

# SEPA DIRECT DEBIT REPRESENTATION OF UNPAID PRODUCT CARD



## PAYMENTS & COLLECTIONS

Cash Management

SEPA Direct Debit is the payment instrument for your collections within the large geographic scope of the SEPA zone. Thanks to its ease of use and efficiency, it is used to provide improve the collection process at creditor side, but also to provide a frictionless method for the debtor. BNP Paribas' SDD Representation of Unpaid transactions service brings the next level of efficiency to SEPA Direct Debits.

### ➤ How does SDD Representation of unpaid improves your collection efficiency?

#### REDUCE OPERATIONAL IMPACT

- Define tailor-made representation parameters to fit your business
- Bank-to-client reporting at every step of the process to optimise visibility on the process
- Use of a dedicated account for the representation to reduce impact and improve follow-up

#### INCREASE COLLECTION RATE

- Tailor-made representation parameters reduce SDD unpaid transactions
- Get paid faster and reduce DSO using SEPA Direct Debit
- Use 1 or more collection cycles to improve collection efficiency

#### CONTROL CUSTOMER RELATIONSHIP

- Create a uniform, predictable collection process for the customer
- Improve collection experience to the customers
- Use reporting and processing information to assist the client service process



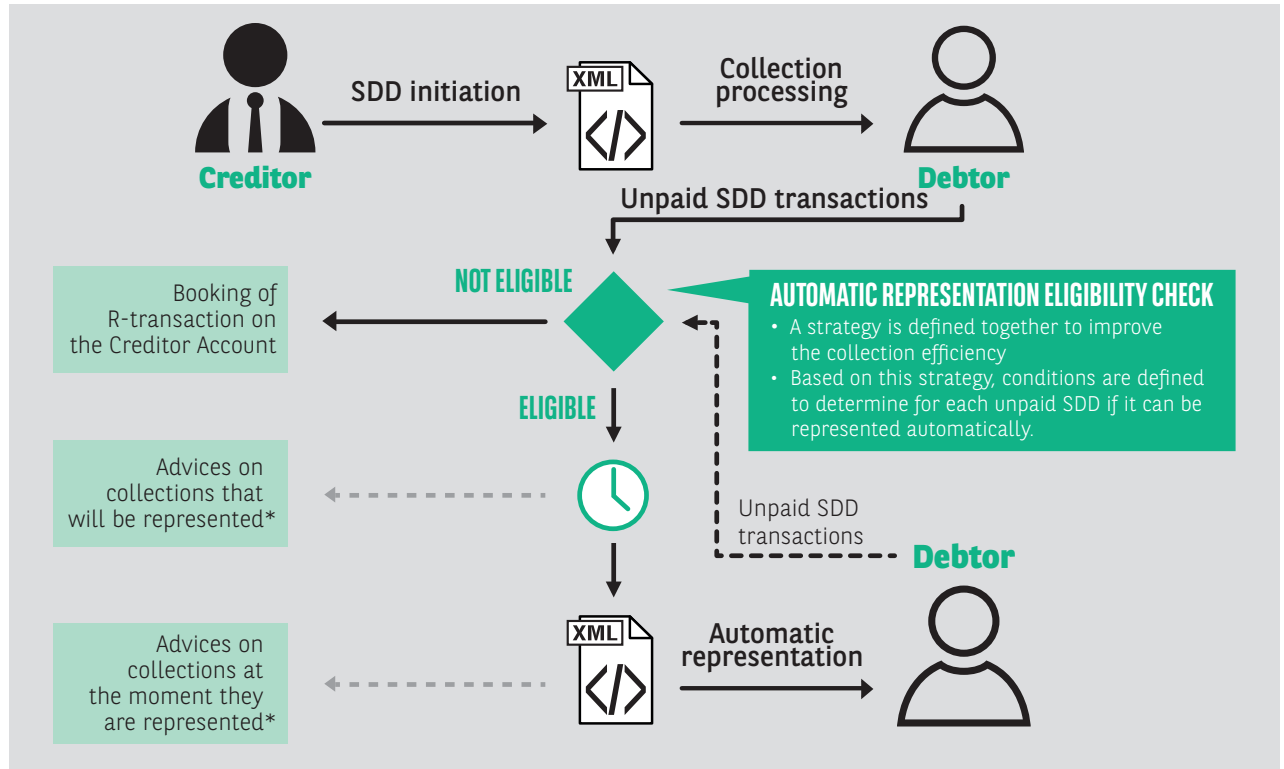
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## ➤ SDD – Representation of Unpaid workflow

The SDD Representation of Unpaid service is based on an intelligent system within BNP Paribas' infrastructure that detects during the processing of the unpaid transactions if it is eligible for a representation based on a set of pre-defined criteria. Because this system uses information in the interbank messages, it can define faster and more precisely which transactions have a high chance of collection when representing. Together with your collection team, BNP Paribas defines a collection strategy to improve your collection rate. This strategy is subsequently configured for your SDD Creditor contract.



## ➤ SDD – Representation of Unpaid - Conditions

- **Representation Account:** To best fit your operational model, BNP Paribas proposes 2 methods to book the unpaid SDD transactions during its representation cycle.
  - **Creditor Account:** Manage the unpaid transactions and representations on the original Creditor Account.
  - **Representation account:** Use a dedicated representation account that manages the unpaid transactions during the representation process. Only transactions finally unpaid are booked on the Creditor account.
- **Number of representation cycles:** Between 1 and 4 representation cycles. Representing multiple times improves the reconciliation rate, but might make the representation lifecycle too long. The best configuration is discussed with your BNP Paribas representative.
- **Representation timing:** To fit your business model and clients best, the service proposes a choice of 3 methods to determine the timing. Each method allows tailor-made number days for your situation.
  - **"Number of days":** X number of business days after the booking of the unpaid SDD.
  - **"Days after Return Timeline":** X number of business days after the end of the Return timeline:
    - CORE: Collection date + 5 + X
    - B2B: Collection date + 2 + X
  - **"Day of Month":** Define the day of the month (calendar day) as collection date. All unpaid transactions will be represented at that day of the month. If a non-business day, the next business day is used.
- **ISO reason code eligible for representation:** 1 or multiple ISO reason codes, to tailor your solution to the geographic scope and client base.