



BNP Paribas SEPA Newsletter

Issue January 2015



NEW SDD RULEBOOKS TO TAKE EFFECT IN NOVEMBER 2016 PUBLISHED ON THE 26TH OF JANUARY 2015

Since the SEPA payment schemes were introduced in January 2008 for the SEPA Credit Transfer (SCT) and in November 2009 for the SEPA Direct Debit (SDD), the European Payments Council (EPC) has been publishing updated and enhanced versions of the SCT and SDD Rulebooks on a yearly basis.

To secure the implementation process for all market participants, the publication of the new versions of the rulebook follows a predictable release schedule. The updates come into effect in November, one year later at the earliest in order to allow for sufficient time to address the rulebook updates, in accordance with the best practices followed by the industry, the payment service providers and their suppliers.

On the 26th of January 2015, the European Payments Council already published new SDD Rulebooks to take effect on the 20th November 2016.

These new SDD rulebooks are so fundamental that as an exception, they are published 22 months in advance.

FIRST MAJOR CHANGE TO THE SDD CORE RULEBOOK: SDD CORE D-1 AS STANDARD COLLECTION TIMELINE

As of the effective date of November 2016, all collections presented for the first time, on a recurrent basis or as a one-off collection, can be presented up to D-1 inter-bank business day (D-1).

This D-1 cycle is already a market practice in Austria, Germany and Spain. As a result, this Rulebook update does not offer a novelty for domestic transactions in these countries.



How does this impact you?

As of November 2016, you can benefit from the shorter D-1 cycle advantages for all your SDD Core collections in the SEPA zone.

If you are already issuing SDD Core, you can still continue using the current SDD Core collection presentation timelines after November 2016. As a result however, you will not take advantage of the possibility for a shorter cycle.

If you plan to start SDD collections after November 2016, we recommend that you implement the new shorter SDD Core cycle.

SECOND MAJOR CHANGE TO THE SDD RULEBOOKS (CORE AND B2B): SEQUENCE TYPE FIRST

The current requirement to use the sequence type 'FRST' in a first of a recurrent series of collections is no longer mandatory as of the effective date of November 2016.

In practice, this means that a first collection can be used in the same way as a recurrent one with the sequence type 'RCUR'.

How does this impact you?

You no longer need to differentiate between First transactions and Recurrent transactions.

However, if you want to, you may continue to send out First and Recurrent transactions, knowing that the banks will no longer control the sequence cycle.

NB: As of November 2016, no reject rule will be applied by Payment Service Providers for incorrect use of sequence type. It is even expected, that some banks will gradually alleviate reject rules before that date.

NEXT UPDATE OF THE SEPA CREDIT TRANSFER RULEBOOK

There will be no further update of the SCT Rulebook in 2015. The SCT Rulebook published in November 2014 will remain effective until November 2017.

THE NEXT SCHEME UPDATE CYCLE WILL ROLL OUT IN 2016 AND 2017:

It is important to note that there will be no further scheme change publication in 2015 and 2016, and that the schemes will remain now unchanged for a long period of time, at least until November 2017.

The full version of the new SDD Rulebooks can be downloaded from:

<http://www.europeanpaymentscouncil.eu/index.cfm/sepa-direct-debit/2016-sdd-rulebooks/>

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