

EUROPEAN PAYMENTS COUNCIL

Towards our Single Payment Area

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15 June 2009
EPC

Template

Comments on Change Request

SEPA Core Direct Debit Scheme

(Responses by e-mail to: info@europeanpaymentscouncil.eu or by mail to the address at the foot of this page)

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Organisation:	Latvijas Banka on behalf of the Latvia's National SEPA Working Group (NSWG), which represents all SEPA stakeholders in Latvia – consumers, companies, banks, public authorities, payment processing providers and payment technologies providers.
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Your reference:	001.4.5-08/2009/6
Scheme:	SEPA Core Direct Debit Scheme Rulebook. EPC016-06 version 4.0 (effective November 2010)
Date:	14 September 2009
Deadline:	15 September 2009
For information:	This template is provided by EPC to allow any person or organisation to comment on the suggestions for making changes to the SEPA Schemes in accordance with the rules set out in the document 'SEPA Scheme Management Internal Rules' available on the EPC Website: http://www.europeanpaymentscouncil.eu/knowledge_bank_detail.cfm?documents_id=155

1 GENERAL

The suggestions for changes received for the SEPA Credit Transfer Scheme due to take effect in November 2010 have been evaluated and the resulting recommendations are included in the attached document: EPC135-09.

2 COMMENTS

Comments are invited by the deadline of 15 September 2009. Please follow the structure of the template as this will facilitate EPC's analysis of the inputs.

2.1 General Comments

Please list any general comments that you might have here.

2.2 Innovative Changes to Technical Operations in Chapters 3 and 4 of the Rulebook

See Chapter 5 of the Change Request document.

2.2.1 Proposal Categories

a) Already provided for in the Scheme

- No action is necessary for EPC

b) The suggestion for change should be **incorporated into the Scheme**

- The suggestion for change becomes part of the scheme and the Rulebook is amended accordingly

c) The suggestion for change should be **included in the scheme** as an **optional feature**

- The new feature is optional and the RB will be amended accordingly
- Each Scheme Participant may decide to offer the feature to its customers, or not.

d) The suggestion for change is not considered fit for SEPA wide use and could be handled as an **AOS¹** by interested communities

- The proposed new feature is not included in the Rulebook nor in the Implementation Guidelines
- The development of AOS is out of scope of the EPC. However, EPC does publish declared AOS arrangements on its website for information
- EPC may consider the inclusion of AOS arrangements, if supported by a sufficient number of communities, in a future version of the Scheme.

e) The suggestion for change **cannot be part** of the existing Scheme

- It is technically impossible or
- It is not feasible (explained on a case by case basis) or
- It is out of scope of EPC

f) The suggestion for change may be considered for the development of a **new scheme**

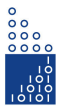
- It contains major changes which cannot be integrated in an existing scheme
- To develop these suggestions further would need:
 - a top down analysis of the benefits for customers
 - an analysis of the additional costs involved
 - the confirmation of a level of support by market players in the development phase
 - sufficient engagement by market players to use such a scheme

The EPC will ensure that these principles are respected

¹ AOS stands for Additional Optional Service. See the SDD Core Rulebook EPC016-06 #2.4 for definitions.

2.3 Overview of suggestions

Ref.	Topic	Contributor	Result
5.3	Exclusion of Debtor refund Right where exact Amount is included in the Mandate	Dutch Banking Community	Optional – c
5.4	Send the mandate related information before the first collection	Belgian Banking Community	AOS – d
5.5	Adopt a shorter presentation period for the collections	German Banking Community	AOS – d
5.6	Extension of AT-22 (Remittance information)	Spanish Banking community	AOS – d
5.7	Wording of Timelines / Return of Reversals	IBERPAY (Spain)	Not feasible – e
5.8	Adopt some PSD related changes	Intesa Sanpaola SpA	Not feasible – e
5.9	Consumers must be able to prohibit ‘all’ SDD transactions on their account	BEUC	Provided for – a
5.9	Consumers must be able to prohibit ‘some’ SDD transactions on their account	BEUC	AOS - d
5.10	Obligation for the debtor bank to check incoming collections	BEUC	Not feasible - e
5.11	Immediate refunding for authorized transactions	BEUC	Provided for - a
5.11	Immediate refunding for unauthorized transactions	BEUC	Not feasible - e
5.12	Refreshing of the present mandates when migrating to SDD	BEUC	Out of scope of EPC - e
5.13	Identification of direct debits to facilitate switching	BEUC	Provided for - a

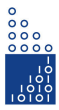


5.14	Creditor Mandate Flow (CMF)	Stakeholders in Customer Stakeholders Forum	See tables in section 5.14.2 for answer on specific questions.
5.15	Liability shift in e-Mandate to Debtor	German community	Not feasible - e

2.4 Individual Suggestions for Commenting

Ref.	Topic	Proposal/Questions	Response
5.3	Exclusion of Debtor refund Right where exact Amount is included in the Mandate	SPS proposal: to include in the Scheme as an optional feature (Option c)	
		Do you agree with this proposal	Yes
		If no, which of the following options would you prefer:	
		b) The suggestion should become part of the scheme. This would mean that all Scheme Participants would have to offer mandates with and without amount included.	
		d) AOS	
		e) Reject	
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.4	Send the mandate related information before the first collection	The SPS WG proposal is that this would be best developed as an AOS (d)	
		Do you agree with this proposal	No
		If no, which of the following options would you prefer:	
		b) The suggestion should become part of the scheme.	Yes
		c) An optional feature of the Scheme	
		e) Reject	
		Further comments: The suggestion of the Association of Latvian Commercial Banks, which is supported by the NSWG is to develop the proposal as an obligatory part of the SDD	



		scheme, because sending of the mandate related information before the first collection would help to reduce the risks concerning the international fraud with regard to the direct debits.	
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Ref.	Topic	Proposal/Questions	Response
5.5	Adopt a shorter presentation period for the collections	The SPS WG proposal is that this would be best developed as an AOS (d)	
		Do you agree with this proposal	Yes
		If no, which of the following options would you prefer:	
		b1) The suggestion should become part of the scheme as a replacement of the current timelines.	
		b2) The suggestion should become part of the scheme as an alternative timeline coexisting with the current timeline.	
		c) An optional feature of the Scheme	
		e) Reject	
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.6	Extension of AT-22 (Remittance information)	The SPS WG proposal is that this would be best developed as an AOS (d)	
		Do you agree with this proposal	Yes
		If no, which of the following options would you prefer:	
		b) The suggestion should become part of the scheme	
		c) An optional feature of the Scheme	

		e) Reject	
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.7	Wording of Timelines / Return of Reversals	The SPS WG recommends rejection of this suggestion since it is not feasible (e)	
		Do you agree with this proposal	Yes
		Further comments:	

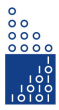
Ref.	Topic	Proposal/Questions	Response
5.8	Adopt some PSD related changes	The SPS WG recommends rejection of this suggestion since it is not feasible (e).	
		Do you agree with this proposal	No.
		<p>Further comments:</p> <p>We suggest to introduce the proposal of <i>Intesa Sanpaolo SpA</i>, but only if complementing the proposal by specifying that the Article 62. par. 1 A and B of the PSD relates only to the authorised transactions. Therefore it should be included as an obligatory feature of the scheme changing the Paragraph 4.3 (6) page 28 – 31 of the SDD Core Rulebook as follows:</p> <p>"Debtors are entitled to request a Refund for any SEPA Direct Debit within eight weeks from the date on which the amount of the SEPA Direct Debit was debited from the account of the Debtor. Within this eight-week period, Refunds will be provided to the Debtor by the Debtor Bank on a no-questions-asked basis provided that customers in the case of authorised transactions commit to request refunds only under provisions set by article 62 par. 1 A and B of the PSD."</p> <p>Such an amendment would help to align the Refund rights described in the SDD rulebook with the PSD.</p>	b) The suggestion should become part of the scheme.

Ref.	Topic	Proposal/Questions	Response
5.9	Consumers must be able to prohibit 'all' SDD transactions on their account	This is already provided for in the Scheme (a)	
		Do you agree with this proposal	Yes
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.9	Consumers must be able to prohibit 'some' SDD transactions on their account	The proposal of the SPS WG is that this would best be developed as an AOS (d) offered by Participants to their customers. .	
		Do you agree with this proposal	Yes
		If no, which of the following options would you prefer:	
		b) The suggestion should become part of the scheme	
		e) Reject	
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.10	Obligation for the debtor bank to check incoming collections	The SPS WG recommends rejection of this suggestion since it is not feasible (e).	
		Do you agree with this proposal	Yes
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.11	Immediate	This is already provided for in the Scheme (a)	



	refunding for authorized transactions		
		Further comments:	No comments

Ref.	Topic	Proposal/Questions	Response
5.11	Immediate refunding for unauthorized transactions	The SPS WG recommends rejection of this suggestion since it is not feasible (e)	
		Do you agree with this proposal	No
		To avoid possible misunderstanding relating to the application of the Article 60 of the PSD and the procedures described in the SDD rulebook regarding immediate refunding for unauthorised transactions we suggest to complement the Paragraph 4.3 (7) page 28 – 31 of the SDD Core Rulebook as follows: "If the request for a Refund concerns an Unauthorised Transaction (see definition in section 4.4 under Refunds), a Debtor must present its claim to the Debtor Bank within 13 months of the debit date in accordance with Article 58 of the Payment Services Directive. Section 4.6.4, PT-04.21 provides guidance for Participants to determine whether a transaction may be considered as being unauthorised. If the Debtor Bank can exclude on a prima facie basis that the payer has acted fraudulently, it should refund the Debtor immediately. If it does not refund the amount claimed, it would do so at its own risk. "	b) The suggestion should become part of the scheme.

Ref.	Topic	Proposal/Questions	Response
5.12	Refreshing of the present mandates when migrating to SDD	The SPS WG recommends rejection of this suggestion since it is out of scope of EPC (e)	
		Do you agree with this proposal	Yes
		Further comments:	

Ref.	Topic	Proposal/Questions	Response
5.13	Identification of direct debits to facilitate switching	This is already provided for in the Scheme (a)	
		Further comments:	No comments

Ref.	Topic	Proposal/Questions	Response
5.14	Creditor Mandate Flow (CMF+&CMF++)	The SPS WG cannot give an overall proposal, due to the diversity of the suggestions.	
		<p>Further comments:</p> <p>We have reviewed the proposals regarding to the CMF+ and CMF++ and in general agree with the opinion of the SPS WG.</p> <p>Concerning to the proposal "The handling of additional fields in a mandate (like max/average amount of direct debit in mandate)", the Association of Latvian Commercial Banks has suggestion to include the possibility to indicate the maximum amount in the direct debit mandate as an optional field and Latvia's National SEPA Working Group supports this proposal. Therefore it should be incorporated in the SDD scheme as an optional feature. (c)</p>	

Ref.	Topic	Proposal/Questions	Response
5.15	Liability shift in e-Mandate to Debtor	The SPS WG recommends rejection of this suggestion since it is not feasible (e). But the SPS WG proposes some Rulebook changes to clarify/mitigate the liability.	
		Do you agree with this proposal	Yes
		Further comments:	