



EPC131-10
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EPC

Latvia's

Comments on Change Request for the SEPA Credit Transfer 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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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

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Your reference: Nr.4.4/131

Scheme: SEPA Credit Transfer Scheme.
EPC125-5 version 6.0 (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 Credit Transfer Scheme due to take effect in November 2012 have been evaluated and the resulting recommendations, where appropriate, are included in the attached document: EPC102-11.

2 COMMENTS

Your comments, in the form of answers to the following questions, are invited by the deadline of: 20 August 2010.

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 the suggestion reflects 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	Additional information on the Return Reason Code for SCT Recalls	Swedish Banker's Association	Accepted (option b)
5.3	BIC of the Beneficiary Bank (AT-23) to be optional in DS-01	EACT	Already provided for in the Scheme (option a)
5.4	Use of Unique Entity Identifier	EACT	In the absence of a standard this cannot (yet) be implemented (option e)
5.5	Beneficiary identification code (AT-24) should be mandatory in DS-01	EACT	Subject to feedback from stakeholder consultation (option g)
5.6	Originator identification code (AT-10) should be mandatory in DS-01	EACT	Subject to feedback from stakeholder consultation (option g)
5.7	Extended remittance information	EACT	Recommended to be developed as an AOS (option d)

5.8	IBAN of Originator should be mandatory in DS-04	EACT	The EPC is not a position to introduce such an obligation as this is a data protection issue and forbidden by law in some countries. Not feasible (option e)
5.9	New element for acceptance date	EACT	Subject to feedback from stakeholder consultation (option g)
5.10	Originator Bank's reference should be forwarded to the Beneficiary	EACT	Subject to feedback from stakeholder consultation (option g)
6.1	Change of the reporting line of the CASB	EPC Secretariat	Accepted (option b)
6.2	Cost recovery model of the Internal Rules	EPC Secretariat	Accepted (option b)
6.3	Changes to the SCT and SDD Adherence Guides	LSG	Accepted (option b)
6.4	Fast track procedure for non-operational changes	LSG	Accepted (option b)
6.5	Changes to sections 2.1.10 and 2.4.5	LSG	Accepted (option b)
6.6	Minor changes to section 2.1.21	LSG	Accepted (option b)
6.7	Termination provisions of the Internal Rules	LSG	Accepted (option b)



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

Ref.	Suggestion	SPS Recommendation	Voting results
5.2	Additional information on the Return Reason Code for SCT Recalls	Accepted - b	
		Do you agree with the SPS WG recommendation?	No
Further comments:			
<p>In order to keep lean approach at the bank-to-bank space there is sufficient to have the appropriate Return Reason Code without additional unstructured information.</p> <p>Given suggestion could be recommended to be developed as an AOS (option d).</p>			

Ref.	Suggestion	SPS Recommendation	Voting results
5.3	BIC of the Beneficiary Bank (AT-23) to be optional in DS-01	Already provided for in the Scheme (option a)	
		Do you agree with the SPS WG recommendation?	No
Further comments:			
<p>Contrary to the given information in the Guidance DS-01 and DS-02 in the SCT RB the BIC of the Beneficiary Bank (AT-23) is not provided as an optional field. Such mandatory status is also necessary for banks to fulfil legal requirements.</p> <p>To avoid misuse of different BIC codes it could be recommended to facilitate banks to provide BIC data to their customers.</p>			

Ref.	Suggestion	SPS Recommendation	Voting results
5.4	Use of Unique Entity Identifier	Rejected (option e)	
		Do you agree with the SPS WG recommendation	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
5.5	Beneficiary identification code (AT-24) should be mandatory in DS-01	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	Yes/No
Further comments:			
<p>Association of Latvian Commercial banks agrees that Beneficiary identification code (AT-24) should be kept as optional in DS-01.</p> <p>The Treasury of the Republic of Latvia supports <i>EACT</i> proposal and suggests to consider to include into the SCT Rulebooks an explanation, how a Beneficiary bank should act in cases, when a Beneficiary IBAN mismatch with a Beneficiary identification code.</p>			

Ref.	Suggestion	SPS Recommendation	Voting results
5.6	Originator identification code (AT-10) should be mandatory in DS-01	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	Yes/No
Further comments:			
<p>Association of Latvian Commercial banks agrees that Originator identification code (AT-10) should be kept as optional in DS-01.</p> <p>The Treasury of the Republic of Latvia supports <i>EACT</i> proposal.</p>			

Ref.	Suggestion	SPS Recommendation	Voting results
5.7	Extended remittance information	Recommended to be developed as an AOS (option d)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
5.8	IBAN of Originator should be mandatory in DS-04	Rejected (option e)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
5.9	New element for acceptance date	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	No
Further comments:			
Accepted the EPC argumentation that banks are obliged to comply with the provisions of the PSD and the suggestion is not bringing added value.			

Ref.	Suggestion	SPS Recommendation	Voting results
5.10	Originator Bank's reference should be forwarded to the Beneficiary	Subject to feedback from stakeholder consultation (option g)	
		Do you agree with the suggestion?	Yes/No
Further comments:			
Association of Latvian Commercial banks accepts the EPC argumentation that there are parameters like end-to-end reference and/or the reference of the Beneficiary Bank to be used for any inquiry and investigation purposes. The Treasury of the Republic of Latvia supports <i>EACT</i> proposal.			

Ref.	Suggestion	SPS Recommendation	Voting results
6.1	Change of the reporting line of the CASB	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
6.2	Cost recovery model of the SMIRs	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
6.3	Changes to the SCT and SDD Adherence Guides	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
6.4	Fast track procedure for non-operational changes	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
6.5	Changes to sections 2.1.10 and 2.4.5	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
–			



Ref.	Suggestion	SPS Recommendation	Voting results
6.6	Minor changes to section 2.1.21	Accepted (option b)	
		Do you agree with the SPS WG recommendation?	Yes
Further comments:			
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Ref.	Suggestion	SPS Recommendation	Voting results
6.7	Termination provisions of the SMIRs	Accepted (option b)	
		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.

Section of the Rulebook	Description of the Change	Reason for change	Comments
#0.1	Delete document reference [13] (the convention on credit transfer in euro) as the document is obsolete	Update	–
#4.4	Clarify the Recall procedure to state that the Beneficiary Bank may decide to charge a fee for the Recall but not to deduct from the original amount.	Clarification	–
#4.4	Clarify the Return procedure to state that the Return procedure cannot be used if the Beneficiary's account has already been credited but a new credit transfer has to be initiated if the Beneficiary wishes to return the funds. . The procedure of a completely new credit transfer would apply instead of using the Return procedure.	Amendment and clarification	–