



Latvia's

Comments on Change Request for the SEPA B2B Direct Debit Scheme

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

Name of contributor: Association of Latvian Commercial banks
with support of Latvia's National SEPA Working Group

Organisation: Association of Latvian Commercial banks with support of 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

Address: Perses str. 9/11, Riga, Latvia

Contact details: sepa@bankasoc.lv

Your reference: Nr.4.4/131

Scheme: SEPA Business-to-Business Direct Debit Scheme.
EPC222-07 version 4.0 (effective November 2012)

Date: 19 August 2011

Deadline: 20 August 2011

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 B2B Direct Debit Scheme due to take effect in November 2012 have been evaluated and the resulting recommendations are included in the attached document: EPC104-11.

2 COMMENTS

Your comments, in the form of answers to the following questions, are invited by the deadline of: 20 August 2011.

2.1 Overview of categories

The innovative suggestions for change have been categorized as follows:

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 **AOS** 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



g) The SPS WG reserves its position on this suggestion and seeks input from all stakeholders on whether these suggestions reflect the needs of the broad payment community

This category applies to suggestions for changes which were not taken forward in previous scheme change management cycles and were however re-introduced into the 2011 scheme change management cycle by specific interest groups.

The SPS WG recognises that by re-introducing suggestions for changes previously not supported, specific interest groups emphasise that these suggestions are of particular importance to their constituency.

With regard to such suggestions, the SPS WG calls on all stakeholders participating in this public consultation to specify whether these suggestions for changes to the Schemes also reflect the requirements of their particular constituency.

The SPS WG seeks guidance from all stakeholders to identify whether these specific suggestions for changes to the Schemes reflect the needs of the broad majority of all market participants on both the demand and supply sides.

2.2 Overview of requests received

Ref.	Suggestion	Contributor	Proposed Way Forward
5.2	Amendment of section 2.8 on erroneous use of the Scheme	LSG	Rejected (option e)
5.3	Information on original transaction for Exception handling	Bank Association of Slovenia	Rejected as out of scope of the EPC (option e)
5.4	Ensuring the possibility to choose a different CSM for Exception handling	Bank Association of Slovenia	Rejected as out of scope of the EPC (option e)
5.5	Creditor Identifier case and space insensitive	Febelfin	Accepted (option b)
5.6	UMR space insensitive	Febelfin	Rejected (option e)
5.7	UMR non-alphanumeric character insensitive	Febelfin	Rejected (option e)
5.8	UMR leading zeros insensitive	Febelfin	Rejected (option e)
5.9	Modification of the timeframe of Reversals	French Banking community	Accepted (option b) with slight modification
5.10	Marking of collections	ZKA	Rejected (option e)
5.11	Use of Unique Entity Identifier	EACT	In the absence of a standard this cannot (yet) be implemented (option e)

Ref.	Suggestion	Contributor	Proposed Way Forward
5.12	Remittance Information to be mandatory	EACT	Subject to feedback from stakeholder consultation (option g)
5.13	Debtor identification code to be mandatory in DS-03	EACT	Subject to feedback from stakeholder consultation (option g)
5.14	Adoption of ISO20022 mandate	EACT	Subject to feedback from stakeholder consultation (option g)
5.15	Validity check on Creditor Identifier	EACT	Subject to feedback from stakeholder consultation (option g)
5.16	New reason for rejection	EACT	Accepted (option b)
5.17	Extended remittance information	EACT	Recommended to be developed as an AOS (option d)

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

Ref.	Suggestion	SPS Recommendation	Voting results
5.2	Amendment of section 2.8 on erroneous use of the Scheme	Rejected (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			



Ref.	Suggestion	SPS Recommendation	Voting results
5.3	Information on original transaction for Exception handling	Rejected as out of scope pf the EPC (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.4	Ensuring the possibility to choose a different CSM for Exception handling	Rejected as out of scope pf the EPC (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.5	Creditor Identifier case and space insensitive	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			



Ref.	Suggestion	SPS Recommendation	Voting results
5.6	UMR space insensitive	Rejected (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.7	UMR non-alphanumeric character insensitive	Rejected (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.8	UMR leading zeros insensitive	Rejected (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.9	Modification of the timeframe of Reversals	Accepted (option b) with slight modification	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			



Ref.	Suggestion	SPS Recommendation	Voting results
5.10	Marking of collections	Rejected (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.11	Use of Unique Entity Identifier	Not feasible to implement (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

Ref.	Suggestion	SPS Recommendation	Voting results
5.12	Remittance Information to be mandatory	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	Yes
Further comments:			
The suggestion for change could be incorporated into the Scheme (option b).			



Ref.	Suggestion	SPS Recommendation	Voting results
5.13	Debtor identification code to be mandatory in DS-03	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	No
Further comments:			
Debtor identification code should be kept as optional in DS-03.			

Ref.	Suggestion	SPS Recommendation	Voting results
5.14	Adoption of ISO20022 mandate	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	No
Further comments:			
The suggestion could be re-opened after the adoption of SMED regulation.			

Ref.	Suggestion	SPS Recommendation	Voting results
5.15	Validity check on Creditor Identifier	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	No
Further comments:			
Currently there is no creditor identifier data base available therefore only technical validity might be performed.			



Ref.	Suggestion	SPS Recommendation	Voting results
5.16	New reason for Rejections	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
New Reject reason could be "Debtor is a consumer" not a "Debtor is not a consumer" as suggested.			

Ref.	Suggestion	SPS Recommendation	Voting results
5.17	Extended Remittance Information	Recommended to be developed as an AOS (option d)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			

2.4 Minor Changes and Major Change of an uncontroversial nature

Section of the Rulebook	Description of the Change	Reason for change	Comments
All	Amend the term “Customer” in all sections of the Rulebook. A “Customer” is a non-bank customer and a “customer” can be a bank acting as a customer. As these two terms are not used in a consistent manner throughout the Rulebook, it is proposed to change from “Customer” to “customer” where needed.	Clarification	It could be recommended to use the PSD terminology.
#4.6.1, PT-	The Process Step to be re-named	Amendment	–

Section of the Rulebook	Description of the Change	Reason for change	Comments
01.02	"The signing of a Mandate electronically", since a process for "issuing" Mandates electronically has not been incorporated into the Rulebooks.		
#4.7.2, DS-01	Legal text (from the heading of the mandate) on authorisation and refund right should be added in clear text in DS-01	Clarification	–
#4.7.4; DS-03	AT-12 (BIC of the Creditor Bank) and AT-17 (type of mandate) are missing and should be added	Correction	–
#5.4, bullets 2/3	Should be replaced with language identical at bullet 2 of the same section of the SCT/Core Scheme Rulebooks (as modified in 2010)	Correction	–
#5.9.1 of the e-Mandate Annex	Due to the fact that the Debtor Bank has no indemnity from the Creditor bank in the B2B Scheme, the # 5.9.1 of the e-Mandate is not necessary. This will align the paper Mandate and the e-Mandate at the same level of indemnity in the B2B	Correction	–