



EDITION OCTOBER 2017

Cash Management

## SEPA RULEBOOK UPDATES: the main changes applicable as of 20<sup>th</sup> November 2017 for SDD creditors

### ➤ 1. New EPC Customer-to-Bank (C2B) Implementation Guidelines (IGs)

#### WHAT WILL CHANGE?

All banks are now obliged to accept at least – but not exclusively – the Client-To-Bank SEPA payment message files based on the EPC's C2B SEPA scheme Implementation Guidelines defined for SCT, SDD Core and SDD B2B.

#### HOW DOES THIS IMPACT YOU?

Your current SEPA XML format is still accepted. Corporates now have the choice to either continue using their accepted C2B payment standard message as agreed with the bank, or to implement the new C2B file based on the EPC specifications.

### ➤ 2. Extension of the SDD B2B return period with one additional day

SDD B2B transactions can be sent only one business day in advance. Many banks use the two business days after the settlement date to confirm the mandate with the debtor. However, this is sometimes difficult when there is a bank holiday in the country of the debtor bank. In order to preserve the rights of the debtor, but improve the SDD B2B process, the return period will be extended to 3 interbank business days.

#### WHAT WILL CHANGE?

The current "Return" period from two interbank business days will be extended to 3 interbank business days.

#### HOW DOES THIS IMPACT YOU?

The change should not impact creditors operationally. However, we would like to clarify that creditors will have certainty of payment after 3 business days, instead of 2 business days in the past.





### ➤ 3. Mandatory indication of the SDD debtor's address & BIC for non-EEA countries

The Regulation (EU) No. 2015/847, that came into force on the 26<sup>th</sup> of June 2017, stipulates that the debtor's address is mandatory for all SDD transactions where the Creditor Bank or the Debtor Bank are located in a country outside the European Economic Area (EEA). This applies for example on a debtor account in Switzerland or Monaco (cfr. our Newsletter of May 2017). The SDD Scheme has now been aligned with this regulation.

#### WHAT WILL CHANGE?

The data element is now mandatory in case of the Creditor Bank or the Debtor Bank being located in a non-EEA country or territory.

##### **Debtor Address:**

*Customer Direct Debit Initiation V02*  
*+Payment Information*  
*++Direct Debit Transaction Information*  
*+++Debtor*  
*++++Postal Address*

##### **HOW DOES THIS IMPACT YOU?**

If a debtor address of a non EEA-IBAN is missing, BNP Paribas will not reject the transaction. Nevertheless, we encourage our client-creditors to provide the address as often as possible.

Do notice that if the debtor address is missing, the debtor bank may indeed reject the transaction, even if this would rather be exceptional.

#### WHAT WILL CHANGE?

The BIC of the Beneficiary Bank is mandatory when the bank is located in a non-EEA country or territory.

##### **BIC:**

*Customer Direct Debit Initiation V02*  
*+Payment Information*  
*++Creditor Agent*  
*+++Financial Institution Identification*  
*++++BIC*

##### **HOW DOES THIS IMPACT YOU?**

If a BIC is not provided, when the IBAN is from a non-EEA country, BNP Paribas will enrich the BIC – without any charge.



## ➤ 4. Additional R-transaction reasons RC01 & AG02 for 'Return'

### WHAT WILL CHANGE?

From now on, the use of the R-transaction reason **RC01 'Bank identifier incorrect (i.e. invalid BIC)'** and **AG02 'Operation code/transaction code/sequence type incorrect, invalid File format'** can also be used for returning a SDD collection.

Notice: The SCT allowed the use of the R-transaction reason 'Bank identifier incorrect (i.e. invalid BIC)' for both rejecting and returning a SCT.

#### HOW DOES THIS IMPACT YOU?

These new reason codes will allow you to better understand the reason of the return.

In case you received a RC01 and you completed the BIC yourself, we recommend you to correct the BIC code. We would also like to remind you that BNP Paribas offers a BIC code enrichment when the BIC code is not provided (in line with the technical guidelines). This is a free service.

## ➤ 5. Inclusion of R-transaction reason code MD07 'Debtor deceased' for SDD B2B

### WHAT WILL CHANGE?

The B2B scheme can also be used for micro-enterprises or enterprises where the account is held by a physical person. To foresee in all situations, **MD07 'Debtor deceased'** is now also included in the SDD B2B scheme to indicate that a debtor – that signed a SDD B2B mandate in his/her capacity as business customer – is deceased.

#### HOW DOES THIS IMPACT YOU?

In the case you receive a MD07 as reject or return code, we recommend you to contact your client's company and to request the signature of a new mandate.

Please refer to your  
Cash Management Relationship Manager  
to receive more information on  
BNP Paribas SEPA offerings and services  
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