

Introduction

December 2016

The present document gives an overview of the country-specific particularities that create local flavours in the customers' payment experience and may represent obstacles affecting the seamless exchange of euro retail credit transfers and direct debits from a single payment account with counterparties across Europe. With the support of the Euro Banking Association, SMART Participants will strive to keep this overview updated on a regular basis as needed. Should you be aware of any changes to this overview on local practices, please do not hesitate to contact us at association@abe-eba.eu.

The document was compiled by the SEPA Migration Action Round Table, a forum for banks and by banks, which ran from March 2013 until the end of 2016. It was logistically supported by the Euro Banking Association. The mission of this forum was 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. For more information on SMART, please visit <https://www.abe-eba.eu/thought-leadership/smart/>.

For each SEPA country, there is a dedicated list where the relevant national particularities are classified according to the following categories:

1 Local SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) clearing practices

This category covers particularities that are related to the interbank clearing of payments via any SEPA Clearing and Settlement Mechanism (CSM), e.g. deviating cut-off times for sending or accepting payments or local preferences for certain cycles or processing modes. Where publicly available and provided to the SMART, information on clearing cycles and sending cut-offs of the different CSMs and / or related hyperlinks are provided in the respective country-specific sections. The respective information for EBA CLEARING's pan-European automated clearing house STEP2 can be found at <https://www.ebaclearing.eu/E-Books/STEP2-Services/>.

2 Additional Optional Services (AOS) and Value-Added Services (VAS)

AOS and VAS may be offered on a closed-user-group basis in addition to the standardised SEPA services. They are complementary services agreed between PSPs and their customers (VAS) or agreed by a banking community (AOS). AOS and VAS are based on the respective SEPA Schemes and geared at meeting further specific customer expectations. Examples are solutions for SDD e-mandates or the processing of non-Latin characters by a closed user group of PSPs.

3 Additional local payment instruments

These are instruments or products that exist next to the SEPA Schemes. It should be noted that the scope of the present document includes electronic payment products only, which is why it generally does not refer to any paper-based products, such as cheques, under non-SEPA products.

Niche products and direct debits initiated through a payment card at the point of sale

Niche products were legacy credit transfer or direct debit products with a cumulative market share of less than 10 percent of the total national credit transfer or direct debit traffic respectively. These products had to be phased out by 1st February 2016 and are listed here for information purposes (highlighted in grey in the document).

Non-SEPA products

These are euro credit transfers or direct debits that are out of scope, for instance because they are not covered by the SEPA Schemes or the SEPA Regulation. Examples would be credit transfers processed and settled through large-value payment systems (LVPS).

The following should be noted in this context: while a number of countries use the standard large-value payment systems TARGET2 and EURO1 for any urgent payments, which they separately channel through these systems, there is quite a wide range of scheme and / or processing approaches across SEPA for urgent payments. The present document has tried to cover this topic under the non-SEPA products category based on the input provided by PSPs.

4 Local requirements involving the need of using a local payment account or bank

Some countries have specific requirements in place relating to tax payments or other payments to government institutions as well as salary payments. These often include the use of a local payment account or bank.

5 Other factors impacting cross-border or domestic transactions involving banks or customers in that country

These factors may relate to other community practices or specific legal requirements, for instance in the data protection domain, that may negatively affect the smooth end-to-end processing of SEPA transactions and R-transactions.

Austria
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The local clearer CS.A clearing offers different cut-off times from EBA CLEARING's STEP2 system.
2. Additional Optional Services or Value-Added Services
An e-mandate solution in line with the EPC rules is in place in Austria. The e-mandate solution is called eMS (e-Mandate-Service) and operates in real time.
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
"Elektronisches Lastschriftverfahren": domestic direct debit card payment scheme, where the direct debit was initiated via debit card at the point of sale and involves the signing of a one-off paper mandate
ATIB: a credit transfer initiated via physical paper instruction, where the scanned image of the paper payment instruction was forwarded electronically along with the SCT
3.2 Non-SEPA products
There is no dedicated urgent payment scheme in Austria. Urgent cross-border or domestic payments are processed via TARGET2 or EURO1/STEP1.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
SEPA tax payments need to carry the code "TAXS". The end-to-end reference needs to carry the tax office number and the tax identifier number. More information can be found in the document "Finanzamtszahlung in MBS/XML" published by STUZZA. The document is only available in German and can be downloaded at www.stuzza.at/11557_DE.htm?docid=12361&root=548
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Reason code AM04 is not used for R-transactions; MS03 is used instead.

Belgium
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The local CEC/UCV clearing house operated by STET processes SEPA transactions (SCT) using five cycles between 7:00 and 16:00 CET.
2. Additional Optional Services or Value-Added Services
Structured remittance information "OGM-VCS": continued usage of national standard for structured remittance information (including check digit etc.) to allow automated reconciliation; Link: http://www.febelfin.be/sites/default/files/Payments/AOS-OGMVCS.pdf
Discussions regarding the introduction of an e-mandate solution have been stopped.
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Not applicable
3.2 Non-SEPA products
There is no dedicated urgent payment scheme in Belgium. Same-day cross-border or domestic payments are processed via the local CSM, TARGET2 or EURO1/STEP1.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
For tax and social security payments, corporates use structured remittance information compatible with SEPA format requirements. The syntax is nnnnnnnnnCC.
4.2 Salary payments
It is market practice to process salary payments same day under consideration of cut-off times.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
SDD mandates (electronic, SDD Core and SDD B2B) must contain the field "In respect of the contract" where the underlying contract or invoice reference needs to be stated.
Reason code AM04 is not used for R-transactions due to legal restrictions; MS03 is used instead.

Bulgaria
Status: 22nd December 2016
Non-euro EU country
Bulgaria committed to switching its currency, the lev, to the euro when joining the European Union in 2007. However, no date has been fixed yet.
1. Local clearing practices
SEPA payments can be processed locally through the local Automated Clearing House (ACH) BISERA7-EUR. The local ACH is linked to Equens and Deutsche Bundesbank under the EACHA interoperability framework.
The cut-off times of local clearing for SEPA payments are earlier than those of EBA CLEARING's STEP2 system.
2. Additional Optional Services or Value-Added Services
UTF-8 character set is fully supported (local characters).
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
The local currency is used for public sector payments.
The local currency BGN is used for public sector payments including taxes, salaries, compensations, or social security. No SCT or SDD instruments can be used for such transactions.
4.2 Salary payments
The local currency BGN is used for salary payments.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Croatia
Status: 22nd December 2016
Non-euro EU country
1. Local clearing practices
Since 6th June 2016, all HRK and euro payments have been migrated to SEPA standards.
There is no direct debit scheme in Croatia. Direct Debits are processed within banks only in cases where both creditor and debtor have an account with the same bank. Migration to a direct debit scheme in the local currency is planned for February 2017, and banks will decide individually whether or not they will offer SDD for euro payments.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
HRK is the only valid currency for local payments including taxes, salaries, contributions etc. No SCT or SDD instruments can be used for such transactions.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
There is no direct debit scheme in Croatia. DDs are done within banks only in cases where both creditor and debtor have an account with the same bank. Migration to a direct debit scheme in the local currency is planned for February 2017, and banks individually will decide whether or not they will offer SDD for euro payments

Cyprus
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The local clearer JCC offers SDD Core clearing services for transactions exchanged between payment accounts held with local banks
Domestic clearing cut-offs can be found at http://www.jcc.com.cy/Portals/0/Documents/sepa/TimelineAndCut-offs.doc
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Bilateral exchange of important payments in files in non-SEPA format was allowed as a niche product for business continuity purposes (government credit transfers).
3.2 Non-SEPA products
Not applicable
4. Local requirements re. specific instruments or type of payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Cypriot banks request customers to provide written confirmation of opening their account for incoming SDDs before executing (debiting) SDDs.
Reason code RR04 is not used for R-transactions; MS03 is used instead.

Czech Republic
Status: 22nd December 2016
Non-euro EU country
The Czech Republic committed to switching its currency to the euro when joining the European Union in 2004. However, no date has been fixed yet.
1. Local clearing practices
Local euro clearing is not offered in the Czech Republic. For their SEPA payments, the local banks are connected to EBA CLEARING's STEP2 system as a reachable BIC either through their parent banks or through their correspondent banks (including the offering of conversion from MT 103 to XML formats).
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
The local currency CZK is used for all payments to and from public sector entities.
4.2 Salary payments
The local currency CZK is used for salary payments.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Denmark
Status: 22nd December 2016
Non-euro EU country
1. Local clearing practices
There is no local euro clearing.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Payments to and from public administrations are done in the local currency DKK.
4.2 Salary payments
Salaries can in principle be paid via SCT.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Estonia
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
No local CSM in place after the SEPA migration end-date
2. Additional Optional Services or Value-Added Services
Most Estonian banks offer their customers the option to receive e-invoices to the customer's online banking site. Customers can choose either to pay invoices one by one or instruct their bank to automatically pay every received invoice. Payment transactions are based on standard SCTs and these payments can also be made to accounts in other SEPA countries.
A standard creditor reference is used for automated payment reconciliation by companies and transferred in the remittance information field of the SCT (a national format is used but some banks support the ISO Creditor Reference standard as well). The originator bank and the beneficiary bank validate the information and may reject the payment in case of an invalid creditor reference number.
Description of the Estonian creditor reference standard: http://pangaliit.ee/en/settlements-and-standards/reference-number-of-the-invoice
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Not applicable
3.2 Non-SEPA products
There is no dedicated urgent payment scheme in Estonia. Urgent payments are processed via TARGET2 and EURO1/STEP1.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments

Estonia

The payer's registry code/personal identification code is used by a number of government institutions, for example by State Treasury and schools, for the automatic processing of amounts received. Beside the reference number, State Treasury also expects an explanation in the unstructured remittance information field.

The SCT Scheme does not allow the usage of structured and unstructured remittance information at the same time (either one or the other can be provided). Based on an agreement between Estonian banks, both structured and unstructured remittance information is forwarded within payment instructions exchanged between Estonian banks using the EACT standard: <http://www.europeanpaymentscouncil.eu/index.cfm/sepa-credit-transfer/eact-standard-for-unstructured-remittance-information/>

4.2 Salary payments

Not applicable

5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country

At this stage, few PSPs in Estonia are reachable for SDD, meaning they only receive collections but do not offer creditor bank services.

Legacy direct debits have been replaced with e-invoicing and the SCT service. SDD will be introduced as a separate service.

Finland
Status: 2nd March 2017
Eurozone country
1. Local clearing practices
<p>Banks operating in Finland have joined EBA CLEARING's STEP2 system.</p> <p>Domestic transactions are mostly channelled through the night-time settlement cycle settling shortly before 2:00 CET, which STEP2 offers on an optional basis and which allows beneficiary banks to credit customer accounts at the start of the business day.</p>
2. Additional Optional Services or Value-Added Services
<p>A standard creditor reference (in ISO standard format or in national format) is used for automated payment reconciliation by companies and transferred in the remittance information field of the SCT. The originator bank and the beneficiary bank validate the information and may reject the payment in case of invalid creditor reference number. Valid creditor references are forwarded to a creditor reference matching service for automatic reconciliation. Payments without valid creditor references are handled manually by the creditor.</p> <p>More information can be found on the website of the Federation of Finnish Financial Services: http://www.finanssiala.fi/en/payment-services/Pages/sepa-services.aspx</p>
<p>Acceptance date field: it is business practice in Finland that a payment is considered paid when the originator has initiated the payment. In SCTs, this date is provided in the field "Acceptance Date".</p> <p>More information can be found on the website of the Federation of Finnish Financial Services: http://www.finanssiala.fi/en/payment-services/Pages/sepa-services.aspx</p>
<p>Extended remittance information field: this AOS facilitates the transmission of payment specification data to the beneficiary via "Structured Remittance Information". The maximal length of the data is nine times 280 characters, while the standard length in SCTs is only 140 characters.</p>
<p>E-invoicing: banks in Finland offer their customers the option to receive e-invoices to the customer's online banking site. The debtor selects the creditor he/she wants to receive e-invoices from in his/her online banking account. The debtor can select between automatic payment by his/her bank for all payments and verifying each payment individually. Payment transactions are based on standard SEPA Credit Transfers.</p>
3. Additional local payment instruments

Finland
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Not applicable
3.2 Non-SEPA products
Urgent payments are currently processed via a national proprietary system called POPS within a local network, PAVE. Settlement is done via TARGET2.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Not applicable
4.2 Salary payments
Salary payments are processed via the STEP2 morning and/or night-time payment cycles. The night-time cycles are optional and participation is on a closed user group basis. More information can be found at http://www.finanssiala.fi/maksujenvalityks/dokument
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
SDDs require an agreement between debtors and debtor banks.

France
Status: 22nd December 2016
Eurozone country
<p>The French community has multilateral interchange fee arrangements in place for national R-transactions. Charging is based on quarterly statistics provided by the CSMs and settlement is done directly between the French banks (outside the SEPA Schemes).</p> <p>The detailed fees for each R-transaction type can be found in the document <i>Décision n°13-DSE-01 du 30 juillet 2013 relative aux engagements rendus obligatoires par la décision n°12-D-17 du 5 juillet 2012 de l'Autorité de la Concurrence</i>, p. 13: http://www.autoritedelaconcurrence.fr/doc/13dse01.pdf</p>
1. Local clearing practices
<p>The local clearing system STET (Systèmes technologiques d'échange et de traitement) offers SCT and SDD clearing with different cut-off times from EBA CLEARING's STEP2 system.</p>
2. Additional Optional Services or Value-Added Services
<p>Change of Account Information (CAI): this option allows banks to inform each other via a standardised modification active message (acmt.022.001.02) about changes in the bank or account details of a customer. At present, there is no interoperability between the CAI option offered by STET and the CAI option offered by EBA CLEARING; the French banks using the CAI service of STET do not use the CAI service of EBA CLEARING.</p>
<p>SEPAmail: this bill payment service is currently being launched by five banking groups, which plan to provide secure interbank messaging services enabling e-invoicing, account information exchange and e-mandate solutions.</p>
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
<p>TIP (interbank payment orders): This niche product has disappeared by 01/02/2016. Many creditors replaced TIP with SDD Core One-Off.</p>
<p>Télé règlement (electronic payment orders): Télé règlement was a payment initiated by the Trésor Public after the company has submitted the tax declaration via the online tax declaration system (Minefi.gouv).</p> <p>This niche product was replaced with SDD Core for consumers; for corporates, Télé règlement was replaced with SDD B2B (both by 01/02/16). The five public sector creditors that migrated are: DGFIP, DGDDi, URSSAF, MSA and AGIRC-ARRCO. RSI did not migrate, debtors are asked to pay via SCT instead</p>
3.2 Non-SEPA products

France
<p>Non-SEPA payment formats:</p> <ul style="list-style-type: none"> - Urgent cross-border payments (XML V2&V3 format, MT101) - Domestic treasury payments – VSOT (XML V2&V3 format, MT101) - Cross-border payments in non-Euro currency or outside SEPA (XML V2&V3 format, MT101)
<p>A closed user group has been created for the exchange of euro retail payments between payment accounts in France and payment accounts in three non-SEPA territories ("SEPA COM Pacifique"). This CUG ensures the exchange of credit transfers and direct debits in the SEPA formats between banks in the French SEPA territories FR, GP, RE, MQ, GF, PM, BL, MF and YT and in the non-SEPA overseas territories New Caledonia, French Polynesia as well as the Wallis and Futuna Islands (NC, PF, WF)</p>
<p>4. Local requirements re. specific instruments or type of payments</p>
<p>4.1 Public sector payments</p>
<p>All public sector entities use SCT for payments to accounts in other SEPA countries.</p>
<p>4.2 Salary payments</p>
<p>There is a specific interbank process regarding salary payments at reporting level to ensure that the beneficiary name is hidden when a salary payment is returned. This depends on the capacity of the bank to offer that service.</p>
<p>5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country</p>
<p>Not applicable</p>

Germany
Status: 2nd March 2017
Eurozone country
1. Local clearing practices
Clearing of SCT and SDD is offered by the local clearing mechanism Bundesbank SEPA Clearer with different cut-off times from EBA CLEARING's STEP2 system. The SEPA Clearer also differs in terms of functionality and validation mechanisms.
Seven major German banks use the STEP2 batch processing mode for the exchange of large domestic payment volumes. In analogy to their former bilateral exchange approach, the institutions pre-sort their files by receiving bank, which facilitates faster and more efficient processing as it requires less validation
Agreements for bilateral clearing between financial institutions are possible with different cut-off times in comparison to EBA CLEARING or Bundesbank
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
"Elektronisches Lastschriftverfahren, ELV" (DTAUS): this domestic direct debit card payment scheme where the card holder authorises a direct debit by signing a paper mandate at the point of sale, was exempt until 01/02/16. Since then, ELV transactions have been processed as SEPA Core Direct Debits.
3.2 Non-SEPA products
Urgent domestic payment (currently known as DTE) via TARGET2 or EURO1/STEP1. To be replaced in the C2B space with an XML message (very similar to SCT) carrying the flag "URGP" and transferred to the bank with EBICS order type CCU ("Euro-Eil-Überweisung").
Urgent cross-border euro payment (DTAZV with EBICS order type EUE) via TARGET2 or EURO1/STEP1; under discussion to be switched off in 2017.
XML-based clearing of payments originating from GIROCARD and ATM transactions: Deutsche Bundesbank and EBA CLEARING are providing clearing services of domestic payments arising from debit card and ATM transactions.
XML-based cheque clearing since 21/11/16
4. Local requirements re. specific instruments or type of payments
Not applicable

Germany
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
<p>Some German debtor banks do not send any reject on D if there are not enough available funds in the debtor account but generally send a return on the following day (D+1) if the debtor has not made the necessary funds available on his/her account by the end of the day on which they were due.</p> <p><i>This is not an officially agreed community practice and not applied by all banks in Germany, but it is a rather common market practice.</i></p>
<p>The following reason codes are not used for R-transactions due to data protection restrictions: AG01, AM04, MD07, RR01, RR02, RR03, RR04. For all these reason codes, MS03 is used instead. Reason code FF01 is not used because of lack of relevance.</p>

Greece
Status: 22nd December 2016
1. Local clearing practices
<p>The local payment clearer DIAS SA processes SCTs and SDDs and provides access to SEPA clearing via EBA CLEARING's STEP2 system and Equens. DIAS also offers the option to connect to other CSMs, subject to certain conditions (i.e. adherence to EACHA specifications and compatibility of flows and timetables).</p> <p>Payments through DIAS SA are settled through TARGET2. DIAS offers different cut-off times from EBA CLEARING's STEP2 system.</p>
<p>The code /FOC/ (Free of Charge) has to be added in the 2.49 Debtor Identification field of a SEPA Credit Transfer sent to a PSP in Greece in order to ensure that the beneficiary does not have any charges taken from the payment. The code can be added when a payment meets the following criteria (ISO Category Code and/or Purpose Code in brackets): pension payment (PENS), salary payment (SALA), social security benefit (SSBE), supplier payment (SUPP), dividend (DIVD), insurance premium (INSU). This approach is subject to bilateral agreements between the involved PSPs</p>
2. Additional Optional Services or Value-Added Services
<p>The use of the Greek character between banks operating in Greece is supported by both DIAS and EBA CLEARING's STEP2.</p>
<p>White elements (optional elements) support for ISO 20022 XML file format: Indicative white elements utilised are 2.3.1 Customer Credit Transfer Initiation – pain.001.001.032.1 / Payment Information > 2.1 ++ Payment Information Identification, 2.23 ++ Ultimate Debtor, 2.23 +++ Name</p>
<p>For SDD, various AOS/VAS are offered, such as debtor mandate flow (DMF) and presentation of recurring SDDs on D-1.</p>
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
<p>"Non Automatic Credit": a domestic product supported by DIAS Credit Transfer (DCT) and geared at the handling of non-STP transactions, which were mainly caused by a missing IBAN. This product was terminated by 01/02/2016.</p>
3.2 Non-SEPA products
Credit card repayments
Loan repayments
4. Local requirements re. specific instruments or type of payments

Greece
4.1 Public sector payments
<p>A small number of public sector entities still require payments from a local account. These include regional water supply companies (ΔΕΥΑ) and chambers.</p> <p>It is not obligatory for taxes to be paid from the debtor's account, since they just require structured payments validated via their unique payment ID.</p>
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Capital controls are currently in place.

Hungary
Status: 22nd December 2016
Non-euro EU country
No target date yet for the adoption of the euro.
1. Local clearing practices
Local euro clearing is not offered in Hungary. Banks in Hungary are connected to the SEPA CSMs of EBA CLEARING, Equens, STET, etc. either directly or through their parent banks or through euro correspondent banks based on bilateral agreements.
SDD Services are not commonly offered by PSPs.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Iceland
Status: 22nd December 2016
EEA country that is not part of the EU
1. Local clearing practices
Local clearing does not and will not process euro transactions.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Public sector entities pay via SCT and can be paid via SCT cross-border, but not via domestic SCTs.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Capital controls impose restrictions on many types of payments and may also provide practical roadblocks. While SEPA instruments are not restricted, supporting documents, such as invoices, are required in order to make cross-border transfers.
Another practical roadblock is that the Icelandic banks have not yet developed any euro direct debit payment solutions.

Ireland
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The Irish banking community uses the EBA CLEARING STEP2 SEPA Services for its (domestic and cross-border) euro retail payments.
2. Additional Optional Services or Value-Added Services
Paperless Mandates: this mandate sign-up option for SDD Core allows sign-up over the phone or on the internet for Irish debtor accounts only. The creditor has to provide a copy of the phone recording, or internet sign-up, and the confirmation letter when a copy of the mandate is requested by the creditor bank.
Returns on D+1: Irish banks have maintained the existing timeline for returns (IRECC) and continue to return on D+1. This means that the banks use a shorter timeline than the five working days (D+5) allowed by the SEPA Direct Debit Core Rulebook. This practice is applied to domestic SDD Core transactions and documented in the IPSO SDD Creditors Guide: SEPA Direct Debit Core Scheme 6 (page 13).
The SEPA Business Service was terminated on 01/02/2016. The SEPA Business Service operated in the SEPA Core Direct Debit (DD) Scheme, transactions were thus processed in line with the rules and standards of SDD Core. Debtors waived their "no questions asked" refund right for authorised transactions.
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Not applicable
3.2 Non-SEPA products
Urgent payments: there is no dedicated urgent payment scheme in Ireland. Urgent payments are processed via TARGET2 or EURO1/STEP1.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
SEPA Credit Transfers and Direct Debits can be used for public sector payments. Public institutions and tax authorities are fully SEPA-compliant.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country

Not applicable

Italy
Status: 14 March 2017
Eurozone country
1. Local clearing practices
<p>Aside from EBA CLEARING's STEP2 system, banks in Italy use BI-COMP, the clearing and settlement system managed by Banca d'Italia for low-value payments in euro. BI-COMP offers both SCT and SDD clearing. ICBPI, ICCREA and SIA are so-called "Centro Applicativo" facilitating the technical processing. BI-COMP has different cut-off times from STEP2.</p> <p>BI-COMP offers a "dispatching" service to participants in BI-COMP allowing them to forward payments to STEP2.</p> <p>BI-COMP offers six settlement cycles (five day-time and one night-time cycle; all timings are in CET): cycle 0: 21.00 (only for SCT) cycle 1: 07.15 (only for SCT) cycle 2: 10.15 (only for SCT) cycle 3: 12.00 (for SCT and SDD) cycle 4: 14.30 (only for SCT) cycle 5: 17.05 (only for SCT)</p> <p>For more information, please consult https://www.bancaditalia.it/compiti/sispaga-mercati/bicomp/Guida_operatori_genn_2017.pdf (only in Italian)</p>
2. Additional Optional Services or Value-Added Services
<p>SEDA (SEPA-Compliant Electronic Database Alignment): the successor of the legacy Mandate Alignment Service was launched in 2013 based on specifications by ABI. EBA CLEARING and ICBPI offer services supporting SEDA. All Italian banks are required to support the basic SEDA service as debtor banks. The SEDA service is available to all banks in SEPA.</p> <p>"SDD Financing Service" ("Smobilizzo di portafoglio"): this is a service linked to SDDs with a maturity date that lies in the future presented by the payee to its Creditor Bank.</p> <p>The Creditor Bank anticipates to the Creditor, partially or completely, the amount of the SDDs for the period of time from the date the SDDs have been received by the Creditor Bank until the maturity date (due date).</p> <p>The Creditor Bank sends the SDDs to the CSM at the defined cut-offs. On the maturity date, the amount of the SDDs settled closes the anticipation while R-messages are debited on the Creditor's account. This VAS can differ slightly from bank to bank as it is not based on any formally standardised specifications agreed among the community.</p> <p>The "SDD Financing Service" is different from the "Invoice Financing Service" ("Anticipo Fatture"), which is not technically linked to the collection method agreed in the invoices. The "Invoice Financing Service" is a credit service offered by the majority of Italian banks, especially in the B2B space. Usually, the anticipated amounts are settled through an incoming payment related to the specific invoice(s) that has/ve been financed.</p>
SCT routing: continuation of "Transferability" service for forwarding of SCT to new bank if the creditor has changed the account.
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)

Italy
<p>"RID Finanziario" (RID for financial transactions): this direct debit product was, for example, used for regular savings plans for investment funds.</p> <p>Migration to the SDD Core Scheme took place by 01/02/16. Debtors waived their "no questions asked" refund right for authorised "SDD Finanziario" transactions. Creditors had to use a specific Creditor ID for SDD Finanziario transactions with the letter "H" in the fifth position. These Creditor IDs were registered in a specific interbank database. For all RID Finanziario transactions subject to migration, no new mandates were needed to be signed.</p>
<p>"RID a importo fisso" (fixed-amount RID): this was a fixed-amount direct debit product.</p> <p>Migration to the SDD Core Scheme took place by 01/02/16. Debtors waived their "no questions asked" refund right for authorised "SDD Fixed Amount" transactions. Creditors had to use a specific Creditor ID for SDD Fixed Amount transactions with the letter "Y" in the fifth position. These Creditor IDs were registered in a specific interbank database. For all RID Fixed Amount transactions subject to migration, no new mandates needed to be signed.</p>
<p>3.2 Non-SEPA products</p>
<p>RIBA (Ricevuta Bancaria): electronic bank receipts</p>
<p>MAV/RAV: payment by advice</p>
<p>High-value domestic payments (BIR), settled in TARGET2 or EURO1/STEP1. A company can ask its bank to make an urgent payment via SCT. In this case, the banks puts the tag "URGP" in the message to the beneficiary bank.</p>
<p>Tax payments (F24)</p>
<p>4. Local requirements re. specific instruments or type of payments</p>
<p>4.1 Public sector payments</p>
<p>Certain tax payments cannot be processed via SCT in Italy, as they are performed via F24 forms. F24 forms are used for a number of payments to the tax authority being generically defined as "tax payments". They require a dedicated file format (available only via domestic electronic banking) due to the specific details to be included in the transfer, e.g. the list of tax/contribution codes that the company is paying.</p>
<p>Tax payments on behalf of are allowed only under certain circumstances, e.g. fiscal unity.</p>

Italy
<p>For tax payments to government agencies from abroad, TARGET can be used. For more information, please consult circular letter n. 30 of 29 Sep 2006 issued by the Italian Fiscal Agency:</p> <p>http://www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Documentazione/Provvedimenti+circolari+e+risoluzioni/Circolari/Archivio+circolari/2006/Settembre+2006/</p> <p>Non-official translation: The requirements for electronic payments also apply to non-residents in Italy as identified under Article 17, paragraph 2, and Article 35-ter of Presidential Decree n. 633/72. For reasons of simplification, these non-residents can initiate the payment by bank through the TARGET payment system. It should be pointed out that residents outside the country who do not hold current accounts at banks in Italy or at Poste Italiane S.p.A. (the Italian Post Service) may make payments by credit transfer via a foreign bank, in favor of a corresponding Italian bank. In the credit transfer it is necessary to highlight the following elements under remittance information:</p> <ul style="list-style-type: none"> - The tax code - The tax year to which the payment relates - The words "capitolo xxxx - articolo yy Bilancio Stato" ("chapter xxxx - Article yy State Budget")
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic
Not applicable

Latvia
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The Bank of Latvia provides the SEPA compliant electronic clearing system (EKS), which processes SEPA Credit Transfers. All Latvian banks are reachable at a pan-European level, either via EKS or via EBA CLEARING's STEP2 system.
The cut-off times of EKS are geared at supporting the channelling of SCTs to the SEPA Clearer of Deutsche Bundesbank and EBA CLEARING's STEP2 platform for same-day settlement. EKS's cut-off time for files sent to participants of other clearing systems (including EBA CLEARING's STEP2 system) is 16:00 EET. The cut-off time for files addressed to participants of EKS is 18:00 EET.
2. Additional Optional Services or Value-Added Services
Latvian banks and big billers have introduced e-invoicing and SCT to replace domestic direct debits.
3. Additional local payment instruments
Not applicable
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
State Treasury (BIC: TRELLV22) is the SCT provider to all public sector entities (state revenue service, state social insurance agency, ministries, municipalities, etc.) and they are all reachable within SEPA.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
The domestic direct debit service was closed by the end of 2014. As an alternative, a new payment service was launched, which is based on SEPA Credit Transfers and e-invoices.
Currently few Latvian banks are reachable for SDD. The rest of banks in the market do not provide direct debit services, hence they will not be reachable for cross-border SDD.

Liechtenstein
Status: 22nd December 2016
EEA country that is not part of the EU
1. Local clearing practices
There is no local clearing. Liechtenstein uses the Swiss clearing mechanisms SIC and euroSIC of SIX AG.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Public sector payments are done in CHF.
4.2 Salary payments
Salary payments are done in CHF.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Lithuania
Status: 22nd December 2016
Eurozone country since 01/01/15
1. Local clearing practices
Domestic payments are currently processed via LITAS-MMS payment system which is maintained and operated by the Bank of Lithuania. Since 1st January 2015, the system operates in euro. More information about the system and its processing cycles can be found at www.lb.lt/litasmms_3
The Bank of Lithuania is also a direct participant in STEP2 and facilitates full SEPA reachability to the local banking community.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
Not applicable
4. Local requirements re. specific instruments or type of payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Luxembourg
Status: 22nd December 2016
1. Local clearing practices
Luxembourg uses EBA CLEARING's STEP2 system for SCTs and SDDs and no longer has any local clearing infrastructure.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
Not applicable
4. Local requirements re. specific instruments or type of payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
The reason codes AC04, AC06, AG01, AM04 and MD07 for R-transactions are not used by some banks due to customer protection considerations; the reason code MS03 is used instead.

Malta
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
Malta does not have a local ACH. Clearing is done through EBA CLEARING's STEP2 system except for certain Central Bank-initiated SEPA Credit Transfers to Bank of Valletta, which are exchanged directly.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
Not applicable
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
All public sector entities have migrated to SCT.
A few public sector entities still prefer to use cheques locally. The Central Bank of Malta is working on initiatives geared at migrating such payments to SEPA Credit Transfers.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

Monaco
Status: 22nd December 2016
SEPA country, but not part of the EEA
Banks located in Monaco follow the same practices as those located in France. It should be noted, however, that depending on the bank in Monaco where an account is held, the IBAN of the account may feature the country code FR or MC; furthermore, the BIC may feature the country code FR or MC. There are even instances where the IBAN of an account and the related BIC have different country codes, e.g. an FR IBAN may be used in combination with an MC BIC.

Netherlands
Status: 22nd December 2016
1. Local clearing practices
The local CSM Equens offers SCT and SDD clearing with different cut-off times from EBA CLEARING's STEP2 system. The cut-off time of the clearing system that closes earliest is applied.
2. Additional Optional Services or Value-Added Services
Corporate Payment Services (CPS): Equens offers this multibank solution in co-operation with banks. Via CPS, corporates and service agents can deliver SCT and SDD transactions related to multiple initiating banks directly to Equens in one message.
Overstap Service: Dutch banks offer this switch-over service to redirect SCTs/SDDs to the new bank of the payer in case of an account change. It is the continuation of a legacy service.
iDEAL: this is a national e-payment solution based on SCT. It allows customers to buy on the Internet through the online initiation of SEPA Credit Transfers from their bank account. An SDD e-mandate solution under iDEAL is under discussion.
3. Additional local payment instruments
IBAN-Acceptgiro: a paper-based payment instrument with pre-filled beneficiary and reference details that can be signed and sent to the bank for further execution. Consumers often use this instrument to initiate a SEPA Credit Transfer by manually copying the pre-filled details into a payment instruction in their Internet Banking environment. Acceptgiro is scheduled to migrate to XML before 01/01/19.
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Doorlopende Machtiging Kansspelen: this was a direct debit product with no refund for lotteries. This niche product was phased out by 01/02/16.
3.2 Non-SEPA products
Urgent domestic: an urgent domestic credit transfer cleared via Equens and settled same day (often within 90 minutes) whereby the beneficiary bank sends a credit notification to the beneficiary.
Normal and urgent cross-border (BTL91): a <u>same-day</u> credit transfer in euro and non-euro in ASCII file format sent via TARGET2 or EURO1/STEP1

Netherlands
Overheidsvordering (irrevocable government direct debit): The Dutch government demanded continuation of a non-refundable means of collection for government and tax collections after entry into force of the SEPA Regulation. In co-operation with the Dutch banking community, this special product has been developed on the basis of the SEPA Direct Debit.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
For tax payments "on behalf of" practical limitations may apply (e.g. Dutch tax authorities may not be able to process a payment from abroad in case of IT constraints by Dutch tax authorities).
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
The vast majority of Dutch banks have agreed not to immediately reject a direct debit if the debtor has insufficient funds. Instead, the debtor banks checks the debtor account for availability of the necessary funds several times up to the requested collection date before it is returned on the following day with a reason code AM04 ("Insufficient funds").
The vast majority of banks in NL allow after the rejection of a First collection (MD01) that debtors "confirm" the mandate either via their online banking application or a paperbased registration form; following this confirmation, an incoming Recurrent collection would be accepted. This practice only applies for SDD B2B collections.

Norway
Status: 22nd December 2016
EEA country that is not part of the EU
The banking community in Norway has started a roadmap towards ISO 20022 XML for all payments/account info (camt) files C2B/B2C in order to phase out the proprietary MIG format used at present. There is no deadline yet.
1. Local clearing practices
There is no local ACH for euro transactions. Norway is reachable for SCT via EBA CLEARING's STEP2 system or correspondent
The Central Bank of Norway is not part of TARGET2 clearing.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
As far as tax payments and refunds are concerned, public sector entities can only pay and be paid in the local currency NOK.
Norwegian law on tax payments requires companies to hold an account in the local currency NOK from which tax payments are done.
There is no practice of making social security payments in euro.
4.2 Salary payments
There is no practice of making salary payments in euro. Salary payments for domestic use in Norway must be in NOK.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Reachability of customers for SDDs is limited as currently five banks offer SDDs in Norway.

Poland
Status: 22nd December 2016
Non-euro EU country
There is no target date for the Polish euro adoption yet.
1. Local clearing practices
At the moment, the local CSM offers SCT clearing, but no SDD clearing. Technical implementation of SDD is planned for H1 2017.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Payments to public sector entities must be done in the local currency PLN.
A third party cannot pay taxes on behalf of a Polish tax debtor.
4.2 Salary payments
Salaries can be paid in other currencies than PLN, but for tax and social security purposes salaries have to be quoted in PLN.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
SDD is expected to be launched in H1 2017.

Portugal
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The local CSM SIBS offers SCT and SDD clearing with different cut-off times from EBA CLEARING's STEP2 system
2. Additional Optional Services or Value-Added Services
Central Mandate database for Collection Validation (interbank): the database is managed by SIBS and covers both scheme and AOS data.
Definition of maximum amount per collection and limit date per mandate through ATM and homebanking (C2B): customers can establish maximum amounts on their mandates for each collection by the respective Creditor (this option is available via ATMs, homebanking and branches)
Central Creditors database (interbank): this database is available to the creditor's bank, which can insert, consult and change the creditor-related information. This database is managed by SIBS, acting as CSM.
IBAN and National Tax Identification Number validations (C2B): relating to tax refunds, this functionality allows the treasury to validate the association between a National Tax Identification Number and a given IBAN.
Extended terms in SCT Recall procedures (interbank): the originator bank may request a SCT recall during the 520 TARGET days after the execution date. When such a request occurs, the beneficiary bank has a time frame of 30 TARGET days within which it can answer.
Limit date per mandate: customers can define in mandates a date up to which they will accept collections from the respective Creditor (this option is available through ATMs, homebanking and branches).
Optional status for mandates as "suspended": debtors can instruct their banks to temporarily suspend incoming collections from specific mandates (this option is available through ATMs, homebanking and branches).
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Not applicable
3.2 Non-SEPA products
Credit transfers originated in non-EU countries are processed through a non-SEPA module.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments

Portugal
The Tax Authority is prepared to send and receive payments in compliance with the SEPA Regulation. There is only one caveat for reimbursements of personal income taxes of non-resident tax payers that might need further adjustments. This limitation applies only to IRS ("Personal Income Tax").
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
The pain.002 format is used instead of the camt format for the C2B communication as defined in the EPC Implementation Guidelines. Several C2B file format versions are supported.
Some Portuguese debtor banks do not send any reject on D if there are not enough available funds in the debtor account but generally send a return on the following day (D+1) if the debtor has not made the necessary funds available on his/her account by the end of the day on which they were due. <i>This is not an officially agreed community practice and not applied by all banks in Portugal, but it is a commercial practice applied by some debtor banks in compliance with the SDD Core Rulebook.</i>

Romania
Status: 22nd December 2016
Non-euro EU country
No target date yet for the adoption of the euro.
1. Local clearing practices
The local CSM provider TRANSFOND S.A. provides a SEPA-compliant ACH system, with two components: one for the clearing of domestic payments (RON) and the second one (EuroSENT) for cross-border payments in Euro.
Since April 2016, TRANSFOND has been offering clearing for domestic (RON) direct debits in the SEPA format.
EuroSENT is linked to Equens under the EACHA interoperability framework to facilitate cross-border transactions.
2. Additional Optional Services or Value-Added Services
At present, there are no AOS in place.
TRANSFOND and the Romanian banks have implemented RUM (Unique Mandate Register) in April 2016, a centralised management service for interbank direct debit mandates.
3. Additional local payment instruments
There are no local euro payment instruments.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
The Ministry of Public Finance/Treasury of State is authorised to make payments (e.g. vendor providers, social security, salary, public debt, etc.) or to receive collections (e.g. tax and duties, loans made by Government, etc.) only in local currency (Leu).
For cross-border payments, public authorities may decide to go either through the national component of TARGET2 clearing, or to participate in the new EuroSENT system.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

San Marino
<i>Status: 22nd December 2016</i>
SEPA country, but not part of the EEA
Banks located in San Marino follow the same practices as those located in Italy.

Slovakia
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
<p>The local CSM SIPS offers SCT and SDD. The local clearing has different cut-off times from EBA CLEARING's STEP2 system.</p> <p>1. sending cut-offs:</p> <ul style="list-style-type: none"> - SDD+SCT: 09:00 GMT - SCT: 12:30 GMT - SCT: 15:00 GMT <p>Between 15:00 and 16:30 GMT only SCTs are received from STEP2 and during the last settlement cycle, between 16:30 GMT and 17:00 GMT, the participants' accounts are credited in TARGET2.</p> <p>2. settlement cycles and timings</p> <ul style="list-style-type: none"> - Settlement files sent to TARGET2 after each cut-off and at the end of the day with settlement period of 30 min. - Output files sent to banks four times a day (after settlement of each cycle) or once (at the end of the day), according to the parameters set by banks
2. Additional Optional Services or Value-Added Services
<p>AOS for payment reconciliation: For SCT, Slovak banks support specific data usage rules in the end-to-end reference field, e.g. "/VS012345/SS123/KS308" to facilitate fully automated end-to-end payment reconciliation. If no reference is provided a defined string has to be provided "NOTPROVIDED". This AOS is a continuation of a legacy service. The specification of the AOS is available on http://www.sbaonline.sk/files/subory/SEPA/sepa_sk-payment_symbols.pdf</p> <p>EBA CLEARING's STEP2 system processes such references, but carries out no validation.</p>
<p>SDD limit: this VAS enables the debtor to set a maximum amount for each collection, as well as the minimum time interval between two direct debits on the same debtor account. It is in line with consumer protection requirements stipulated in Art. 5(3) of the SEPA Regulation.</p> <p>SDD limit is a part of the account protection features that are in place in Slovakia (see point 6).</p>
3. Additional local payment instruments
Not applicable
4. Local requirements re. specific instruments or type of payments
Not applicable

Slovakia**5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country**

The Slovakian banking community agreed at the level of the Slovakian banking association that all client accounts would automatically be 'conditionally open' for direct debits after the SEPA migration; accordingly, all direct debits valid until SEPA migration have remained valid after migration. For all direct debit mandates that are signed after the SEPA migration, the debtor has to inform his/her payment service provider about setting up a direct debit.

In Slovakia, there are three levels of account protection with regard to SEPA Direct Debits (these levels can be changed by the debtor at the branch or via online banking):

- 'conditionally open': only those creditors can collect SDDs on this debtor account, with whom the payer has entered into a mandate and to whom he has granted his approval. For all new direct debits, the debtor needs to inform his/her bank, so that the new creditor is put on the list of accepted creditors of this account ('white list');
- 'blocked' - it is not possible to collect a direct debit from a blocked debtor account and thus any incoming SEPA direct debit will be automatically rejected;
- open - a direct debit may be made by anyone.

The reason codes AC06, AM04 and MD07 are not used for SDD R-transactions due to data protection; the reason code MS03 is used instead.

Slovenia
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The local clearing, Bankart, offers domestic SCT and SDD clearing with different cut-off times from EBA CLEARING's STEP2 system. Once a month, a special night-time cut-off time for pensions to be paid immediately upon the opening of TARGET2 is offered for local SCT clearing.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
Not applicable
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
In general, tax refunds are paid directly to the tax payer's account.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
It is practice that all domestic SCT payments with an amount of over EUR 50,000 are processed through TARGET2 clearing (i.e. as non-SCT payments).
The following reason codes are used less based on general practice: AG02, BE05, FF01, FF05, RC01, RR01, RR02, and RR03.

Spain
Status: 22nd December 2016
Eurozone country
1. Local clearing practices
The local clearing system, Iberpay, processes SEPA payments in a fully compliant and interoperable manner with other CSMs, including EBA CLEARING's STEP2 system.
2. Additional Optional Services or Value-Added Services
Folleto 72: this account information updating service is offered by the local clearing provider Iberpay and available to any bank willing to use it (i.e. a bank does not have to participate in the SDD clearing service offered by Iberpay in order to use this value-added service). The file is sent by banks adhering to the relevant service through Iberpay and then on to the creditor. This does not exclude the creditor's responsibility in relation to the mandate or the amendment to be made to the <u>mandate</u> .
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Cuaderno58 (credit advances) and Cuaderno32 (receipts processed as bills of exchange): both products disappeared by 1st February 2016 with the corresponding transactions becoming fully SDD-compliant. The same rules that were applied to the migration of national direct debits to SEPA Core Direct Debits were valid for the migration of Cuaderno58 transactions to SDD Core. For Cuaderno58 transactions that were migrated to SDD B2B as well as for any Cuaderno32 transactions subject to migration, new mandates had to be formalised in order to initiate new collections. Although the scope was very limited, impacted customers were being informed specifically, directly and one by one by their banks. An action plan on the migration of these niche products is available online at http://www.sepaesp.es/f/websepa/SPA/Sobre/PlanAccionfeb16.pdf (in Spanish only).
3.2 Non-SEPA products
TARGET2 and EURO1/STEP1 are widely used for urgent payments in Spain. The Spanish market has already implemented a same-day settlement functionality with same-day crediting at the beneficiary bank ("Bizum"). This functionality is available through Iberpay for any SEPA payment.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments

Credit transfer is not a valid means of payment for taxes in Spain. Tax payers can pay taxes from their account if their bank belongs to the tax collection scheme (an agreement between the tax authority and participating banks); the same applies to Social Security collections. Payments issued by the public sector are sent as SEPA Credit Transfers to any beneficiary in SEPA. Social security payments can be sent, in general, to any country in the world and, in particular, to any country within SEPA.

4.2 Salary payments

Not applicable

5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country

Creditors in Spain tend to use the sequence code 'RCUR' in lieu of 'FRST' for new SDD collections as well as recurrent. There are generally no checks performed on that field by Spanish banks.

The Spanish banks have agreed, following users' requirements and in line with accounting best practices, to provide pain002 to communicate SDD Returns.

Sweden
Status: 22nd December 2016
Non-euro EU country
1. Local clearing practices
SCT can be used and is supported by most banks. There is no local euro direct debit product and clearing.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
The local CSM used to offer a domestic credit transfer (giro payment) for domestic euro transactions (supplier payments). This service was phased out by October 2016.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Normally, public sector agencies invoice in the local currency SEK and expect to receive funds in SEK.
4.2 Salary payments
In the Swedish payment infrastructure for SEK, there are rules on common optional value-added services offered to companies and employees for salaries, pensions and social contributions which go beyond what is regulated for euro transactions in the SEPA Rulebooks.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
SDD is supported only by a few banks and there is no local euro direct debit product.

Switzerland
Status: 22nd December 2016
SEPA country, but not part of the EEA
1. Local clearing practices
There is a local clearing of euro payments via EuroSIC (Credit transfers) and LSV+/BDD (Direct Debits), but these are local payments instruments and not related to SEPA.
There is no local SCT clearing. The local clearing offers SCT indirect access via euroSIC to EBA CLEARING's STEP2 system with EBA CLEARING's STEP2 cycles respected. Larger banks transacts SCT via a SEPA compliant CSM/PSP located within the EU.
There is no local SDD clearing. SDD is usually transacted via a SEPA compliant CSM/PSP located within the EU.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
There are local euro payments, which are cleared via EuroSIC (Credit transfers) and SIC (LSV+/BDD Direct Debits). The migration to an ISO 20022 based format is under way with the migration end-date for EuroSIC to XML set for Q2 2018 while there is no fixed end-date for LSV+/BDD yet.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Payments to and from public sector entities are in the local currency CHF and are not SEPA related.
4.2 Salary payments
Salary payments are in the local currency CHF and are not SEPA related.
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable

United Kingdom
Status: 22nd December 2016
Non-euro EU country
1. Local clearing practices
There is no local euro clearing. Most UK-based banks use EBA CLEARING's STEP2 SEPA Services.
2. Additional Optional Services or Value-Added Services
Not applicable
3. Additional local payment instruments
3.1 Niche products and direct debits initiated through a payment card at the point of sale (migration to SCT or SDD by 01/02/16)
Not applicable
3.2 Non-SEPA products
There is no dedicated urgent euro payment scheme in the UK. Urgent euro payments are processed via TARGET2 or EURO1/STEP1.
4. Local requirements re. specific instruments or type of payments
4.1 Public sector payments
Public sector entities transact in the local currency GBP but use SCT to pay abroad.
4.2 Salary payments
Not applicable
5. Other factors that may affect cross-border or domestic transactions involving banks or customers in that country
Not applicable