

- Account identifier incorrect (i.e. invalid IBAN or account number does not exist)

³⁴ Change 06/087

4.8.35 AT-R4 – The Settlement Date for the Message DS-05 (Return or Refund) or DS-07 (Reversal)

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

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

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

4.8.37 AT-R6 – The Refund Compensation Recovered by the Debtor Bank from the Creditor Bank

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

4.8.38 AT-R7 – The Specific Reference of the Creditor Bank for the Reversal

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

5 RIGHTS AND OBLIGATIONS OF ALL PARTICIPANTS³⁵

5.1 The Scheme

The EPC may resolve to commence operation of the Scheme at a date that it determines at its sole discretion based on a decision taken in accordance with its Charter.

However, in determining the Commencement Date, the EPC shall take into account progress made on the effective transposition of the Payment Services Directive into national law within each EEA jurisdiction. For Swiss Participants, the Scheme shall commence generally on a date when the EPC has received legal advice to the effect that Swiss Participants can comply with the undertakings set out in EPC Resolution, "Participation of Banks in Switzerland in SEPA Payment Schemes."³⁶

The EPC shall give Participants and Stakeholders at least 3 months' prior notice of the Commencement Date in accordance with the internal rules of the EPC.

5.2 Compliance with the Rulebook

A Participant is acting as Debtor Bank and/or as Creditor Bank in the Scheme and shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- the SEPA Data Model and associated Implementation Guidelines for standards
- any Balancing Payment Arrangement (as referred to in section 5.11).
- any validly made order or notice issued as part of the SEPA Scheme Management processes under the Rulebook.

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

The Rulebook is a multilateral agreement comprising contracts between:

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

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

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

Participants should act consistently with the policies and practices set out in the PE-ACH/CSM Framework.

³⁵ Several changes after legal review, not separately itemised.

³⁶ DOC EPC040/06 - Approved by the EPC Plenary on 8 March 2006

5.3 Reachability

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

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

A Participant which uses the services of a CSM to assist in the provision of its services to Creditors and Debtors shall only use a CSM which complies with the PE-ACH/CSM Framework in relation to the provision of Clearing and Settlement services in relation to the Scheme.

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

A Participant when using the services of a CSM or Intermediary Bank acts at its own risk.

5.4 Eligibility for Participation

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

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

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

- a credit institution which is authorised in accordance with Article 4 of Directive 2000/12/EC by a state which is a member of the European Economic Area;
- an undertaking which is listed in Article 2(3) of Directive 2000/12/EC; or
- a bank which is authorised in accordance with Article 3 of the Federal Law on Banks and Savings Banks of 8 November 1934 by the Swiss Federal Banking Commission.

Any references in the Rulebook to a "bank" or "banks" shall be construed as including any undertaking which is eligible under this section 5.4 and shall not be construed as excluding or attempting to exclude undertakings which do not fall within one of the categories listed above.

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

5.5 Becoming a Participant

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

Applications shall be submitted to the EPC in accordance with its application procedures.

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

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

An applicant becomes a Participant upon publication of its name on the list of Participants as published regularly. The applicant shall be informed prior to the initial publication of its name on such list of the status of its application and the date of such publication. Names of applicants which will become Participants at a future date may be pre-published, and a date designated and published when they will become Participants.

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

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

Upon receipt of such a written rejection, the applicant may appeal against such decision under the appeals process of the Scheme.

5.6 Direct Debit Scheme List of Participants

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

Such list shall contain:

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

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

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

5.7 Obligations of a Creditor Bank

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

- enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of “Know Your Customer”
- ensure that such agreement is consistent with the Rulebook
- ensure that such agreement makes adequate provision in circumstances where a Creditor moves its account from one Creditor Bank to another Creditor Bank, as provided for in the Rulebook
- ensure that such agreement makes adequate provision for the Creditor Bank’s succession (e.g. through merger or acquisition), in accordance with the Rulebook
- not restrict its Creditors from obtaining similar services relating to the Scheme from any other Creditor Bank
- provide Creditors and prospective Creditors with adequate information on the respective rights and obligations of the Debtor, Creditor and Creditor Bank in relation to the SEPA Direct Debit in question, in advance of the first SEPA Direct Debit to be collected by the Creditor and in accordance with the relevant provisions in the Rulebook on the content of such information
- use reasonable commercial endeavours, so far as practicable, to comply with any guidance issued from time to time in relation to risk mitigation as set out in the Rulebook and Annex II

- in the event that a prospective Creditor does not have a Unique Creditor Identifier, provide or procure the provision of such a number
- perform all operational tasks allocated to Creditor Banks under the Rulebook and comply with the standards set out in the SEPA Data Model
- effect exceptional processing (including all Rejects, Returns and Refunds in relation to its Creditors' accounts) in accordance with the Rulebook
- pay the amount of each Refund to the relevant Debtor Bank, regardless of the status of the Creditor's account or the Creditor itself
- upon request by a Debtor Bank to whom it has sent a Collection (including any Collection which has become subject to a Reject), seek all relevant information and, if requested, a copy of the relevant Mandate, from the Creditor and provide to the Debtor Bank without undue delay such information relating to the relevant Collection and Mandate as has been made available to it by the relevant Creditor
- monitor the use by its Creditors of SEPA Direct Debits to ensure continuing compliance with the Rulebook and in order to mitigate all the risks
- in the event that it has credible evidence that its Creditor has effected or proposes to effect one or more SEPA Direct Debits with intent to defraud any person, cease forthwith to effect further Collections for such Creditor
- ensure that, in its agreements with Creditors governing the provision and use of services relating to the Scheme, it has the right to terminate such agreements in the event that Creditors misuse the Scheme and that it exercises such right in such an event
- pay compensation to Debtor Banks in respect of Refunds as determined in accordance with the Rulebook

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

- to obtain and use a Creditor Identifier when effecting SEPA Direct Debits
- to use a form of Mandate which complies with the Rulebook
- to provide Debtors and prospective Debtors with adequate information on the respective rights and obligations of the Debtor and Creditor in relation to the SEPA Direct Debit in question, in advance of the first SEPA Direct Debit to be collected by the Creditor from such Debtor and in accordance with the relevant provisions in the Rulebook on the content of such information. A model of the statement of Debtors' rights is provided in Annex III. 37
- to comply with the terms of Mandates agreed with its Debtors
- to collect, process and store data related to its Mandates in accordance with the relevant provisions of the Rulebook

³⁷ Change 06/002

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

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

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

5.8 Obligations of a Debtor Bank

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

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

- use reasonable commercial endeavours, so far as practicable, to comply with any guidance issued from time to time in relation to risk mitigation as set out in the Rulebook and in Annex II
- perform all operational tasks allocated to Debtor Banks under the Rulebook and comply with the standards set out in the SEPA Data Model
- effect all Rejects, Returns and Refunds in relation to its Debtors' accounts, in accordance with the Rulebook, even if the Debtor's account is closed
- effect Refunds requested by the Debtor after the closure of his account in the Debtor Bank, in accordance with the Rulebook
- without delay, if requested by a Debtor in respect of whom a Collection has been received, seek all relevant information and a copy of the relevant Mandate from the Creditor Bank and provide to the Debtor without undue delay such information relating to the relevant Mandate as has been made available to it by the relevant Creditor Bank

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

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

5.9 Indemnity and Limitation of Liability

In respect of each SEPA Direct Debit which is the subject of a Collection received by a Debtor Bank from a Creditor Bank, such Creditor Bank shall indemnify the Debtor Bank in respect of all losses, costs, damages and expenses (including reasonable legal fees), taxes and liabilities for any claims, demands or actions but limited always to the amount specified in the Collection (each referred to as a "Loss") incurred by the Debtor Bank in connection with such SEPA Direct Debit, including but not limited to Loss arising out of or in connection with:

- the performance by the Debtor Bank of any obligation relating to the Collection to which it is subject under the Rulebook
- any defect in the Mandate to which the Collection relates
- any breach of the Rulebook by the Creditor Bank relating to the Collection
- any negligent act or omission of the relevant Creditor and/or Creditor Bank relating to the collection or the Mandate insofar as relevant to the operation of the Scheme; or
- any operational failure of the relevant Creditor and/or Creditor Bank relating to the Collection or the Mandate insofar as relevant to the operation of the Scheme,
- subject to proportionate reduction of such indemnity in the case of contributory negligence of the Debtor Bank, its employees, its agents or their employees.

A Participant, its agents, its employees and the employees of its agents shall not be liable under the Rulebook for any indirect or consequential Losses. Any Loss which exceeds a sum specified in a Collection, increased by the Refund compensation as set out in PT-04.16 shall be deemed to be an indirect Loss. A Loss which results from action taken to limit or manage risk shall also be deemed to be an indirect Loss.

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

5.10 Termination

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

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

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

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

The effective date of termination or suspension of a Participant's status as a Participant is (where the Participant has given notice in accordance with the first paragraph of section 5.10) the effective date of such notice, or (in any other case) the date on which the Participant's name is deleted from the Direct Debit Scheme List of Participants, and as of that date the Participant's rights and obligations under the Rulebook shall cease to have effect except as stated in this section 5.10.

Sections of the Rulebook shall continue to be enforceable against a Participant, notwithstanding termination of such Participant's status as a Participant.

5.11 Balancing Payments

Balancing Payment Arrangement

- Creditor Banks and Debtor Banks shall be free to agree a Balancing Payment Arrangement.
- Pursuant to a Balancing Payment Arrangement, the Creditor Bank shall pay a Balancing Payment to the Debtor Bank in relation to a Direct Debit Transaction to which the Creditor Bank and Debtor Bank are parties.

Multilateral Balancing Payment Arrangement

- In the absence of a Balancing Payment Arrangement between the Creditor Bank and the Debtor Bank, the Multilateral Balancing Payment Arrangement shall apply.
- Pursuant to the Multilateral Balancing Payment Arrangement, the Creditor Bank shall pay the Multilateral Balancing Payment to the Debtor Bank in relation to a Direct Debit Transaction to which the Creditor Bank and Debtor Bank are parties.
- The Multilateral Balancing Payment is payable when the Debtor Bank makes a payment in relation to Direct Debit Transaction, subject to any arrangements otherwise agreed between the Creditor Bank and Debtor Bank.

Unresolved Issues and Compliance

- Sections 6.5 and 6.6 of the Rulebook will not apply in the event of an Unresolved Issue relating to the Multilateral Balancing Payment or a Balancing Payment.

5.12 Contractual Provisions

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

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

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

Where an obligation under the Rulebook would fall to be performed by a Participant on a day which is not an Inter-Bank Business Day, that obligation shall not be due for performance until the next following Inter-Bank Business Day.

Where an obligation which the Rulebook imposes on a Participant in favour of a Customer would fall to be performed by the Participant on a day which is not a Customer Banking Business Day in the country where the Participant is obliged to perform that obligation, that obligation shall not be due for performance until the next following day which is a Customer Banking Business Day in that country.

Any reference in the Rulebook to statutes or statutory instruments shall be to such statutes or statutory instruments as amended or replaced from time to time.

Every document that is required to be provided under the Rulebook shall be provided in the English language.

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

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

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

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

6 SEPA SCHEME MANAGEMENT³⁸

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

SEPA Scheme Management can be divided into two functions. The first function involves managing the development and evolution of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules.

The development and evolution function shall be performed by the EPC Plenary, supported by existing working and support groups or by such other groups as it may establish. The EPC Plenary shall perform the development and evolution function in accordance with such procedures and internal rules as are established by the EPC from time to time.

The performance of the development and evolution function of SEPA Scheme Management shall entail the establishment of formal change management processes for further developing the Scheme Rulebook and related documentation, so as to incorporate further ideas and proposals for innovation in light of experience. In addition, the development and evolution function shall provide a means through which Participants and Stakeholders can participate in a structured dialogue with the EPC with a view to reviewing and developing the content of the Scheme, based on sound business cases.

The administration and compliance function shall be performed by the Scheme Management Committee (SMC). The SMC shall perform the administration and compliance function in accordance with such procedures as are established by the EPC from time to time.

The SMC shall be responsible for the promotion and management of compliance. As part of this role, the SMC shall offer a forum for Participants to resolve their grievances through a process of conciliation and dialogue.

In addition, the administration and compliance function will provide an information service on SEPA matters, such support as may be necessary for the EPC and for Participants in matters relating to risk management and regulatory compliance, and support and monitoring facilities for the implementation of the Scheme.

The SMC shall also be responsible for managing the adherence process. The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is annexed. It might be necessary to adjust the Adherence Agreement depending upon the final text of the EPC document(s). The Rulebook and Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the EPC. The procedure for joining the Scheme is set out in Chapter 5

The constitution and powers of the SMC and the EPC Plenary are documented in the EPC Charter and in the EPC internal rules.

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

³⁸ New text replacing previous annex.

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

6.1 The EPC Plenary

The role of the EPC Plenary shall be to:

- provide leadership in the innovation and development of the Scheme
- further develop the Rulebooks and related documentation
- establish and administer processes through which a structured dialogue with Participants and Stakeholders can take place with a view to receiving from Participants and Stakeholders proposals for developing the Scheme and SEPA - compliant products and services
- conduct such a dialogue with Participants and Stakeholders by providing Participants and Stakeholders with regular opportunities to contribute ideas and proposals to the EPC Plenary in an appropriate manner
- cater for diversity in SEPA communities by ensuring that such dialogue takes into account the requirements and concerns of all Participants and Stakeholders; and
- establish and administer clear processes to manage proposals for change and development in SEPA from the capture of ideas for change to their analysis (both cost-benefit and technical), discussion and implementation in SEPA.

Unless specifically stated in the Rulebook, the EPC Plenary does not undertake any commitment or obligation to perform any duty or service to any person.

6.2 Changes to the Rulebook

The EPC Plenary shall implement changes to the Rulebook in a transparent and consultative manner.

The EPC Plenary may appoint working and support groups from time to time to consult Participants and (where applicable) Stakeholders in accordance with section 6.3 below, in order to develop proposals for modifying the Rulebook.

The EPC Plenary shall consult with Participants and (where applicable) Stakeholders in accordance with the internal rules of the EPC, on changes proposed by the relevant working and support groups of the EPC Plenary.

Following its consultation with Participants and (where applicable) Stakeholders, the EPC Plenary shall evaluate the proposals received from the relevant working and support groups together with the findings gathered from its consultation process with Participants and (where applicable) Stakeholders.

Once the EPC Plenary has completed its evaluation of the proposed changes to the Rulebook, the EPC Plenary may, in its sole discretion, make such changes to the Rulebook as it deems appropriate acting in accordance with its internal rules.

Amendments to the Rulebook shall take effect on the date specified in the EPC Plenary Resolution relating to those amendments, which shall be no earlier than the date of publication of the notice and which may be a future date.

In the absence of a requirement to remedy a serious deficiency in a Scheme, the EPC Plenary and the relevant working and support groups shall endeavour to implement only one set of changes per Scheme in any calendar year, with effect from the Commencement Date.

6.3 Structured Dialogue with Participants and Stakeholders

The EPC Plenary and such working and support groups as it may establish in accordance with its internal rules, shall undertake a structured dialogue with Participants and Stakeholders, in particular, in relation to any review of the provisions and content of the Schemes conducted from time to time.

The EPC Plenary and its working and support groups may consult Participants and Stakeholders separately in course of conducting a review and in such an order as the EPC Plenary deems appropriate. The EPC Plenary and such other working and support groups as that it may appoint from time to time, shall collect the findings from such a review in an appropriate manner before presenting the findings to the EPC.

The EPC Plenary may, but shall not be obliged to, accept the contribution of a Participant or Stakeholder who fails to follow the procedures specified by the EPC Plenary.

The EPC Plenary will establish representative forums comprising groups of Participants and Stakeholders in order to facilitate the collection of Stakeholders' and Participants' contributions in the review process.

Findings from a review, views expressed in the review process or contributions from Participants and Stakeholders during a review shall not bind the EPC Plenary or any other person.

Where no review has been called under this section, the EPC Plenary may nevertheless carry out such a dialogue with Participants and Stakeholders and accept such proposals in relation to the Scheme as are required by it to perform its obligations under the Rulebook.

Following the structured dialogue with Participants and Stakeholders, where the EPC Plenary validly determines that a change to the Scheme is required to be made, it shall publish a timetable for implementing the change in a manner that it consider appropriate.

6.4 The Obligations of the SMC

The SMC shall:

- act within the terms of the EPC Charter and the internal rules of the EPC
- administer the Scheme in accordance with the Rulebook; and
- exercise its rights and obligations under the Rulebook with a view to ensuring that the Scheme operates efficiently, fairly and in accordance with the Rulebook.

In addition to obligations to which it is expressly subject elsewhere in the Rulebook, the SMC shall:

- administer the process by which Participant status is granted and terminated under the Rulebook in a transparent manner by handling and determining applications and by providing an appeals mechanism for rejected applicants
- promote compliance with the Rulebook
- monitor and manage compliance by Participants with the Rulebook
- provide a forum for Participants to resolve Unresolved Issues through a process of conciliation and dialogue.
- establish and administer an information service to provide authoritative guidance on the operation of the Schemes;
- provide support to Participants on regulatory compliance and risk management, as necessary; and
- provide support and monitoring of implementation with facilities such as a programme management office, a testing framework, checklists, guidance notes and other appropriate materials, as necessary.

Unless specifically stated in the Rulebook, the SMC does not undertake any commitment or obligation to perform any duty or service to any person.

The SMC shall implement appropriate procedures to ensure that all decisions are independent (including an appropriate policy for dealing with any conflicts of interest).

6.5 Resolution of Unresolved Issues between Participants

Issues may from time to time arise in relation to the interpretation of the Rulebook or compliance with its terms.

If any Unresolved Issue arises between Participants, the relevant Participants shall use all reasonable endeavours to resolve the matter amicably without the involvement of the SMC. Reasonable endeavours to resolve the Unresolved Issue may include:

- submitting to a conciliation process, led by an independent person or body chosen by the relevant Participants;
- consulting with relevant national banking communities; or
- submitting to such other national dispute resolution process (short of litigation or arbitration) as the Participants may agree upon.

If the relevant Participants fail to resolve the Unresolved Issue in accordance with the steps set out above, the relevant Participants shall submit to a conciliation process to resolve the Unresolved Issue, as led by the SMC (if the SMC agrees) in accordance with its rules or by such other body as the SMC may designate from time to time. As part of the conciliation process, the SMC shall encourage Participants to disclose all relevant facts in good faith with a view to resolving the Unresolved Issue in a prompt and amicable manner.

THE FOLLOWING OPTIONS ARE PUT FORWARD FOR APPROVAL IN DECEMBER 2006 TO ADDRESS A FAILURE BY PARTICIPANTS TO RESOLVE DISPUTES. THE SMC WILL CONSIDER THESE OPTIONS AND PROVIDE GUIDANCE IN 2007 LEADING TO AN EPC PLENARY DECISION ON THE FINAL CHOICE AND WORDING BEFORE THE COMMENCEMENT DATE.

[OPTION A

Following a failure by the Participants to resolve the Unresolved Issue through either the conciliation process led by the SMC (or by a body designated for this purpose by the SMC), or where, such a conciliation process has not taken place, following consultation with the SMC, if a Participant gives another Participant notice that an Unresolved Issue exists and that the Unresolved Issue has still not been resolved within 30 Calendar Days of service of the notice or the SMC agrees, then the Unresolved Issue shall be referred by the SMC to arbitration.

No Participant shall resort to arbitration against another Participant under the Rulebook until 30 Calendar Days after the referral of the Unresolved Issue to the SMC.

Unless the parties to the Unresolved Issue otherwise agree, any Unresolved Issue which is unresolved 30 days after the referral of the Unresolved Issue to the SMC shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those Rules. The seat of the arbitration shall be Brussels. The SMC shall have the right to participate in the arbitration.

However, if the Unresolved Issue is referred to arbitration in accordance with this section, the relevant Participants may agree to submit to local arbitration in a SEPA jurisdiction. If the relevant Participants elect to submit to such local arbitration, they shall conduct the arbitration under rules agreed between them and approved by the EPC. The jurisdiction chosen by the relevant Participants for such local arbitration must be substantially connected to the conduct of the Unresolved Issue.

Any arbitration between Participants under the Rulebook shall (unless the relevant Participants agree otherwise, and in an Unresolved Issue in which the SMC is participating, with the consent of the SMC) be conducted in the English language.

Alternatively, following a failure by the relevant Participants to resolve the Unresolved Issue in accordance with the steps set out above, the relevant Participants may agree to submit to such other dispute resolution process (other than arbitration) as they consider appropriate, including litigation. If the relevant Participants submit to litigation in accordance with this section, the relevant Participants shall conduct the litigation in a jurisdiction, and under such processes as are determined by established principles of conflicts of laws.]

[OPTION B

Following a failure by Participants to resolve the Unresolved Issue through the conciliation process led by the SMC (or a body designated for this purpose by the SMC) or, where such a conciliation process has not taken place, following consultation with the SMC, the relevant Participants may submit to such dispute resolution processes as they consider appropriate, including but not limited to arbitration, or litigation in a competent court of a SEPA jurisdiction.]

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If an Unresolved Issue arises between a Participant and the EPC or one or more divisions of the EPC, then both the Participant and the EPC shall conduct the resolution of the Unresolved Issue in accordance with the processes set out in this section, subject to appropriate procedures established by the EPC from time to time to ensure the independence of all adjudicating bodies involved in resolving the Unresolved Issue.

6.6 SMC Role in Compliance

Where the SMC believes that there has been a failure to comply with the Rulebook by an Affected Participant, the SMC may, but shall not be obliged to, take steps against the Participant.

If the SMC determines that there has been a breach of the Rulebook by an Affected Participant, it may exercise such powers as are set out from time to time in the rules of the SMC.

Following its determination, the SMC will notify the Affected Participant in writing of its decision and provide the Affected Participant with a statement of the reasons for its decision.

The powers of the SMC in the case of a breach of the Rulebook by an Affected Participant shall be limited to:

- issuing a private written warning to the Affected Participant
- issuing a written warning to the Affected Participant and also publish this warning to other Participants
- making an order that the Affected Participant make restitution to any person, when the Affected Participant has profited from a breach of the Rulebook at that person's expense
- bringing the conduct of the Affected Participant to the attention of the relevant national regulator(s), national banking community or to such other body as the SMC considers appropriate
- suspending an Affected Participant's status as a Participant for a fixed period
- terminating an Affected Participant's status as a Participant

The powers of the SMC in relation to the sanctions set out in this section are described in detail in the internal rules of the EPC.

The SMC shall address disciplinary matters under such processes as it may establish, based on separation of duties between (i) personnel responsible for investigation and elimination of breaches of the Rulebook from (ii) personnel responsible for fair adjudication of facts and (if appropriate) any enforcement action.

Where a Participant has been deemed to satisfy the eligibility criteria in section 5.4 on account of holding authorisation in accordance with the first bullet point of section 5.4 in the list of undertakings deemed to be automatically eligible, the Participant's status as such will automatically terminate upon the loss by such Participant of that authorisation, provided always that a Participant or ex-Participant may reapply under section 5.5 before or after loss of authorisation.

If, at any time, a Participant ceases to be eligible in accordance with section 5.4 above, the SMC may suspend or terminate such Participant's status as a Participant. The former Participant may appeal against the decision of the SMC under the appeals process of the EPC.

In a case where the SMC exercises its powers to suspend or terminate a Participant's status as a Participant, the SMC shall give such consequential directions as are necessary to ensure the smooth operation of the Scheme. Such directions may apply to Participants generally or to a class of Participants and shall have effect as if included in the Rulebook.

6.7 Appeals

Participants shall have a right of appeal to a competent court of a SEPA jurisdiction against a decision of the SMC. In the event of an appeal, Participants shall follow such procedures as are established by the EPC from time to time in accordance with its appeals rules.

6.8 Intellectual Property

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

6.9 Liability of the SMC and the EPC Plenary

None of the EPC Plenary and the SMC, their agents, employees or the employees of its agents shall be liable for anything done or omitted in the exercise of any discretion under the Rulebook unless it is shown that the act or omission was effected in bad faith.

The EPC Plenary or the SMC, their agents, their employees and the employees of their agents shall not be liable for any indirect or consequential Losses.

6.10 Fees

The EPC shall be entitled to levy fees in respect of such matters and at such rates as may from time to time be set out in the internal rules of the EPC. Such fees shall be payable by such Participants, at such times, and in such manner as may be set out in the internal rules of the EPC.

The EPC shall publish its current tariff of fees to all Participants from time to time in such manner as it considers appropriate. The EPC shall take the views of all Participants into account when setting the level of the fees, in accordance with section 6.3.

Any changes to be made to such fees shall take effect as set out in the internal rules of the EPC.

6.11 Compliance by CSMs

A CSM that participates in the Scheme as a SEPA compliant CSM in accordance with the conditions set out in the PE-ACH/CSM Framework shall carry out a regular self-assessment to demonstrate its compliance with the PE-ACH/CSM Framework.

A CSM that complies with the PE-ACH/CSM Framework shall notify its users and owners of its compliance in an appropriate manner.

A CSM that operates solely on a bi-lateral or internalised basis pursuant to paragraph 2.1 of the PE-ACH/CSM Framework is not obliged to carry out a self-assessment or notify the SMC of its compliance with the PE-ACH/CSM Framework in accordance with this section.

7 TERMS DEFINED IN THE RULEBOOK³⁹

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

	Definition
Additional Optional Services	Complementary features and services based on the Scheme, as described in section 2.4 of the Rulebook.
Adherence Agreement	The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found as Annex 1 of the Rulebook.
Affected Participant	A Participant that is subject to disciplinary proceedings in accordance with Chapter 6 and the rules of the SMC.
AOS	<i>See 'Additional Optional Services'.</i>
Balancing Payment	A payment made by the Creditor Bank to the Debtor Bank in relation to the costs incurred by the Debtor Bank in relation to a Direct Debit Transaction. The level of a Balancing Payment shall comply with applicable competition rules.
Balancing Payment Arrangement	An agreement between the Creditor Bank and the Debtor Bank relating to a Balancing Payment.
Bank Identifier Code (BIC)	An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions (ISO 9362).
BIC	<i>See 'Bank Identifier Code'.</i>
Calendar Day	A Calendar Day means any day of the year.
Clearing	The process of transmitting, reconciling and, in some cases, confirming payment orders prior to Settlement, possibly including the netting of instructions and the establishment of final positions for Settlements.
Clearing and Settlement Mechanism ("CSM")	A Clearing and Settlement Mechanism (including a PE-ACH) as described in the PE-ACH/CSM Framework, reference. [2]
Collection	A Collection is the part of a Direct Debit Transaction starting from the Collection initiated by the Creditor until its end through the normal debiting of the Debtor's account or until the completion by a Reject, Return or Refund.
Commencement Date	The date on which the EPC resolves to commence operation of the Scheme in accordance with section 5.1.
Creditor	<i>Defined in section 3.1.</i>
Creditor Bank	<i>Defined in section 3.1.</i>
Customer	Non-bank Creditor or Debtor.
Customer Account	The account held by a Customer in the books of a SEPA bank.

³⁹ Change 06/101

Definition

Customer Banking Business Day	A Customer Banking Business Day is a day on which banks in the relevant jurisdiction are generally open for business with customers.
Cut-off Time	The Rulebook defines time cycles expressed in the time-unit “day”. More detailed time limits expressed in “hours-minutes” must be specified by all actors, including CSMs, for operating the Scheme.
D	<i>Defined in section 4.3.1.</i>
Debtor	<i>Defined in section 3.1.</i>
Debtor Bank	<i>Defined in section 3.1.</i>
Direct Debit Collection	<i>See ‘Collection.’</i>
Direct Debit Transaction	A Direct Debit Transaction is the whole process of the execution of a payment made by the use of direct debit, starting from the Collection initiated by the Creditor up to its finality, being or the normal execution, or the Reject, or the Return or the Refund of the Collection. It is the end-to-end execution of a direct debit payment.
Due Date	<i>Defined in section 4.3.1.</i>
EBA	European Banking Association.
EBPP	EBPP stands for “Electronic Bill Presentment and Payment” and identifies a payment process where the handling of the underlying bill is, in one way or another, integrated in the payment process.
ECSA	European Credit Sector Association.
EONIA Interest Rate	The EONIA SWAP INDEX is the average rate at which, at 16:30 Brussels time, a representative panel of prime banks provide daily quotes, rounded to three decimal places, that each Panel Bank believes is the mid-market rate of EONIA swap quotations between prime banks. It is quoted on an actual/360 day basis.
EPC	The European Payments Council.
EPC Charter	The Charter of the European Payments Council dated 18 June 2004, as amended from time to time.
EU	The European Union.
File	An electronic envelope containing a number of transactions that allows the receiver of the File to control its integrity. A File may contain a single transaction, or several single transactions, or batches of transactions.
Funds	In relation to a payment transaction shall mean cash, scriptural money and electronic money as defined in Directive 2000/46/EC.

Definition

IBAN	<p>An expanded version of the basic bank account number (BBAN) intended for use internationally that uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616, EBS 204).</p> <p>As of late-2005, ISO is in the process of aligning the ISO 13616 Standard with the European Standard EBS 204. In due course the ISO Standard will replace the EBS standard (reference [3]).</p>
Inter-Bank Business Day	<p>An Inter-Bank Business Day is a day on which banks generally are open for inter-bank business. The TARGET Days Calendar is used to identify Inter-Bank Business Days. TARGET is the Trans-European Automated Real-time Gross Settlement Express Transfer System. To avoid frequent changes to TARGET closing days and thus the introduction of uncertainties into financial markets, a long-term calendar for TARGET closing days has been established and applied since 2002. It is published by the European Central Bank.</p>
Intermediary Bank	<p>A bank which is neither that of the Creditor nor that of the Debtor and which participates in the execution of a Collection.</p>
Loss	<p><i>Defined in section 5.7.</i></p>
Mandate	<p><i>Defined in section 4.1.</i></p>
Multilateral Balancing Payment	<p>In the absence of a Balancing Payment Arrangement, a default payment made by the Creditor Bank to the Debtor Bank in relation to the costs incurred by the Debtor Bank for a Direct Debit Transaction. The level of the Multilateral Balancing Payment shall be posted on [<i>the EPC website</i>] and shall be reviewed on a periodic basis to ensure compliance with applicable competition rules.</p>
Multilateral Balancing Payment Arrangement	<p>A default agreement between Creditor Banks and Debtor Banks relating to the Multilateral Balancing Payment.</p>
National Direct Debit Scheme	<p>A set of rules and operational procedures built by a national banking-community in order to operate efficient and secure direct debiting in an individual country. According to domestic needs there may exist one or more National Direct Debit Schemes in a country.</p>
Original Amount	<p>Original ordered amount for each Collection as specified by the Creditor to the Creditor Bank.</p>
Participant	<p>Debtor Bank and/or Creditor Bank.</p>
Payment Services Directive	<p>The EU Directive on payment services in the internal market.</p>
PE-ACH	<p>Pan-European Automated Clearing House. A business platform for the processing of euro payment instruments made up of governance rules and payments practices and supported by the necessary technical platform(s).</p>

Definition

PE-ACH CSM Framework	The EPC document that establishes the principles on which CSMs will support the schemes for credit transfer and direct debits, as set out in reference [2].
Pre-notification	The notification provided by the Creditor to the Debtor of the amount and time schedule prior to the date on which the debits are to be collected. The notice can be provided as a separate piece of information, or via inclusion in a regular statement, bill, or invoice.
Reachability	Reachability is the concept that all Customer Accounts in SEPA are accessible for the receipt of direct debits in the Scheme.
Refund	<i>Defined in section 4.4.</i>
Refusals	<i>Defined in section 4.4.</i>
Rejects	<i>Defined in section 4.4.</i>
Remittance Information	Information supplied by the Creditor to be passed to the Debtor.
Request for Cancellation	<i>Defined in section 4.4.</i>
Returns	<i>Defined in section 4.4.</i>
Reversal	<i>Defined in section 4.4.</i>
Revocation	<i>Defined in section 4.4.</i>
R-transactions	Direct debit transactions that result in exception processing are referred to as ‘R-transactions’.
Scheme	The SEPA Direct Debit Scheme.
Scheme Management Committee	The committee of the EPC that shall perform the administration and compliance function of SEPA Scheme Management.
SEPA	The definition of SEPA is part of the EPC Roadmap approved by the EPC Plenary in December 2004. SEPA will be the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within Europe (currently defined as consisting of the EU 25 member states plus Ireland, Norway, Liechtenstein and Switzerland), whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location.
SEPA Credit Transfer Scheme	The SEPA Credit Transfer Scheme is the payments scheme for making credit transfers across SEPA, as set out in the SEPA Credit Transfer Scheme Rulebook.
SEPA Credit Transfer Scheme Rulebook	The Rulebook setting out rules and business standards for the SEPA Credit Transfer Scheme.
SEPA Data Model	This document sets out in detail elements of the logical data layer and the physical data layer of the Scheme, as described in Chapter 0.5 of the Rulebook and reference [10].

Definition

SEPA Direct Debit	A SEPA Direct Debit is the payment instrument governed by the rules of the SEPA Direct Debit Scheme for making direct debit payments in euro throughout SEPA from bank accounts to other bank accounts.
SEPA Direct Debit Scheme	The SEPA Direct Debit Scheme is the payments scheme for making direct debits across SEPA, as set out in the SEPA Direct Debit Scheme Rulebook.
SEPA Direct Debit Scheme Rulebook	The Rulebook setting out rules and business standards for the SEPA Direct Debit Scheme.
SEPA Scheme	A SEPA payment scheme is a common set of business rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at an inter-bank level in a competitive environment.
SEPA Scheme Management	SEPA Scheme Management denotes the governance, development and compliance mechanisms in relation to a SEPA Scheme.
Service Level Agreements	An agreement between a Participant and another entity for the provision by such entity to the Participant of services which relate to the Scheme (including a statement of the parties' respective rights and obligations and the service levels required by the Participant for the service provider).
Settlement	An act that discharges obligations with respect to the transfer of Funds between Creditor Bank and Debtor Bank.
Settlement Cycle	The time taken to achieve Settlement.
Settlement Date	The date on which obligations with respect to Funds transfer between Debtor Bank and Creditor Bank are discharged.
SMC	Scheme Management Committee, see Chapter 6.
Supporting Documentation	The opinion on capacity and authority in the form set out at [], duly executed by the undertaking's counsel, together with such additional documents as the EPC may require.
TARGET Calendar	<i>Defined in section 4.3.</i>
Terms and Conditions	The general Terms and Conditions that a bank has with its Customers (and which may contain dispositions about their rights and obligations related to Scheme-debits. These dispositions may also be included in a specific agreement, at the bank's choice).
Time Cycle	This describes the time constraints of a process in terms of days per key process step.
Transaction Type	<i>Defined in section 4.8.21.</i>
Unauthorised Transaction	<i>Defined in section 4.4.</i>
Unresolved Issue	Any dispute in relation to the Rulebook.
Value Date	A reference point in time used by a bank for the calculation of interest on the Funds transferred out or into a payment account.

ANNEX I – DRAFT SEPA DIRECT DEBIT ADHERENCE AGREEMENT

Draft SEPA Direct Debit Adherence Agreement

To: The European Payments Council (the "**EPC**")

From: Name of Proposed Participant:

(the "**Proposed Participant**")

Official Address -----
for Notices: -----

Fax No: -----

PREAMBLE

- (A) The SEPA Direct Debit Scheme (the "**Scheme**") is a single pan-European direct debit Scheme that operates in all SEPA countries, comprising the 25 EU member states, the three additional member states of the European Economic Area (the EEA), and Switzerland.
- (B) The EPC controls and manages the operation of the Scheme in accordance with the terms and conditions set out in the SEPA Direct Debit Scheme Rulebook (the "**Rulebook**").
- (C) The Rulebook sets out the rights and obligations of all institutions bound by its terms (the "**Participants**") and the EPC, and binds each Participant to comply with their obligations to the EPC and to all other Participants pursuant to the rules set out therein.
- (D) The EPC, acting on its behalf and on behalf of all Participants, will notify the Proposed Participant of the date on which this Adherence Agreement becomes effective (the "**Effective Date**") as between the Proposed Participant, the EPC and other Participants.
- (E) As of the Effective Date the Proposed Participant shall become a Participant and be bound to all the obligations, and entitled to all the benefits, set out in the Rulebook.
- (F) Other material to be identified.

IT IS HEREBY AGREED AS FOLLOWS:-

1. The Proposed Participant hereby undertakes to all Participants and to the EPC to perform the obligations imposed by and to comply with the provisions of the Rulebook, as modified from time to time, with effect from the Effective Date.
2. The Proposed Participant makes the following representations and warranties:
 - 2.1 The Proposed Participant has the power and authority to enter into and has taken all corporate action to authorise its entry into the Scheme and to perform the obligations and comply with the provisions of the Rulebook.
 - 2.2 The signatories of the Proposed Participant have all necessary corporate authorisations and the power and authority to bind the Proposed Participant to the Rulebook.
 - 2.3 The Proposed Participant shall ensure that it satisfies and will at all times during its participation in the Scheme satisfy the eligibility criteria for participation in the Scheme as set out in the Rulebook. If at any time, the Proposed Participant has reason to believe that it no longer satisfies such criteria, or may be unable to satisfy such criteria, it shall notify the EPC immediately of the circumstances.
3. Any communication, including service of process, to be made with the Proposed Participant under or in connection with the Rulebook shall be made in writing and addressed to the Proposed Participant at the address set out above.
4. The Participant agrees to participate in the Scheme as a Debtor Bank, and where indicated below, also as a Creditor Bank (please check box as applicable)
 - The Participant agrees to Participate in the Scheme as a Creditor Bank
5. This Agreement and all matters arising from or connected with it are governed by Belgian law.
6. This Agreement is supported by the following information (please check boxes as applicable).
 - Internal or external legal counsel's opinion on capacity and authority in the form prescribed by the EPC
 - Other evidence of capacity and authority acceptable to the EPC

FOR AND ON BEHALF OF THE PROPOSED PARTICIPANT

Signed by (1)

By (2)

Name/Position -----

Name/Position -----

Date of signature -----

Date of signature -----

Seal: (if necessary)

ANNEX II - RISK MITIGATION

RISK MITIGATION

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

ANNEX III – STATEMENT OF CONSUMERS' RIGHTS

STATEMENT OF CONSUMERS' RIGHTS

What is a SEPA Direct Debit?

1. The SEPA Direct Debit Scheme provides a single method for payment of bills and making other payments, and is ideally suited for both one-off and regular but variable payments such as subscriptions or utility bills, in both your country and others in SEPA.
2. The payment is made by your bank or other SEPA Direct Debit Scheme Participant (called "Your Bank" in this statement) to the person or company to whom the payment is due (called "the Creditor"). You authorise the Creditor to collect the payment from Your Bank by providing the Creditor with a completed Mandate Form. The Creditor will supply you with a blank Mandate Form. You should complete only those fields on the Mandate Form are marked for you to fill, and all fields marked with a *.
3. After you have completed the Mandate Form, you should return it to the Creditor (not Your Bank). You do not need to take any further steps - the Creditor will arrange for the payments to be collected from Your Bank, even where Your Bank is located in a different SEPA country from the Creditor.
4. The SEPA Direct Debit Scheme covers payments in euro where Your Bank and the Creditor's payment service provider are each providing relevant payment services from an EEA member state or Switzerland.

How the Mandate works

5. A completed Mandate Form is authority from you, addressed to Your Bank, which allows Your Bank to make debits from the payment account specified by you in the Mandate Form at the request of the Creditor. This authority is called a "Mandate".
6. The Mandate is separate from any contract you may have with the Creditor - it is the basis for making payments due from you, similar to an agreement to pay in cash. The person to whom the Creditor supplies goods or services under the contract may be different from the person who pays for the goods or services. This is permitted by the SEPA Direct Debit Scheme. References to "you" in this Statement are to the person who is making the payments, regardless of who is legally obliged to pay under the contract with the Creditor.
7. The Creditor is responsible for checking the Mandate Form and processing the information it contains. When you complete a SEPA Direct Debit Scheme Mandate Form, you agree that it is not necessary for the Mandate Form to be provided to Your Bank.
8. The Creditor will arrange for details of payments to be collected from Your Bank to be given to Your Bank. When Your Bank has received these details, it will debit your payment account.
9. The Creditor will inform you of the amount and Due Date of each payment to be collected from Your Bank. If the payments are a series of fixed amounts, you may be informed once only, when the arrangement is established. In other cases, you will be informed at least 14 days before the payment is collected from Your Bank.
10. Your Bank may offer additional services to you in connection with Mandates or SEPA Direct Debit payments, but any additional services will be set out in the terms of business which Your Bank has agreed with you. The SEPA Direct Debit Scheme only covers the obligations explained in this Statement.

Cancelling and amending Mandates

11. You may inform the Creditor at any time that a Mandate is cancelled. Once the Creditor has been informed, the Creditor may no longer collect payments from Your Bank on the basis of the cancelled Mandate.
12. If the Creditor does not collect any payments for a period of 18 months, the Creditor may not regard the Mandate as valid. If a Mandate lapses in this way, it does not affect any obligations you may have to pay the Creditor. The Creditor will then have to establish a new arrangement for payment.
13. You may amend a Mandate by informing the Creditor of the changes you wish to make.

14. It is not necessary for you to notify Your Bank of a cancellation or amendment of a Mandate. This is the responsibility of the Creditor.

Refunds

15. You may request Your Bank to refund a payment made under the SEPA Direct Debit Scheme from your payment account in the circumstances set out in this Statement.

16. If you consider that the amount of the payment is wrong, or you wish to have a refund for any other reason, you must inform Your Bank no later than 6 weeks after the payment was debited to your payment account. Your Bank is obliged to give you a refund if you make a refund request within this 6 week period.⁴⁰

17. You may request a refund more than 6 weeks after the payment was debited to your payment account only if you did not authorise that payment to be made. If you wish to have a refund for this reason, you must inform Your Bank as soon as you become aware of the circumstances. Your Bank may require you to provide evidence supporting your claim. Your Bank must receive your request no later than one year after the payment was debited to your payment account.

18. If you request a refund, any obligations you may have to pay the Creditor will not be satisfied. You will remain responsible for paying any amount which the Creditor is owed. The SEPA Direct Debit Scheme does not provide a mechanism for resolving disputes between you and the Creditor, or between you and Your Bank.

Additional information

19. Your rights in respect of the payments services which Your Bank provides to you are not affected by the rights set out in this Statement. You may have other rights which are not mentioned here, but any other rights are not provided by the SEPA Direct Debit Scheme.

20. If you wish to complain, you should ask Your Bank for details of the complaints procedure relating to the payments services provided by Your Bank.

21. The SEPA Direct Debit Scheme is governed by Belgian law. The obligations of SEPA Direct Debit Scheme participants are set out in the SEPA Direct Debit Scheme Rulebook. The Rulebook does not confer any contractual or other rights on persons other than Participants. Your rights are exercisable only against Your Bank through the agreement you have with Your Bank for payment.

⁴⁰ Change 06/005

ANNEX IV – RULEBOOK CHANGES SINCE VERSION 2.1

List of changes in SDD Rulebook v2.2 Compared to v2.1

SYMBOLS USED

1. Column one contains the unique identification number of the Change
2. Column two contains the reference(s) to the parts of the Rulebook v2.1 updated
3. Column three contains a description of the change
4. Column four contains a status code:
 - REJ : Rejected by the EDD Working Group
 - PEN : Issue pending in the EDD Working Group
 - ACC : Accepted in Rulebook v2.2

Column five contains the type of change:

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

In the Rulebook each change accepted is referenced with a footnote specifying the unique number of the change applied.

Reference	Chapter / Section / Paragraph / Bullet	Description	Status	Type
06/077	2.6	The planned interim rule at the start of the Scheme for the limit of the maximum value of a transaction is not maintained. It is considered not to be workable for Creditors to respect such a rule as this would force them to use in parallel the SEPA Scheme and another way of collecting payments for amounts above the limit value.	ACC	CHAN
06/078	0.5.4	Section has been reviewed	PEN	CHAN

Reference	Chapter / Section / Paragraph / Bullet	Description	Status	Type
06/079	4.8.23 AT-24	<p>Sections 4.6.2 and 4.8.23 (AT-24) are inconsistent :</p> <ul style="list-style-type: none"> • Section 4.6.2 introduces the possibility to amend the Mandate when the creditor has changed his name and/or address. • Section 4.8.23 AT-24 identifies the reasons for which a mandate can be amended, but does not reflect the situation described in section 4.6.2. <p>The change is to add a new reason “change of Name” in AT-24.</p> <p>By adding this, the Creditor can properly inform the Debtor Bank (and indirectly the Debtor) of this change of Name.</p>	ACC	CHAN
06/080	4.7.5 DS-03, DS-04	<p>Attribute ‘The signing date of the Cancellation of the Mandate’ (AT-36) was included in the Customer to Bank Collection (DS-03) Inter-bank Direct Debit Collection (DS-04) as from version 2.1 of the Rulebook. But the value of this change is considered now to be very limited. The attribute is now deleted in DS-03 and DS-04.</p>	ACC	CHAN
06/081	0.1	<p>A legend has been added for the use of Capital letters for defined terms in the Rulebook in section 0.1.1</p>	ACC	CLAR
06/082	1.7.1 1.7.2	<p>Simplification of the reference for the use of e-signatures in the future</p>	ACC	CHAN
06/083	4.3.1, 7	<p>Definition of ‘D’ = due date, as already explained in Figure 4</p>	ACC	CLAR
06/084	4.5	<p>A legend has been added in 4.5 on the use of dotted lines in the figures (for AOS services)</p>	ACC	CLAR
06/085	4.6.4 PT-04.21	<p>Change of the description: ‘The Debtor Bank acknowledges to the Debtor’</p>	ACC	CLAR
06/086	4.5.4 PT-04.24	<p>Adding a line in figure 9 from PT-04.24 in the direction Debtor clarifies the figure</p>	ACC	CLAR

Reference	Chapter / Section / Paragraph / Bullet	Description	Status	Type
06/087	4.6.5 PT-05.04, 4.8 AT-R1, AT-R3	<ol style="list-style-type: none"> 1. Maintain the wording in PT-05.04 to allow only a Return of a Reversal, for syntax errors reasons only; 2. Adapt AT-R1 for adding a code 'Return of a Reversal' and for deletion of the code 'Reversal of a Collection' 3. AT-R3 : add a list for Returns of a Reversal, containing only the reason : 'Account identifier incorrect' as the other bullets all represent a business reason 	ACC	CLAR
06/088	4.7 DS-04	Deleted in AT-25: 'if present in DS-03' so the attribute becomes mandatory, in line with the description of DS-03.	ACC	CHAN
06/089	4.6.5, PT-05.01	Replacement of the reference in the description 'for one of the reasons described in section 4.4' by 'reference 4.8 AT-31.4 'which contains the two reasons accepted	ACC	CLAR
06/090	4.6.5, PT-05.02	In the description, the reference must be 'section 4.4' rather than '4.3.5'.	ACC	TYPO
06/091	4.7.2 DS-01, 4.8.20 AT-20	The name of the attribute should be : 'The identification code of the Scheme' as in 4.8.1 list of attributes; and it should be represented on the form by the words 'SEPA Direct Debit Mandate'	ACC	CLAR
06/092	4.7.2, DS-01	The 'name of the Creditor' is AT-03 and not AT-05	ACC	TYPO
06/093	4.7.6, DS-05	In bullet R6 : delete '68'	ACC	TYPO
06/094	4.8.7, AT-06	The word 'then' in line one of the description should be 'than'	ACC	TYPO
06/095	4.8.1	List the attributes as 'AT-XX' replacing 'X' or 'XX'	ACC	TYPO
06/096	4.6.4 PT-04.24	<p>Add a sentence in the right place : 'The Debtor Bank credits the account of the Debtor for the amount of the Refund'</p> <p>Delete the last sentence ('The CSM settles....') of the description</p>	ACC	CLAR
06/097	3.1and others	Replace 'Direct Customer' by 'Debtor Reference Party' everywhere, together with the new definition in section 3.1.	ACC	CHAN

Reference	Chapter / Section / Paragraph / Bullet	Description	Status	Type
06/098	4.6.4 PT-04.21	Description, second § : Replacement of ‘the Creditor Bank may receive a request’ by ‘the Creditor Bank receives a request’ as the word ‘may’ creates the impression that the Creditor Bank is not obliged to act as such.	ACC	CLAR
06/099	4.6.4 PT-04.02bis	‘When handled after inter-bank Settlement, the Refusal is handled as a Refund claim: see PT-04.10.’ The reference should be : ‘PT-04.16’ to handle the Refusal request as a Refund (same underlying reason) for the Core Scheme	ACC	CLAR
06/100	4.7.2	Update of the Mandate form and the text on the Mandate content. The footnotes are deleted, remaining text needed has been integrated in the description	ACC	CLAR
06/101	7	Added: several new defined terms	ACC	CLAR
06/102	2.3	Delete “one-off” in line 4 of the section ‘Recurrent and one-off direct debits’	ACC	CLAR
06/103	4.3.2	Footnote 9 states that the debit and value dating rules have to take the Payment Services Directive into account. As the Payment Services Directive is not final, the footnote has been deleted.	ACC	CLAR
06/104	4.8.27	Delete the words “error” in front of the reasons mentioned	ACC	CLAR
06/105	4.8.2 AT-01	A recommendation has been added on the length of the unique Mandate reference	ACC	CLAR
06/106	4.7.2 DS-01	A sentence has been added allowing the use of the reverse side of the Mandate model for repeating the text of the Mandate in a second language.	ACC	CHAN
06/107	0.5	New sections added on SEPA scheme management (0.5.3, 0.5.4 and 0.5.5)	ACC	CHAN
06/108	5	Chapter changed in several respects after legal review.	ACC	CHAN
06/109	6	New Chapter 6 replaced previous annex.	ACC	CHAN
06/110	4.2	Sentence referring to ‘point in time’ restored (without reference to the PSD)	ACC	CHAN