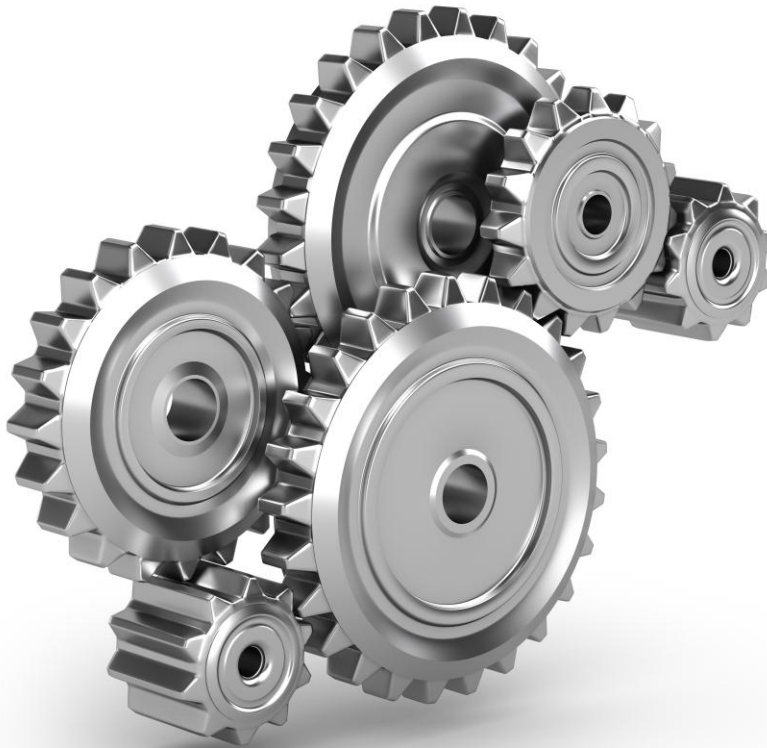# Best practice recommendations for a SEPA Command Centre

A bank user information guide

Version 1.0
December 2013

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1. Introduction

1.1   Executive summary

With the SEPA migration end-date fast approaching in February 2014, banks are likely to face SEPA-related payments issues. In order to contribute to a successful completion of this crucial changeover phase, the SEPA Migration Action Round Table (SMART)[1] has developed a document detailing best practice recommendations for any SEPA Command Centres that banks may already have created or are in the process of creating in order to deal with these issues. A SEPA Command Centre is a temporary organisational structure set up in addition to existing incident and problem handling procedures in order to support a swift and smooth SEPA migration.

This document explores key elements and considerations with regard to the organisational set-up of such a support structure. In order to optimally perform its objective of helping a bank resolve SEPA-related issues in a timely and efficient manner, a SEPA Command Centre will have to rely on a great deal of internal coordination and on co-operation with external parties, such as other banks, national SEPA coordination bodies, Clearing and Settlement Mechanisms (CSMs) as well as regulatory and supervisory bodies.

Banks are invited to use this document to compare their existing or planned arrangements to the best practices set forth by SMART. This comparison should help them identify any gaps and take additional measures to complement their own arrangements where needed.

The document includes suggestions with regard to the roles and responsibilities that should be covered within the Command Centre, a potential governance structure to streamline the resolution of issues, engagement models on a bank, national and pan-European level as well as logistical considerations. Internal and external engagement models should already be in place within all banks, and they should be prepared to use these structures even after the February 2014 migration end-date has passed, until full migration has actually been achieved.

1.2   Purpose of the document

SMART finds it appropriate to share best practices for a SEPA Command Centre. A SEPA Command Centre is a temporary bank-internal organisational structure for the phase leading up to and following the SEPA migration end-date; it is geared at facilitating any swift and concerted action that needs to be taken during this period if any issues should arise.

This document summarises the insights of the SMART participants and can be used by payment service providers (PSPs) as a point of reference to review the completeness of their own planning. The document builds on the assumption that each organisation has established effective procedures for incident, event and problem handling, which a bank-internal SEPA Command Centre can support and complement.

1.3   Document overview/brief structural outline

The present document is based on the input and feedback of the participants in the SEPA Migration Action Round Table (SMART). SMART is a forum for banks and by banks, which is logistically supported by the Euro Banking Association. A list of the institutions that have endorsed the present note can be found on the last page of the document.

[1] A short description of SMART and its mission can be found on p. 18 of this document. More information on this forum and all further SMART recommendation documents can be found at www.abe-eba.eu/N=SMART.aspx.

This document begins by laying out the assumptions about SEPA migration that its considerations are based on. It then explains the objectives and tasks that each SEPA Command Centre should keep in focus. Chapter 3 provides a breakdown of the roles and responsibilities that the SEPA Command Centre should cover. It also proposes a governance model and an overview of responsibilities that should be fulfilled by the SEPA Command Centre. Chapter 4 elaborates on the engagement models SMART recommends for banks at different levels: internal, national and pan-European. Finally, the document includes an Annex with considerations on logistics and Command Centre availability.

1.4   Assumptions/pre-conditions

- Less than two months prior to the SEPA migration end-date, most banks are heavily engaged in the process of migrating to SEPA. There is no "Plan B" to SEPA.
- While some banks and national communities have already completed their migration, several communities are facing a mass migration within a short time period.
- Banks already have structures, protocols, systems and procedures in place to deal with issues that may arise during SEPA migration.
- Across Europe, there are committees and forums dedicated to SEPA in place at the national level in order to facilitate migration and incident management.

2. Objectives and Tasks of the SEPA Command Centre

A bank's SEPA Command Centre should create the best possible organisational set-up to manage unpredictable issues that may arise during the SEPA migration. This includes integrating or aligning with existing structures that deal with issues, incidents and problems, ensuring that the required resources to deal with such issues are made available and making sure that these resources have appropriate decision-making powers. It is important to note that functions that are impacted by SEPA migration should be educated about SEPA and its (potential) impact on their activities (e.g. credit, operations, legal, etc.).

Banks should create management awareness and awareness among supervisory authorities about the organisational set-up and preparation both at the bank level as well as the community level to ensure confidence in the industry's capability to smoothly handle this key phase of the migration process. Lastly, the parties impacted by SEPA migration should address as many issues upfront as possible by sharing scenario outlines and suggesting defining parameters for a prioritisation framework.

A SEPA Command Centre may have to deal with a wide variety of issues that arise from among the following sources: malfunctioning internal systems, scheme adherence and reachability matters, issues affecting clearing channels, non-migrated or underprepared corporate customers and interbank back-logs. There may be other potential sources of migration incidents to be addressed by the SEPA Command Centre, so this list should not be considered exhaustive.

3. Roles and Responsibilities

To make sure that the SEPA Command Centre is effective, a proper organisational structure should be established. The list of organisational functions found below is merely a suggestion. The composition of the SEPA Command Centre might differ in terms of scope from organisation to organisation. Definitions of the responsibilities of these functions will be provided further in this document to allow readers to compare them to their own organisational set-up.

It is suggested that individual units be represented by line managers or delegates that have the appropriate level of seniority and experience to deal with potential crises. This is elaborated further in the following sections.

The SEPA Command Centre should be seen as complementary to the support as well as crisis and incident management arrangements that are covered under a bank's Business as usual (BAU) procedures. These procedures cater for minor incidents that can be directly solved by customer support units and do not need to be escalated to the SEPA Command Centre for resolution. Banks could consider reporting the resolved issues to the SEPA Command Centre in order to have a full overview or track record of these issues.

3.1   Affected units

A bank's SEPA Command Centre should be staffed with a team that will be prepared to readily switch into issue-resolution mode and that will respond to any incidents in accordance with established plans. At least one person should be appointed for each affected unit, including the Business Unit, IT & Functional Leads, Operations, Financial Management, PMO/Programme Management, Legal & Compliance, Credit and Risk Management, Operational Risk Management and Communications. A back-up contact should be nominated for functions with key expertise. It is strongly recommended that the contact information of

all SEPA Command Centre members be made available. Work hours will be in accordance with the availability of the Command Centre as described in the Annex.
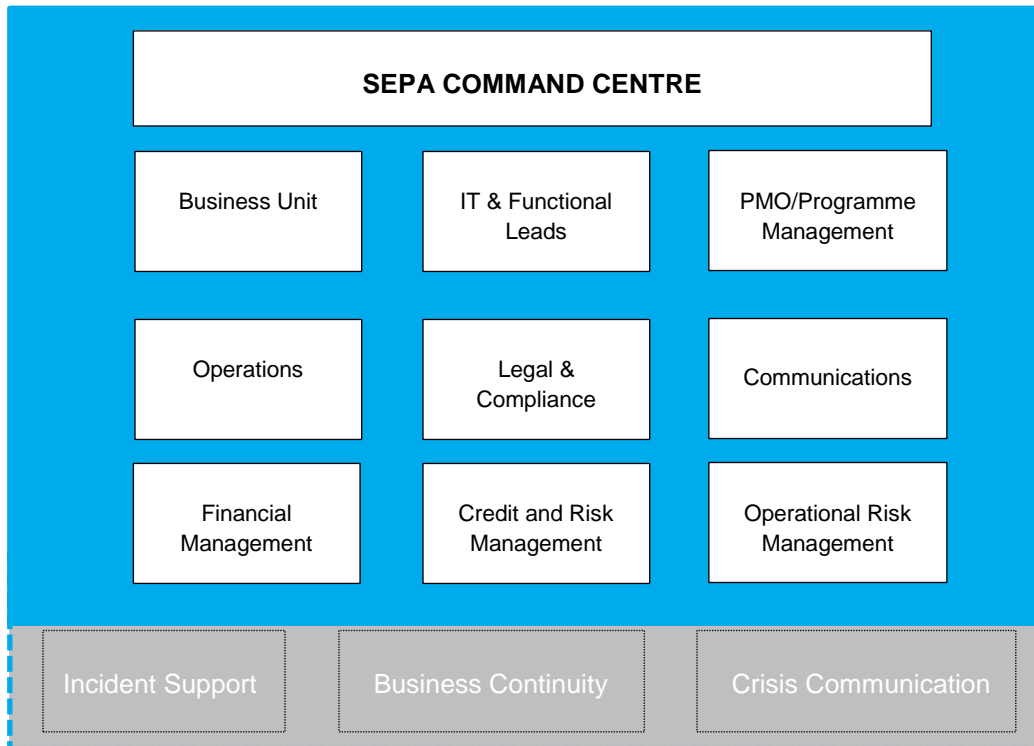
3.1.1 Primary responsibility for each unit

The Business Unit must take into account both client and product scope. If a crisis occurs, the representative of this unit should make sure that client interests remain a priority during any action taken as a result of a crisis. In the event of a crisis, the Business Unit must act quickly and efficiently, keeping in mind both the interests of customers and the integrity of the SEPA products. He or she is also responsible for the key message delivered by the Communications Unit.

The Communications Unit is responsible for establishing clear lines of internal and external communication and for ensuring that the communication method used is appropriate for the relevant departments and stakeholders. The representative of this unit should have a list of internal contacts (i.e. employees) as well as a list of external contacts (i.e. CSMs, central banks, national steering committees, customers and the media), and he or she should then identify the appropriate contacts to make sure that the proper representatives and stakeholders are engaged and informed during a crisis. All external communication to the media will typically be handled by the Communications Unit of the bank. Client communication may be handled by the Business Unit or via another unit as determined by each bank.

The IT and Functional Leads Unit lead is given decision-making power regarding releases and hotfix schedules within an impacted system. This includes allocating the appropriate resources to repair any

disruptions or failures. This unit's representative should then create a proposal for IT solutions, decide delivery dates and authorise any necessary releases and hotfixes.

The Operations Unit is tasked with allocating operational resources and swiftly adjusting procedures as a crisis arises. The lead person should draft proposals on workarounds while the system is being fixed and streamline any queues that are slowing down the system. This person also has the authority to adjust existing operational policies and procedures that are contributing to a slowdown or failure or that require adjustment so that issues are resolved as quickly as possible.

The Financial Management Unit is responsible for ensuring that internal accounts and ledgers are not negatively affected by a crisis. The unit representative has the authority to initiate manual corrections on internal or client accounts, and can also make corrections on ledger bookings.

The Credit and Risk Management Unit is responsible for addressing immediate credit risk decisions resulting from a crisis. This may be required with respect to individual clients, PSPs or communities.

The Operational Risk Unit is in charge of addressing operational risk events resulting from a crisis where manual interventions are required.

The Legal & Compliance Unit should be staffed with people who have expertise in applicable laws and policies related to payment systems and SEPA migration. The unit representative is designated to approach and negotiate with external regulators or supervisors to devise exceptions to rules or practices that need revisions. He or she should also provide guidance on whether the actions proposed by other units are within the given regulatory and legal framework, and should shed light on any external or internal compliance rules that are under scrutiny.

The PMO/Programme Management Unit representative is tasked with ensuring that the actions recommended by other units are executed in an efficient manner if required.

3.2   Operational approach of the SEPA Command Centre

3.2.1 Expected contribution

The representatives of each of the affected units are responsible for providing significant input to the planning process in accordance with their functional expertise and for implementing solutions that will resolve incidents. The specific organisational structure may vary depending on a given incident and institution. The efforts of the affected units must focus primarily on establishing the organisation's purpose, goals, audience and resources under the given circumstances and on taking the necessary actions to successfully deal with the issue(s) at hand.

3.2.2 Competencies and suggested skill set

The Command Centre must provide the proper expertise to deal with issues independently and in a timely manner. Each organisation needs to establish the appropriate level of seniority to serve as first line management for the Command Centre. Resolving issues successfully will depend on a person's expertise and experience. Of course, the Command Centre members represent the respective function and are closely linked with the respective organisation. They will work closely with this function in the course of resolving the crisis.

3.2.3 Decision-making powers

Strong oversight is required throughout the process of resolving issues. When issues arise, the Command Centre should be activated promptly so that critical decisions can be made without a drawn-out consultation period. Notifications about urgent issues should reach the organisation preferably before the final SEPA volume ramp-up phase, so the Command Centre can be equipped with the necessary resources to ensure that bottlenecks and incident back-logs are avoided. During the issue-resolving stage, timely responses from the Command Centre will be crucial to resolve issues quickly. The Command Centre is empowered to make decisions, but overall policy compliance and exceptional approvals are the responsibility of the Oversight Committee (see following chapter).

3.3 Governance model

This Governance Model is a recommended approach for banks to carry out the tasks of the Command Centre within their organisations. The Governance Model should define the scope and limits of the responsibilities assigned to the SEPA Command Centre and ensure its activities are properly documented, monitored and overseen by an oversight structure, which is referred to as the Oversight Committee in this document.
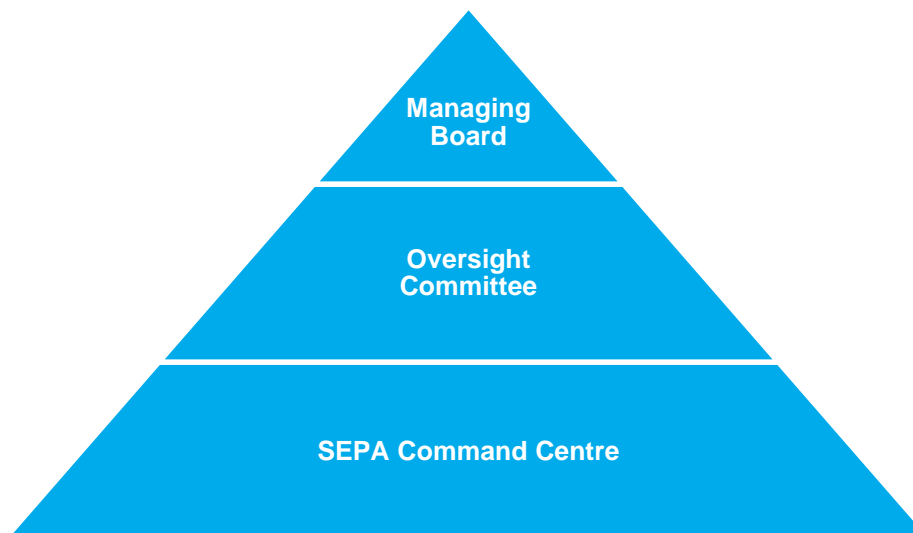
3.3.1 Responsibilities of SEPA Command Centre

The Command Centre is responsible for managing, controlling and promptly solving potential issues and crises throughout the SEPA migration process.

It is the first line of defence within the governance model and therefore has a wide range of responsibilities that include among other things:

- Receiving, registering and assigning priority for issues
- Reporting issues to the proper stakeholders and team members
- Solving issues and/or escalating issues to the Oversight Committee if needed
- Documenting issues

- Monitoring whether activities are conducted in accordance with established plans
- Evaluating issue risks
- Triggering the reporting of issues in accordance with existing policies and procedures. This may involve communication to internal stakeholders or to the public. In either case, group communication may be necessary. It is recommended that the Communications Unit should be engaged in the SEPA Command Centre as early in the process as possible.
- Defining the frequency of communications
- Planning, organising and documenting deliverables deriving from meetings
- Monitoring the progress and achievement of the SEPA Command Centre
- Approving action plans
- Documenting lessons learnt

Any issues that the Command Centre is unable to resolve on its own should be sent to the Oversight Committee.

3.3.2 Responsibilities of Oversight Committee

The Oversight Committee is involved in activities related to general oversight and approval of policy changes.

In this context, the Oversight Committee is responsible for monitoring the progress and achievements of the SEPA Command Centre on a bi-weekly/monthly basis. The Oversight Committee is also authorised to approve policy changes required for the effective operation of the SEPA Command Centre. Accordingly, the Oversight Committee should consist of senior managers with the authority to make decisions that influence the scope of the Command Centre and shape the standard procedures or existing policy framework.

The Oversight Committee is responsible for identifying and distinguishing issues requiring escalation to the Managing Board as opposed to those that it can deal with directly.

3.3.3 Responsibilities of Managing Board

An organisation's Managing Board should be kept informed of SEPA issues and the status of SEPA migration by the Oversight Committee with a frequency appropriate to the organisation. Involving an organisation's Managing Board in SEPA issues should be rare, but it is possible that the Board will need to be consulted in the event of exceptional SEPA issues that could have wide-ranging effects on an entire organisation.

4. Engagement model

The models for engagement contained in this section are intended as guidelines for banks and should not be seen as prescriptive. The SEPA project has wide-ranging impacts, so a bank's own internal Command Centre will need to engage with outside organisations – be they Command Centres from other banks, national or pan-European CSMs, or regulatory and supervisory bodies. Depending on the complexity of an organisation, there may even be a need for multiple internal Command Centres, i.e. one at the head office level as well as subordinate Command Centres at the level of entities that have direct access to one or more CSMs. Some organisations will therefore need to align the work of multiple internal SEPA Command Centres. In some cases, banks in a community may also need to coordinate their activities with SEPA Command Centres at other banks.

Internal and external engagement will be required on both the national as well as pan-European level. However, it is important to note that a national consensus is not a pre-requisite for pan-European engagements. Engaging with other concerned parties on SEPA-related issues could occur at the national and pan-European level concurrently, depending on the issue to be resolved. This is particularly appropriate for issues that may arise across many SEPA countries, but need to be addressed locally, such as continued submission of payment files in national legacy formats.

4.1 Considerations for engagement models at individual bank level (head office vs. branch level)

For banks that have a presence in multiple countries, migration to SEPA could have different effects in different countries. Although a bank may be well prepared for SEPA at the pan-European level, complications could arise at branches in a particular country. For example, customers may look for pre-SEPA transfer forms at the bank office to initiate payments or they may not understand why certain payments are (or are not) going through. In light of this, banks need to streamline communication processes, roles and responsibilities between the respective head office and the branches.

Effective, employee-focused communication must flow from the head office to the branches to ensure that branches understand where to find information related to SEPA migration. This starts by making it known at all branches that SEPA is coming and that complications may arise due to national differences. Banks should also establish alternative communication channels in case a crisis overloads existing communication channels. Such communication channels dedicated to SEPA should remain active for a period that continues after the migration end-date as complications may take some time to become evident, such as issues related to SEPA R-transactions. In addition, banks must ensure that all communication between the head office and branch level is a two-way process. It is highly recommended that banks align external communication between the various internal Command Centres.

4.2 Considerations for engagement models at national level including local PSPs, CSMs, technical facilitators, supervisory authorities and national central banks

Co-operation among national banking communities will be integral to the success of SEPA migration. The largest payment volumes tend to be national volumes, so bank co-operation on this level may become necessary in case of an incident: if one bank has a problem sending payments, it needs to be able to quickly and efficiently inform other banks, perhaps with the assistance of the operating CSM. Banks should take advantage of the existing national committees and forums in place for co-operating with other banks, the national central bank, other authorities and other stakeholders. Where necessary, banks

should contribute to evolving or complementing such forums to ensure that they optimally support the local banking community in case of an incident or crisis. Annex 2 of this document provides a link to the lists of key national SEPA migration forums and other bodies and organisations involved in SEPA migration matters, which have been put together by the European Central Bank. This annex also includes links to the EPC pages listing all SEPA-compliant CSMs.

Ensuring effective co-operation among national banking communities means that banks must integrate their internal and external communications. As banks come together to discuss joint approaches to SEPA migration, they need to determine procedures for handling unexpected situations among the stakeholders. Incidents could occur at CSMs or proprietary bank systems due to failures in start-of-day, intraday or end-of-day processing. Any failure of procedures or IT systems that prevents the timely and accurate processing of transactions should be shared with the national banking community, as well as with other PSPs, CSMs, supervisory authorities or national central banks.

Without effective exchange and communication among all stakeholders at the national level, common problems and failures may be unnecessarily repeated by multiple banks. However, banks should also be encouraged to co-operate at multiple levels simultaneously. Consensus at the national level is not a pre-condition for pan-European engagement.

4.3   Considerations for an engagement model with multinational/pan-European CSMs, such as EBA CLEARING

As a CSM with pan-European reach and high levels of market penetration in a number of countries across Europe, EBA CLEARING's STEP2 platform and the STEP2 user community will likely be affected by any SEPA-related complications impacting the interbank space, even if they only occur within one national banking community or at the level of one bank. Accordingly, banks experiencing any problems that significantly impact their ability to send or receive transactions via STEP2 in a proper and timely fashion should directly and pro-actively inform EBA CLEARING of the issue at hand via agreed communication channels.

Following the declaration of an issue by a user, EBA CLEARING will engage in a direct exchange with the affected user and – depending on the extent of the issue – distribute information to the whole user community via agreed channels. In some communities where STEP2 is a critical infrastructure at the domestic level, national financial crisis bodies, supervisory bodies and/or national payment organisations directly receive any user communication sent by EBA CLEARING. In other communities, these bodies are separately informed by users that are affected by any issues or their consequences.

In case of an issue with a wider impact, EBA CLEARING would, depending on the situation, activate the STEP2 SEPA Migration Forum in parallel. This forum, which involves the most active and critical STEP2 users, is used to exchange information on any actual or foreseeable implications of operational disruptions affecting STEP2 and its users.

4.4   Considerations for an engagement model with SMART

As individual banks and national banking communities tackle the challenges of SEPA migration, issues may arise or become visible in the cross-border space that need to be addressed by banks in a forum

with a pan-European, CSM-independent scope. SMART has been initiated by the EBA[2] as a stand-by facility for ad hoc consultations on interbank issues of operational nature that require an urgent solution to be agreed by banks at a European level.

The recommendations by SMART are not intended to replace internal planning and engagement at the national level. Rather, they are meant to supplement and help to guide the planning of individual banks and banking communities. An overview list of the guidance documents issued by SMART so far is included in Annex 4 of this document.

Each bank should establish its own Command Centre(s) devoted solely to SEPA migration. Any issues that require clarification at a wider industry level, for instance through the definition of best practices, can be taken forward by SMART.

Before engaging with SMART, banks should first identify the specific issues that require external guidance and prioritise them based upon their severity. Lastly, banks should perform an internal "gap analysis" that compares existing practices to the rules and procedures that should be in place based on different violations and their resulting impacts on normal processing.

It should also be noted that SMART plays a complementary role to the European Payments Council (EPC) in the process of SEPA migration. The EPC covers all issues arising from adherence to the SEPA schemes (SCT, SDD and B2B), while SMART was established to support a smooth migration to SEPA by offering guidance on best practices with regard to operational issues. Annex 3 of this document features links to the EPC Scheme Rulebooks as well as a list of additional information and guidance documents on SEPA migration issued compiled by the EPC.

5. Conclusion

It is strongly recommended for all banks that are engaged in the process of migrating to SEPA to put in place at least one temporary internal "Command Centre", which would be responsible for managing, controlling and promptly solving potential issues and crises during the SEPA migration period. This Command Centre should have dedicated resources and methods to help resolve issues related to SEPA before, during and after the February 2014 migration end-date.

The organisation of the Command Centre, including its governance model and the departments represented in it, may vary from one bank to the next. However, it is key that this set-up optimises the coordination and co-operation between the relevant departments as well as between the bank and external stakeholders or industry bodies in the event of an incident. In this context, providing the necessary equipment and information access for direct and speedy exchange among all affected parties is a basic but important requirement for the SEPA Command Centre (see Annex for logistical considerations). Together with the bank's incident management procedures, a well-organised and hands-on SEPA Command Centre prepares the ground for the swift coordination, decision-making and communication processes that the final phase of SEPA migration may require, particularly if any serious problems arise.

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[2] The Euro Banking Association (EBA) and EBA CLEARING are two separate organisations. The EBA is a country-neutral banking association that brings together payments practitioners from all over Europe to discuss matters of mutual interest and aid cooperation on a pan-European level. EBA CLEARING is a provider of pan-European clearing services. It operates the EURO1, STEP1 and STEP2 payment infrastructure services.

Annex 1: Logistical considerations

In addition to the above-mentioned actions, it is also recommend that banks make sure that the logistics around the Command Centre are well prepared. It is suggested that both a virtual meeting room and a physical meeting room are made available until at least 31st March 2014.

With respect to the physical Command Centre, a meeting room should provide the following:

- Adequate seating

- Internet access

- Direct electronic access to product and process documentation as well as internal and external message boards

- Telephone access
  Note: It is assumed that each member of the Command Centre is equipped with a mobile phone. Mobile phone chargers should also be provided.

- Video projectors, flipcharts and white boards

- Television and radio access

- Fax machine, scanner, copier and printer

- Adequate electrical outlets

- Stationery

- Physical and electronic contact lists for key contacts within the organisation, the main CSM(s) and key banks in the community/ies. Make sure that the lists are clearly visible: "put it on the wall"

- Close proximity to washrooms, kitchen and restrooms

- First-aid facilities within walking distance

While face-to-face meetings may be required in some cases, virtual meetings are also appropriate. For the virtual Command Centre, it is suggested that a dedicated conference call number and web or video conferencing system are made available and are in operation 24 hours a day, seven days a week. Contingency measures should be set up as well. Remote access to the bank systems should be available for each Command Centre and Oversight Committee member.

It is suggested that the Command Centre is made available according to the following guidelines:

- Operating hours: 08:00 - 18:00 local time (Monday to Friday)
  Note: Shift plans should be considered if longer hours are necessary

- Operating days according to TARGET2 clearing days

- Dedicated hotline numbers to reach the Command Centre and e-mail accounts should be made available. A dedicated e-mail to send messages to a wider audience, an internal

electronic message board and an SMS alert facility capable of addressing a wide range of people with one message should also be made available.

Access to the Command Centre should be limited to pre-determined individuals and their deputies. Parking spaces should be made available within walking distance of the Command Centre for each member.

Annex 2: Lists of external bodies and organisations

The present annex includes information geared at supporting banks in engaging with outside organisations, such as national authorities or bodies in charge of SEPA migration matters in the different European countries, clearing and settlement mechanisms across Europe or counterparties in other countries.

1.   National SEPA forums, central banks, payments associations, banking associations, etc.

The website of the European Central Bank lists and provides links to national SEPA fora, central banks, payments associations and banking associations that deal with SEPA migration matters in the different European countries:

http://www.ecb.europa.eu/paym/sepa/about/countries/html/index.en.html

2.   SCT Scheme-compliant clearing and settlement mechanisms (CSMs)

The website of the European Payments Council (EPC) lists and provides links to

- the Clearing and Settlement Mechanisms that have disclosed their intention, by letter to the EPC, to be SEPA Credit Transfer Scheme (SCT) compliant;

- the companies that have disclosed, by letter to the EPC, their intention to offer to CSMs messaging services that support full compliance with the SEPA Credit Transfer Scheme.

http://www.europeanpaymentscouncil.eu/content.cfm?page=sct_scheme-compliant_csms

3.   SDD Scheme-compliant clearing and settlement mechanisms (CSMs)

The website of the European Payments Council (EPC) lists and provides links to

- the Clearing and Settlement Mechanisms that have disclosed their intention, by letter to the EPC, to be SEPA Direct Debit Scheme (SDD) compliant;

- the companies that have disclosed, by letter to the EPC, their intention to offer to CSMs messaging services that support full compliance with the SEPA Direct Debit Schemes.

http://www.europeanpaymentscouncil.eu/content.cfm?page=sepa_core_dd_scheme_-_clearing_and_settlement_mechanisms_sepa_direct_debit

4.   Operational directories for users of SEPA processing services

CSMs offering SEPA processing services often have facilities in place that support their users in getting in touch with counterparties for bilateral inquiries about SEPA payment-related matters. Banks should contact their respective CSMs (see previous list) about such directory services.

Annex 3: Overview of key EPC documents

The present annex lists the Scheme Rulebooks issued by the European Payments Council, which set the rules for the processing of SCTs or SDDs by payment service providers:

- SEPA Credit Transfer Scheme Rulebook of the European Payments Council, version 7.0 of November 2012, date effective: 1st February 2014 (EPC125-05)

  http://www.europeanpaymentscouncil.eu/knowledge_bank_download.cfm?file=EPC125-05%20SCT%20RB%20v7.0%20Approved.pdf

- SEPA Core Direct Debit Scheme Rulebook of the European Payments Council, version 7.0 of November 2012, date effective: 1st February 2014 (EPC016-06)

  http://www.europeanpaymentscouncil.eu/knowledge_bank_download.cfm?file=EPC016-06%20Core%20SDD%20RB%20%20V7.0%20Approved.pdf

- SEPA Business to Business Direct Debit Scheme Rulebook of the European Payments Council, version 5.0 of November 2012, date effective 1st February 2014 (EPC222-07)

  http://www.europeanpaymentscouncil.eu/knowledge_bank_download.cfm?file=EPC222-07%20SDD%20B2B%20RB%20v5.0%20Approved.pdf

NB: SCT Scheme Rulebook version 7.1, SDD Core Scheme Rulebook version 7.1 and SDD B2B Scheme Rulebook version 5.1 approved by the EPC December Plenary will be published in January 2014. They only contain very minor changes, such as the removal of references to the PE-ACH/CSM Framework.

Furthermore, the European Payments Council has put together documents that provide additional guidance and information on a number of matters that are not directly covered by the EPC Scheme Rulebooks and Implementation Guidelines:

- Local Migration Rules – Survey Programme Management Forum, version 0.2 of January 2013 (PMF048-12)

  This document provides an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

- Clarification Paper: SEPA Credit Transfer and SEPA Direct Debit, version 2.0 of June 2013 (EPC348-12)

  This document addresses operational issues arising from implementation of the SEPA Credit Transfer Scheme Rulebook, SEPA Direct Debit Scheme Rulebooks.

  http://www.europeanpaymentscouncil.eu/knowledge_bank_download.cfm?file=EPC348%2D12%20v2%2E0%20SCT%20and%20SDD%20Clarification%20Paper%2Epdf

- EPC Creditor Identifier Overview, version 2.5 of March 2013 (EPC262-08) – update expected for January 2014

  This document provides detailed information on the practices in place around the issuing of creditor identifiers in the different EU countries and lists the issuing bodies.

  http://www.europeanpaymentscouncil.eu/knowledge_bank_download.cfm?file=EPC262%2D08%20Creditor%20Identifier%20Overview%20v2%2E5%2Epdf

Annex 4: Overview of SMART guidance documents

The present annex refers to documents issued by the SEPA Migration Action Round Table (SMART). SMART is a forum by banks and for banks geared at bringing clarification to SEPA migration-related issues and working towards defining industry best practices, where needed.

- Guidance on the handling of SDD R-transactions and related charging principles: Explanatory document with recommendations, version 1.1 – issued on 29th November 2013

  https://www.abe-eba.eu/Repository.aspx?ID=dd5c4baa-19c2-458a-9a10-97ac3ab8fe39

  A high quality paper copy can be requested from association@abe-eba.eu.

- Note on Creditor-ID issues: Recommendations with regard to the issuing, handling and validation of creditor identifiers – issued on 12th December 2013

  https://www.abe-eba.eu/Repository.aspx?ID=dc06bf50-9ac0-4a4f-92c5-10705ffd83df

- Note on validation of BIC of sending bank: Is there a need for the receiving bank to validate the BIC of the sending bank against an external BIC directory when it receives a SEPA Credit Transfer through a SEPA CSM? – issued on 26th November 2013

  https://www.abe-eba.eu/Repository.aspx?ID=9933e7e1-c47b-49b5-a6bb-403d2fbbed7d

- Note on on-us transactions: Which "on-us transactions" need to be migrated to the SEPA Direct Debit formats? – issued on 17th September 2013

  https://www.abe-eba.eu/Repository.aspx?ID=cf6ea202-4b66-4730-b37b-bdff19139d20

- Note on MT 101: Will the sending of an MT 101 with multiple messages after 1st February 2014 be compliant with the SEPA Regulation (EC 260/2012)? – issued on 17th September 2013

  https://www.abe-eba.eu/Repository.aspx?ID=2477f29d-bf7d-4efb-884a-41b554416e89

- Note on reason code for IBAN-BIC mismatch: Which reason code should be used for an R-transaction if the IBAN of the receiver does not belong to the BIC indicated for the receiving bank? – issued on 17th September 2013

  https://www.abe-eba.eu/Repository.aspx?ID=948d55f7-7475-4c66-81b0-280816666a3c

List of endorsing banks

Best practice recommendations for a SEPA Command Centre – A bank user information guide has been endorsed by the following banks participating in the SEPA Migration Action Round Table (SMART):

ABN AMRO Bank

Bank of America Merrill Lynch

Bank of Ireland

BCEE Luxembourg

BNP Paribas

Citibank

Commerzbank

Erste Group Bank

HSBC

Lloyds Banking Group

Raiffeisen Bank International AG

SEB

Swedbank

The Royal Bank of Scotland

UniCredit Bank AG

About the SEPA Migration Action Round Table (SMART)

The SEPA Migration Action Round Table is a forum for banks and by banks, which is logistically supported by the Euro Banking Association (EBA). The mission of this forum is to deal with open issues and uncertainties in relation to the implementation in practice of the SEPA Regulation requirements and to the banks' day-to-day execution of SEPA Credit Transfers and Direct Debits, especially in the cross-border space. Its work is geared at bringing clarification to SEPA migration-related issues and defining industry best practices to support banks in their interbank and intra-bank handling of SEPA payments, independently of the payment infrastructure they use.

For more information on SMART and any further recommendations issued by the group, please visit www.abe-eba.eu/N=SMART.aspx.

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