SEPA

Transactions & Payments

Single Euro Payments Area

16th updated version

As of October 2022

UniCredit

Contents

Text is highlighted this way to quickly show you where the amendments have occurred.

SEPA: Contents and aims

EUROPEAN PAYMENTS

- With a single format
- With transparent prices throughout Europe
- With set time limits / durations
- With a single harmonised legal framework
- With cross-border direct debits in Europe
- With the UniCredit Group

EUROPEAN LEGAL FRAMEWORK

The European ministers of finance and economic affairs reached agreement on the Payment Services Directive (PSD) in March 2007. This directive regulates all payments in European currencies in Europe (thus also including existing systems and processes).

The PSD was passed by the European Parliament and had to be transposed into national law by 1 November 2009. Switzerland endorses SEPA to the extent that it will adapt its legal system to the SEPA conditions.

A revised version of the PSD was passed by the European Parliament in October 2015. The PSD II (Directive (EU) 2015/2366) must be transposed into national law by 13 January 2018. In March 2018 the Regulatory Technical Standards (RTS) were published in the Official Journal of the European Union. 18 months later, in September 2019, they became applicable.

The key amendments in the PSD II include:

1. Extended scope of application

   The directive applies to all payment services rendered in the EU / EEA. This is of particular relevance to the sharing of fees. The specification "Beneficiary pays costs (BEN)" was already cancelled within the EU/EEA with the PSD I. With the adoption of the PSD II, the standard sharing of fees "Share costs (SHARE)" applies even if only one involved payment service provider is based in the EU/EEA (one leg out). This has no influence on SEPA payments, since only sharing of fees (SHARE) is permitted under the PSD anyway.

2. Admission of and regulations for third-party services: "Access to Account (XS2A)" for

   - Third-party card issuers
   - Payment Initiation Service Providers (PISP) Service providers who initiate credit transfers for customers, for example
   - Account Information Service Providers (AISP) Service providers who call up and process account statements for customers, for example

3. Security requirements for online payments

   For secure authentication, at least two factors of the three categories

   - Possession (e.g. mobile phone, card or token),
   - Knowledge (e.g. password) and
   - Inherence (e.g. fingerprint)

   must be used.

4. Extended information requirements

5. Liability regulation and debtor's rights of refund with direct debits. There is a maximum liability limit for consumers as regards unauthorised payment transactions

PAYMENT ACCOUNTS ACT

The German Payment Accounts Act first entered into force in 2016 to regulate the comparability of fees related to payment accounts, payment account switching and the access to payment accounts with basic features (Payment Accounts Act – ZKG).

The act was last amended in June 2017 by Article 22 of the Act Implementing the Fourth EU Anti-Money Laundering Directive, Interpreting the EU Funds Transfer Regulation and Reorganising the Financial Intelligence Unit (FIU). The act is aimed at improving the transparency and comparability of payment account fees. This is achieved by obliging payment service providers to use standardised terms (e.g. sending money, direct debit, standing order, cash withdrawal, maintaining the account, providing a debit card, providing a credit card, arranged overdraft) and to provide consumers with standardised information, which must be clear, comprehensible and easily accessible.

In addition, consumers are to be provided with pre-contractual information on the relevant fees related to the payment account and on all fees incurred for the services linked to the payment account (annually and upon termination of the contract).

For a better understanding, UniCredit will also use the standardised EU terminology for the relevant payment account services. This entails exclusively editorial changes and does not involve any changes in content.

INPUT BY THE EUROPEAN PAYMENTS COUNCIL (EPC)

The European banks have organised themselves through the European Payments Council (EPC) as regards the design of the SEPA process. UniCredit is actively involved in the work of the EPC via the Deutsche Kreditwirtschaft (DK). In addition, UniCredit is a member of the EPC Committee.

The EPC has already defined several key instruments in the so-called 'Rulebook'. These form the cornerstones for the operational implementation and realisation of SEPA by the banks: the SEPA Rulebooks for credit transfers and direct debits, the SEPA Card Framework, and the SEPA Implementation Guidelines. With the adoption of the Implementation Guidelines, the basic framework for availability of the new UNIFI (ISO 20022) XML data formats is also in place. These are mandatory for interbank payments and have also been mandatory for customer payments since 1 August 2014.

The implementation of SEPA is supervised by the European Retail Payments Board (ERPB). The European SEPA Council and the German SEPA Council (German Bundestag, Deutsche Bundesbank as well as representatives of service providers and service users) have been merged in the ERPB. The ERPB has been in place since December 2013 and has set itself the goal of facilitating the further development of an integrated, innovative and competitive market for euro bulk payments in the EU.

Milestones

JANUARY 2008

SEPA Credit Transfers have been available since 28 January 2008.

1 NOVEMBER 2009

Almost 100 % reachability became available for SEPA Credit Transfers. SEPA Direct Debit was introduced and SEPA Direct Debit CORE became mandatory for euro countries. SEPA Direct Debit Business-to-Business (B2B) was introduced on a voluntary basis.

1 APRIL 2012

Regulation (EC) No 924/2009 ("EU price regulation") eliminated the EUR 50,000 limitfor cross-border payments.

9 JULY 2012

Entry into force of the new direct debit agreement of the German banks concerning pre-authorisation of the direct debit mandate and extension of the returns period in the event of refund requests from 6 to 8 weeks for direct debit mandates. From this point, it became possible to reinterpret the direct debit authorisation as a SEPA mandate (Direct Debit CORE) without obtaining a new SEPA mandate.

9 APRIL 2013

The German SEPA Accompanying Act came into force.

1 FEBRUARY 2014

Replacement of national payment procedures for credit transfers and direct debits. According to Regulation (EU) No 260 / 2012, stipulated requirements concerning credit transfer and direct debit payments must be met from 1 February 2014 (e. g. customer identification is the IBAN, ISO 20022 format), with the exception of ELV direct debits.

UNTIL 1 AUGUST 2014

Extension of acceptance period for electronic presentation of national collection authorisations and credit transfers in the old format pursuant to Regulation (EU) No 248 / 2014.

APRIL TO DECEMBER 2015

Conversion of card clearing for POS to the SEPA format.

1 FEBRUARY 2016

- Exception to utilise account numbers and bank codes discontinued for consumers. Obligation for all customer groups to utilise IBAN.
- Migration of the remaining national niche products to SEPA Direct Debit CORE, e. g.:
  - Germany: Payment at retailers by signature (ELV) is discontinued. Payment at retailers by signature must be converted to SEPA.
  - Italy: RID procedure
  - France: TIP Téléréglement
  - Spain: CSB58-NORMA58
- BIC obligation also to be discontinued for cross-border payments.

JUNE 2016

Under the Payment Accounts Act, people with no fixed address as well as asylum seekers have had the possibility to open a basic payment account since June 2016.

SEPTEMBER 2016

In September 2016, Germany implemented Directive 2014/92/EU. The amendments, according to the Payment Accounts Act, have since then facilitated switching current accounts, because they oblige banks residing in Germany to help customers switching accounts upon request.

31 OCTOBER 2016

SEPA obligation also for EU countries that do not use the euro as their currency.

21 NOVEMBER 2016

The shorter presentation period (COR1) will apply to all SEPA Direct Debit CORE. The submission sequence for direct debits will be simplified. The cheque forms will also be issued with IBAN and processed in German payment clearing using the ISO 20022 standard.

26 JUNE 2017

Regulation (EU) 2015/847 on Transfer of Funds requires the full name and address of the payer for payments in third countries outside the EU. This also applies to direct debits

19 NOVEMBER 2017

- Introduction of an Instant SCT scheme:
  - Account-based credit transfers in real time (within seconds)
  - On 365 days a year round the clock

13 JANUARY 2018

The revised version of the Payment Services Directive PSD II (Directive (EU) 2015/2366) must be transposed into national law.

MARCH 2018

The final Regulatory Technical Standards (RTS) concerning secure customer authentication and communication are published in the official journal of the EU in March 2018.

OCTOBER 2018

At the end of October 2018, the new, standardised terms according to the Payment Accounts Act will be introduced.

SEPTEMBER 2019

18 months after publication, the RTS will be transposed into national law in September 2019.

NOVEMBER 2021

Introduction of new ISO Version 2019 for account statement processing.

NOVEMBER 2022

Introduction of ISO 20022 XML formats also for International Payments (CBPR+) and Urgent Payments (Target2).

NOVEMBER 2023

Introduction of the new ISO version 2019 for SEPA payments.

NOVEMBER 2025

Replacement of old formats and structured addresses are mandatory.

Geographical SEPA region[1]

SEPA offers the opportunity to effect all payments from one country, e.g. from Germany (Payment Factory). The basis for this is harmonised SEPA standards for credit transfers and direct debits within the SEPA region. However, experience has shown that not all payments that have so far been common on a national level are covered by SEPA. In particular in countries where the euro is not yet the national currency, there are still obstacles, for example as regards salary and tax payments.

Not every bank offers all SEPA services.

- SEPA Credit Transfers are now offered by all banks with SEPA payment accounts within the SEPA region.
- SEPA Direct Debit CORE is usually offered by all banks in countries where direct debit payments were already common before the introduction of SEPA. The SEPA Migration Directive also required only these banks to support SEPA Direct Debit CORE by November 2016. However, there are still countries where the SEPA Direct Debit scheme is less common.
- SEPA Direct Debit B2B continues to be an optional service offered by banks.
- With the introduction of SEPA Instant Credit Transfer, another optional service will be added at the end of 2017.

The EPC publishes a list of banks participating in SEPA on a monthly basis. This list contains the name of the bank, the address and the BIC of the head office.

A complete directory of all reachable BICs is provided by the EBA.

EBA-Link ebaclearing.eu under the path "STEP2", "SEPA Credit Transfer or SEPA Direct Debit (CORE and B2B)" and then under "Participants". This sometimes only lists the BICs of the head office (8-digit BIC and XXX at the last 3 positions as placeholders).

EU / EEA COUNTRIES WITH EURO CURRENCY PARTICIPATING IN SEPA

Country	BIC and IBAN cod	Country-specific information on payment reference / remittance information	SEPA Direct Debit CORE / B2B	Additional notes
Austria	AT	Tax payments with remittance information: "Payment to tax office in MBS / XML" https://zv.psa.at/de/zahlungsreferenzen.html	Direct debit common	
Belgium	BE	Tax payment / social insurance contributions with structured remittance information https://www.febelfin.be/sites/default/files/Payments/AOS-OGMVCS.pdf	Mandate must contain contract reference	Salary transfers are expected to be credited on the same day
Croatia	HR	public payments such as taxes, salaries, social security	not achievable	from 2023
Cyprus	CY		Account must be enabled for direct debit CORE. B2B very uncommon	
Estonia	EE	National or ISO CreditorReference is frequently used and checked by the bank https://pangaliit.ee/settlements-and-standards/reference-number-of-the-invoice/check-digit-calculator-of-domestic-account-number are used for public payments. Standard EACT field entries are also common	E-invoicing is more common than direct debit	
Finland	FI	National or ISO CreditorReference is frequently used and checked by the bank	Account must be enabled for SDD CORE, B2B uncommon	Salary transfers are expected to be credited on the same day
France	FR	Name is suppressed when returning salary transfers	Common	Country code FR is sometimes also used for overseas territories
Germany	DE		Common	
Greece	GR	Extended local character set according to (UTF-8)	About half of all banks are reachable	Few public authorities (in particular water utilities and chambers) are only reachable with local payment systems. Capital controls active
Ireland	IE		CORE partly reachable, B2B hardly reachable	
Italy	IT	Tax payments for F24 form not possible with SEPA. Tax payment "on behalf of" restricted http://www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Normativa+e+Prassi/Circolari/Archivio+circolari/2006/Settembre+2006/?page=normativa	SEDA (Electronic Mandate Database) and SDD financing service common. Direct debit reachable	
Latvia	LV	All public authorities (revenue offices, social insurance providers, ministries, municipalities, …) are reachable with SCT via State Treasury BIC: TRELLV22	E-invoicing is more common than direct debit	
Lithuania	LT		Direct debit hardly reachable	
Luxembourg	LU		Direct debit uncommon	
Malta	MT		Direct debit uncommon	Few public authorities still prefer local cheques
Netherlands	NL	Tax payment "on behalf of" restricted	Direct debit common	
Portugal	PT		Extensive criteria for direct debits (amount, period, …) also possible via ATM. Central interbank mandate database SIBS	IRS (Personal Income Tax) restricted
Slovakia	SK		Extensive criteria for direct debits (amount, period, creditor, …) possible. Accounts must be actively enabled for SDD	

Country	BIC and IBAN cod	Country-specific information on payment reference / remittance information	SEPA Direct Debit CORE / B2B	Additional notes
Slovenia	SI		SDD CORE common, B2B less common	Amounts exceeding EUR 50,000 are usually not transferred as SCT but as TARGET
Spain	ES			Tax payments not possible. Only with local bank accounts

EU / EEA COUNTRIES WITH NON-EURO CURRENCY PARTICIPATING IN SEPA

Countries with a local currency (other than euro)

- Certain payments (e.g. salary transfers, tax payments or other payments to public authorities) are expected to be made in the local currency. These payments should thus not be executed as SEPA payments (in euros).

- Because of the currency risk with returns within 8 weeks (the debtor's account must be balanced at the original exchange rate), SEPA Direct Debit is often not permitted for currency accounts.

Country	Currency	BIC	IBAN	Payment expected in local currency	Additional notes
Bulgaria	BGN*	BG	BG	Public payments such as taxes, salaries, social insurance contributions	Extended local character set acc. to (UTF-8)
Czech Republic	CZK	CZ	CZ	Public payments such as taxes, salaries, social insurance contributions	some banks reachable
Denmark	DKK	DK	DK	Public payments such as taxes, social insurance contributions	
Hungary	HUF	HU	HU	öffentlichen Zahlungen wie Steuern, Gehälter, Sozialversicherung	some banks reachable
Iceland	ISK	IS	IS	Cross-border SCT to public authorities possible. Not via national SCT	not available
Liechten-stein	CHF	LI	LI	Public payments such as taxes, salaries, social insurance contributions	
Norway	NOK	NO	NO	Public payments such as taxes, salaries, social insurance contributions	
Poland	PLN	PL	PL	Public payments such as taxes, salaries, social insurance contributions	
Romania	LEU	RO	RO	Public payments such as taxes, social insurance contributions	Central interbank mandate database RUM
Sweden	SEK	SE	SE	Public payments such as taxes, salaries, social insurance contributions	some banks reachable

*Bulgaria has been participating in the Exchange Rate Mechanism II since 2020 in order to be able to introduce the EURO in the future.

NON-EU / EEA COUNTRIES AND OVERSEAS TERRITORIES / SMALL STATES PARTICIPATING IN SEPA

Third countries outside the European Union and / or the European Economic Area

Effects on payments include:

- These countries are not bound by the EU regulations.
- Payments are not subject to price regulation.
- Payments must be delivered with the debtor's address (Regulation on Transfer of Funds).

Overseas territories / small states

- Some of these countries belong to the EU, others not.
- The country code in the BIC may deviate from the country code in the IBAN. The mother country (France or Great Britain) may some-times be indicated.
- Some French overseas territories can only be reached via France (SEPA Closed User Group). These payments cannot be initiated from Germany.
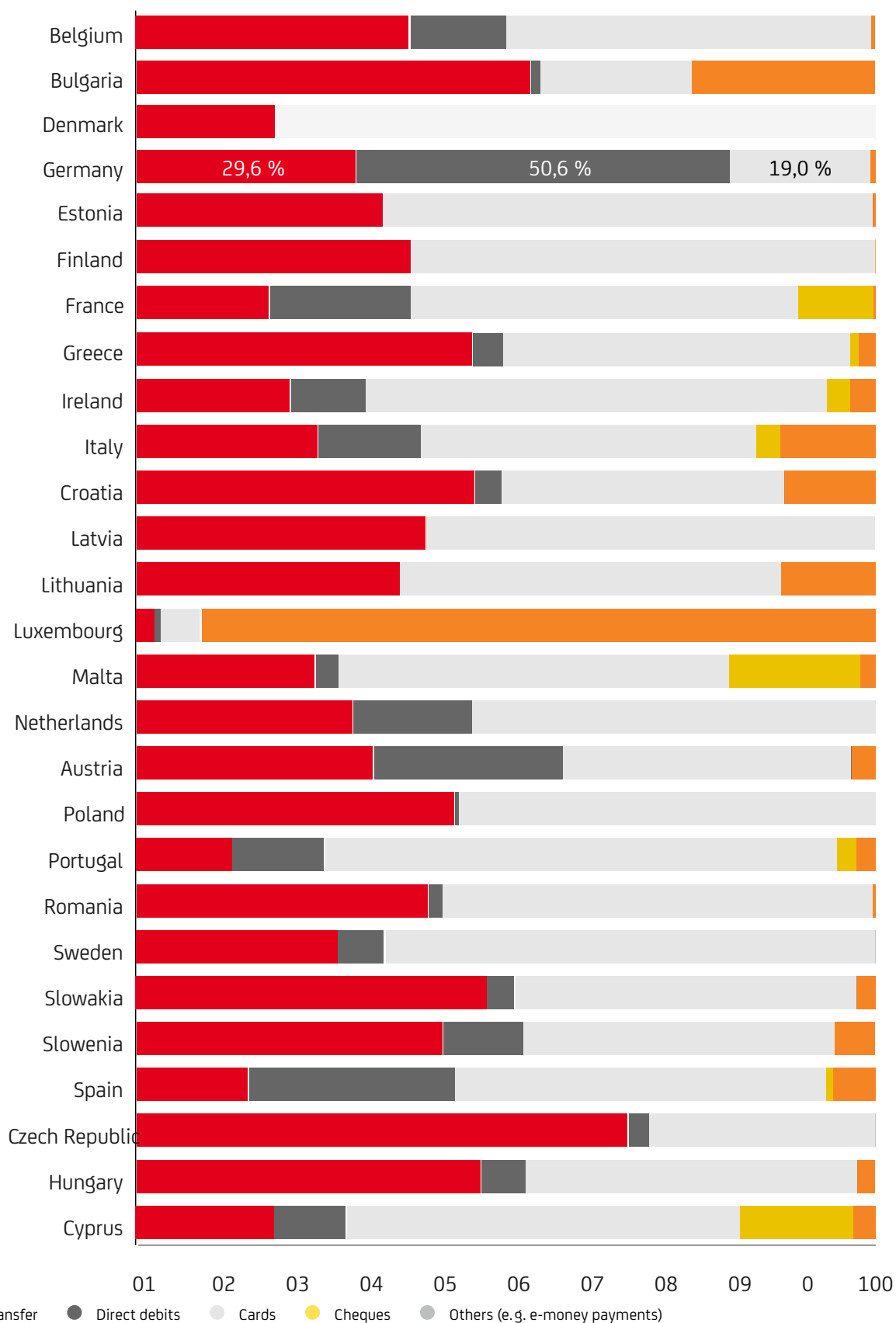
Country	EU/EWR	Currency	BIC	IBAN	Additional notes
Monaco	no	EUR	MC	MC	• Name is suppressed when returning salary payments • SDD CORE reachability approx. 100%, B2B approx. 55%
San Marino	no	EUR	SM	SM	• See Italy for country-specific information • SDD CORE reachability approx. 100%, B2B approx. 89%
Switzerland	no	CHF	CH	CH	• Local currency (CHF, no SEPA) is used for all public payments such as taxes, salaries, social insurance contributions • SEPA Direct Debit reachability approx. 10%
Jersey	no	GBP	JE	GB / FR	UK territory – Channel Island
Guernsey	no	GBP	GG	GB / FR	UK territory – Channel Island
Isle of Man	no	GBP	IM	GB	UK territory – Channel Island
Gibraltar	no	GIP	GI	GI	Third country since 1 January 2021
Great Britain and Northern Ireland	no	GBP	GB	GB / IE	Third country since 1 January 2021
Åland Islands	yes	EUR	FI	FI	Autonomous region, belongs to Finland
Andorra	no	EUR	AD	AD	Participation since 1 March 2019
Azores	yes	EUR	PT	PT	Belongs to Portugal
Madeira	yes	EUR	PT	PT	Belongs to Portugal
Ceuta	yes	EUR	ES	ES	Belongs to Spain
Canaries	yes	EUR	ES	ES	Belongs to Spain
Melilla	yes	EUR	ES	ES	Belongs to Spain
Guadeloupe	yes	EUR	GP / FR	GP / FR	French overseas territory
Guyana	yes	EUR	GF / FR	GF / FR	French overseas territory
Martinique	yes	EUR	MQ / FR	MQ / FR	French overseas territory
Mayotte	yes	EUR	YT / FR	YT / FR	French overseas territory
Réunion	yes	EUR	RE / FR	RE / FR	French overseas territory
St. Martin (French part)	yes	EUR	MF / FR	MF / FR	French overseas territory
St. Pierre and Miquelon	no	EUR	PM / FR	PM / FR	French overseas territory
New Caledonia	no	XPF	NC / FR	NC / FR	French overseas territory • SEPA only reachable via French Clearing • Closed User Group
Polynesia	no	XPF	PF / FR	PF / FR	French overseas territory • SEPA only reachable via French Clearing • Closed User Group
Vatican City	no	EUR	VA	VA	Participation since 1 March 2019
Wallis and Futuna	no	XPF	WF / FR	WF / FR	French overseas territory • SEPA only reachable via French Clearing • Closed User Group

NO SEPA PARTICIPANTS (EXCERPT)

Country	EU / EEA	Currency	BIC	IBAN	Country-specific information
New Caledonia	no	XPF	NC / FR	NC / FR	French overseas territory SEPA only reachable via French Clearing Closed User Group
Polynesia	no	XPF	PF / FR	PF / FR	French overseas territory SEPA only reachable via French Clearing Closed User Group
Wallis and Futuna	no	XPF	WF / FR	WF / FR	French overseas territory SEPA only reachable via French Clearing Closed User Group
St. Barthémy	no	EUR	BL / FR	BL / FR	French overseas territory (since 2012 no longer EU, canceled 2018 from list of SEPA participants)
French Southern and Antarctic Lands	no	EUR	TF / FR	TF / FR	French overseas territory; no SEPA
Bouvet Island	no	NOK	BV	no	Dependency of Norway
Jan Mayen	no	NOK	SJ	no	Belongs to Norway
Spitsbergen	no	NOK	SJ	no	Belongs to Norway
Faroe Islands	no	DKK	FO	FO	Autonomous region, under the sovereignty of the Danish crown
Greenland	no	DKK	GL	GL	Autonomous region, under the sovereignty of the Danish crown
Albania	no	ALL	AL	AL	
Bosnia and Herzegovina	no	BAM	BA	BA	
Kosovo (according to UN Resolution 1244)	no	EUR	XK	XK	
North Macedonia	no	MKD	MK	MK	
Montenegro	no	EUR	ME	ME	
Serbia	no	RSD	RS	RS	According to ISO 3166 country code "XS" is invalid
Turkey	no	TRY	TR	TR	

SEPA: Country-specific information

PREFERRED PAYMENT METHODS BY COUNTRY

Country			
Belgium			
Bulgaria			
Denmark			
Germany	29,6 %	50,6 %	19,0 %
Estonia			
Finland			
France			
Greece			
Ireland			
Italy			
Croatia			
Latvia			
Lithuania			
Luxembourg			
Malta			
Netherlands			
Austria			
Poland			
Portugal			
Romania			
Sweden			
Slowakia			
Slowenia			
Spain			
Czech Republic			
Hungary			
Cyprus			

01 02 03 04 05 06 07 08 09 0 100

- ● Credit transfer ● Direct debits ● Cards ● Cheques ● Others (e. g. e-money payments)

ECB Payment Statistics 2021, July 2022, S.17-18

SEPA SALARY PAYMENTS AND PAYMENTS TO FISCAL AND PUBLIC AUTHORITIES
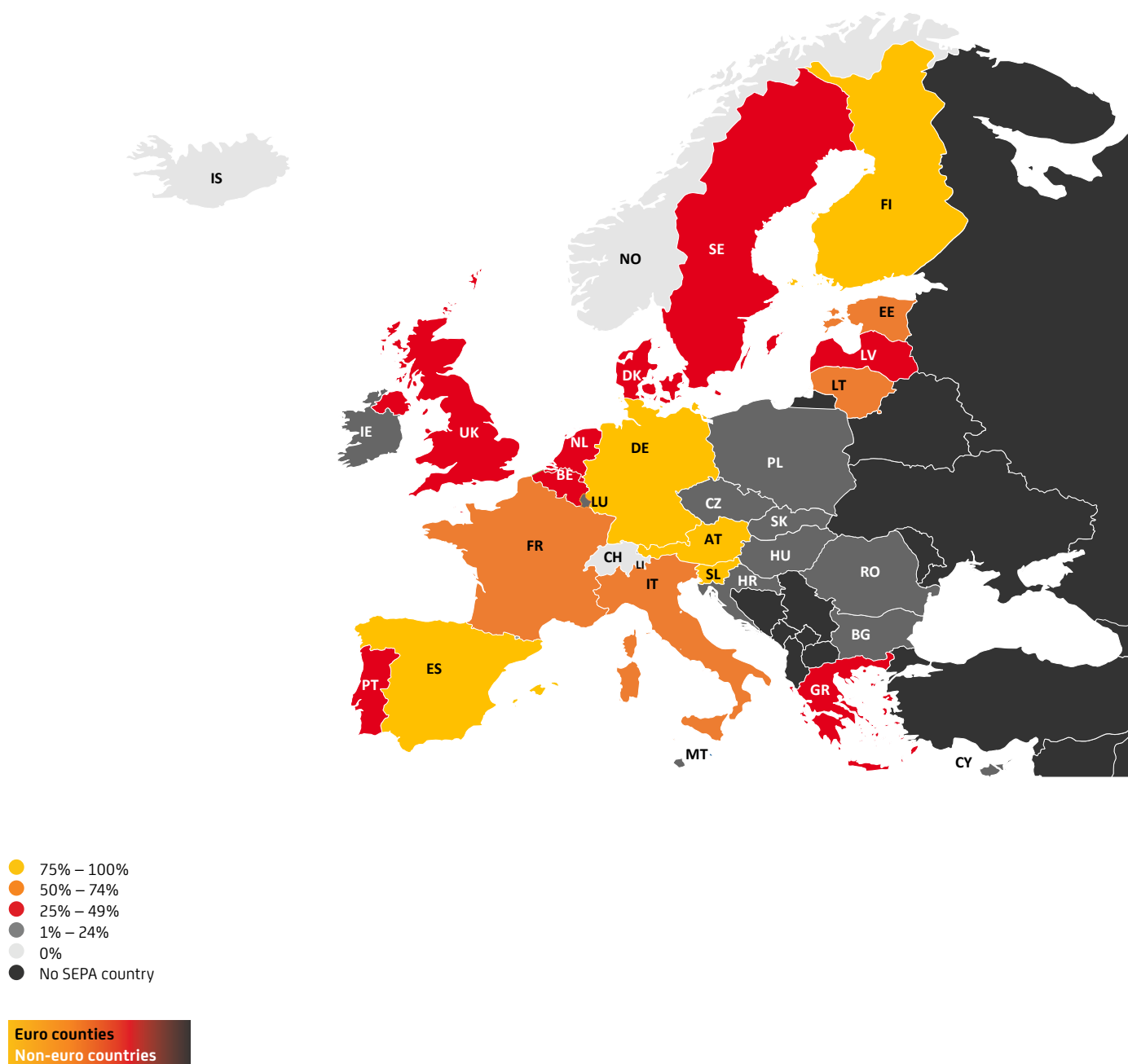
Legend:
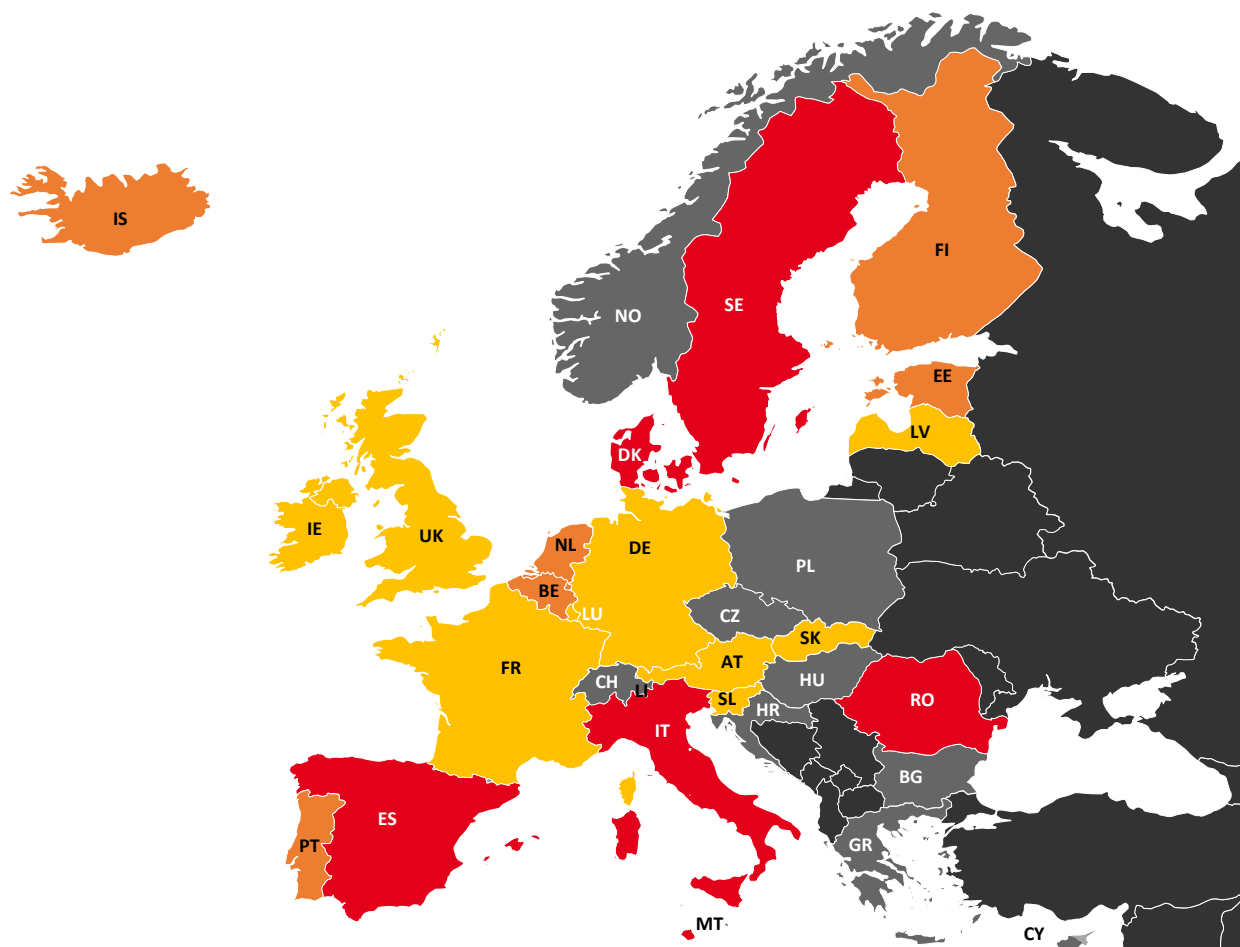
- 🟡 No restrictions known
- 🟠 Individual restrictions
- 🔴 Tax / public payments restricted
- ⚫ No tax / public or salary payments with SEPA
- ⚫ No SEPA country

Euro counties
Non-euro countries

BE: Tax / social special remittance information
EE: Special CreditorReference
FI: Special CreditorReference
IT: Tax F24 not possible
NL: Tax OnBehalfOf restricted
AT: Tax special remittance information
PT: Tax IRS restricted
SK: Special E2E ref.
SI: > EUR 50,000 as TARGET
ES: Tax only via local banks

Notes and country-specific information subject to change.
They are based on customer experience, SMART documents, as of 12/2016.
Sources: SMART Local practices, products and requirements in post-migration,
vers. 02/12/2016 and own evaluation BE: Tax/social special remittance
information

SHARE OF BANK ACCEPTANCE OF INSTANT PAYMENTS COMPARED TO SEPA TRANSFERS

Legend:
- 75% − 100%
- 50% − 74%
- 25% − 49%
- 1% − 24%
- 0%
- No SEPA country

Euro counties
Non-euro countries

SHARE OF BANK ACCEPTANCE OF CORE SDD COMPARED TO SEPA TRANSFERS

Legend:

- 75% – 100%
- 50% – 74%
- 25% – 49%
- 1% – 24%
- 0%
- No SEPA country

Euro counties
Non-euro countries
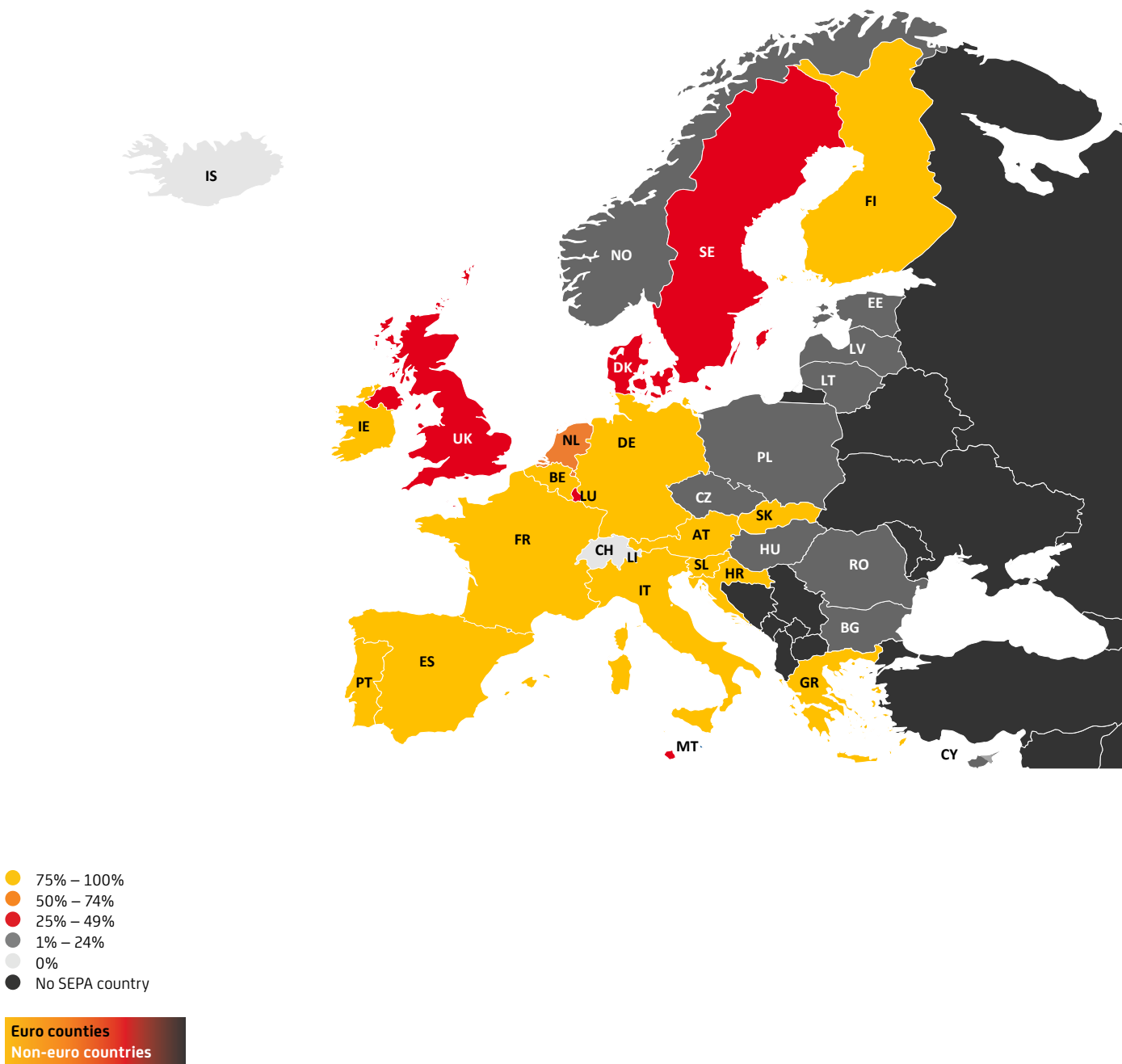
SUBMISSION OF PAYMENT ORDERS TO UNICREDIT BANKS VIA EUROPEANGATE

- 🔴 SCT and SDD
- ⚫ SCT uand lokale direct debit, if applicable
- 🟡 Local formats*
- ⚪ no EuropeanGate country
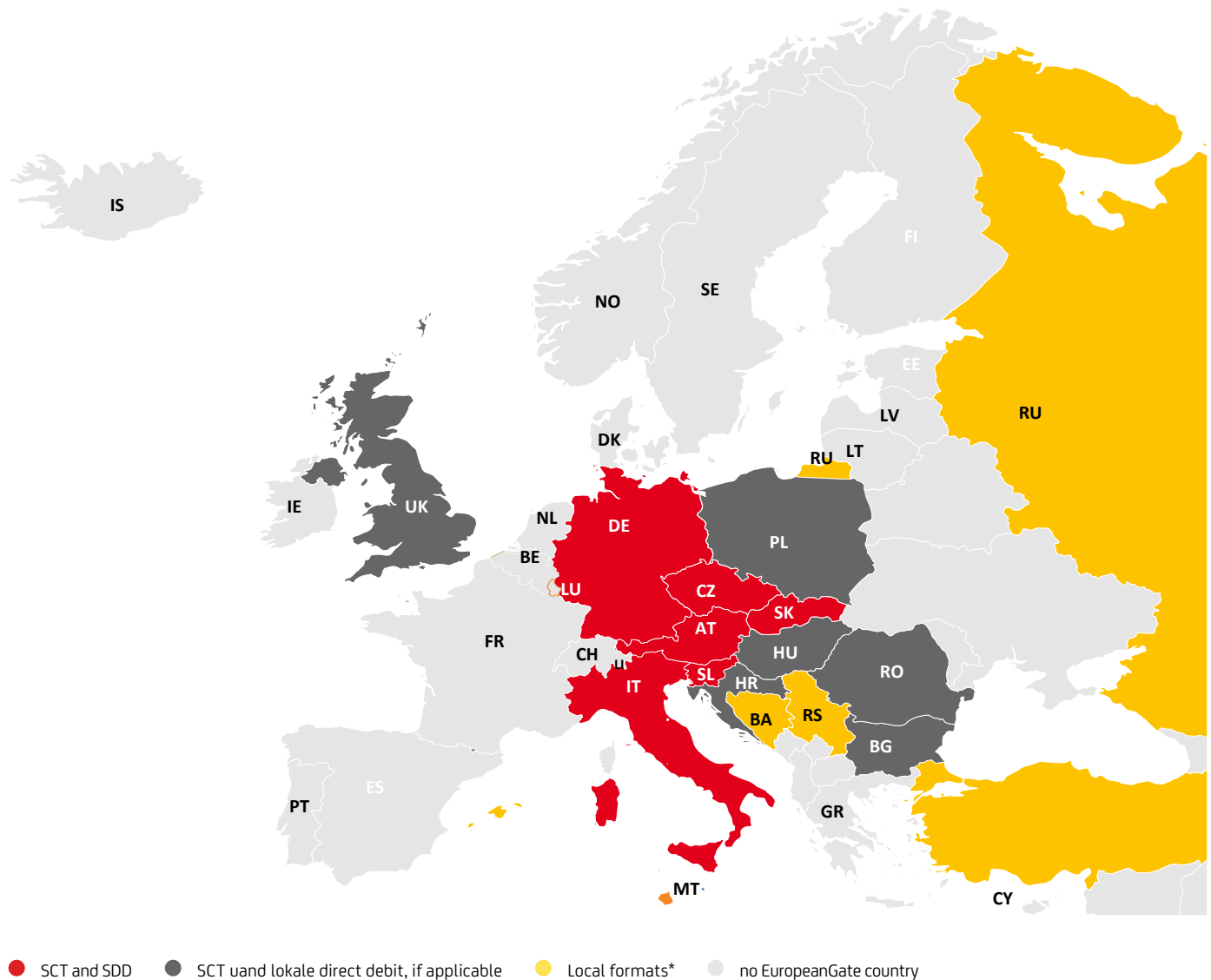
The UniCredit product: EuropeanGate

You hold several accounts with the UniCredit Group** but wish to have a single e-banking access?

As a former UniCredit Group Banks, you can also reach via EuropeanGate: Bank Pekao (Poland) and Yapi Kredi (Turkey).

You submit your credit transfer and direct debit files to us for your UniCredit account abroad.

We convert the files into the local formats and forward them to the respective location, which then processes the payment orders and executes the payments.

On the way back, you may receive MT94x, CAMT.5x and possibly pain.002 from these countries.

*Also include USA / New York
**As a former UniCredit Group Banks, you can also reach via EuropeanGate: Bank Pekao (Poland) and Yapi Kredi (Turkey).

SEPA: Standards

Harmonised rules already exist for the most frequently used payment products – credit transfers and direct debits – for cross-border payments between SEPA countries.

The same technical standards will be used for SEPA Credit Transfers and SEPA Direct Debits. The IBAN (International Bank Account Number) and the BIC (Bank Identifier Code) are used to identify the payee automatically. The IBAN (International Bank Account Number) and the BIC (Business Identifier Code /Bank Identifier Code) are used to unambiguously identify the payee.

BALANCE OF PAYMENTS REPORTING OBLIGATION

The party that is ordering the payment reports the balance of payments for SEPA payments directly at the Bundesbank (Z4) rather than using the payment file in XML format.

- Since the 1 September 2013, companies, banks, public-sector entities and private individuals are now generally required to submit all balance of payments reports directly and electronically to the Deutsche Bundesbank. As a consequence, paper reports are generally no longer accepted.
- More information can be obtained from Deutsche Bundesbank on the phone number 0800-1234 111 (free of charge, can only be reached from the German fixed-line network).

SEPA CREDIT TRANSFER REQUIREMENTS FOR SWITZERLAND AND GREAT BRITAIN

Switzerland is also a SEPA participant. One precondition for SEPA payments to Switzerland is that the complete details of the paying party must be included in the data record. As a service to its customers, UniCredit automatically adds the paying party's details to the order / record.

Note: Since Switzerland is not part of the EU, the EU price regulation does not apply. This also applies to all other countries that participate in SEPA but do not belong to the <EU / EEA, such as Monaco, San Marino and the Channel Islands as Great Britain and Gibraltar as well.

IBAN COMPOSITION USING THE EXAMPLE OF GERMANY

Each IBAN in Germany consists of 22 alphanumerical characters beginning with the 2-digit country code DE followed by a 2-digit check number and bank code and account number.
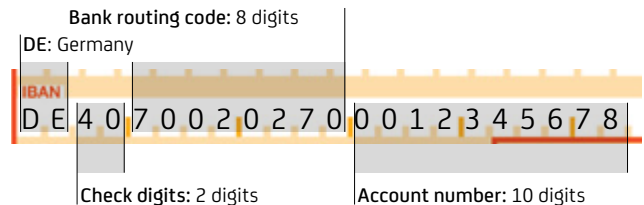
Country code: DE
Check number: 40
Bank code: 70020270
Account number: 12345678
The IBAN is: DE40 70020270 0012345678

Further details on the structure of the various IBAN formats in other countries can be found in our IBAN information flyer.

Please note:
The IBAN must always be delivered correctly within the file; otherwise, the entire file can be rejected. It is important to note in this context that country identifiers must only comprise capital letters, and that check digit must only comprise numbers. Letters are also possible from digit 5 on in the case of non-German IBANs. When entering the IBAN digits, take special care to differentiate between a zero (0) and the capital letter O. Spaces and other special symbols are not permitted.

BUSINESS IDENTIFIER CODE (BIC)

The BIC is the business identifier code and is the recipient bank's identifier. It is required to ensure your payment arrives. It is structured as shown below:
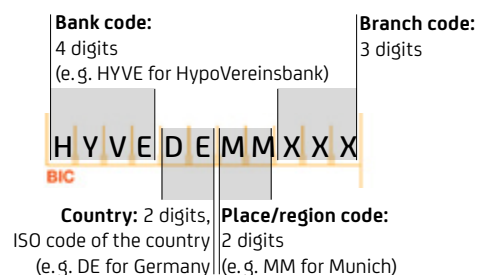
This enables you to provide the necessary details to the paying party for a SEPA Credit Transfer to be made. The BIC need no longer be indicated within the SEPA region (IBAN-Only).

Please note:
The BIC must also be delivered correctly within the file; otherwise, the entire file can be rejected. In this context, it is important that only capital letters be used in the first 6 positions, and that the BIC must consist of only 8 or 11 positions. In particular, confusion between O and zeros occurs frequently during manual entries.

EXAMPLES OF SEPA IBAN

Country	Digits	Example (fictitious!)
Andorra	24	AD12 0001 2030 2003 5910 0100
Austria	20	AT61 1904 3002 3457 3201
Belgium	16	BE68 5390 0754 7034
Bulgaria	22	BG80 BNBG 9661 1020 3456 78
Croatia	21	HR12 1001 0051 8630 0016 0
Cyprus	28	CY17 0020 0128 0000 0012 0052 7600
Czech Republic	24	CZ65 0800 0000 1920 0014 5399
Denmark	18	DK50 0040 0440 1162 43
Estonia	20	EE38 2200 2210 2014 5685
Finland	18	FI21 1234 5600 0007 85
France	27	FR14 2004 1010 0505 0001 3M02 606
Germany	22	DE89 3704 0044 0532 0130 00
Greece	27	GR16 0110 1250 0000 0001 2300 695
Hungary	28	HU42 1177 3016 1111 1018 0000 0000
Iceland	26	IS14 0159 2600 7654 5510 7303 39
Ireland	22	IE29 AIBK 9311 5212 3456 78
Italy	27	IT60 X054 2811 1010 0000 0123 456
Latvia	21	LV80 BANK 0000 4351 9500 1
Liechtenstein	21	LI21 0881 0000 2324 013A A
Lithuania	20	LT12 1000 0111 0100 1000
Luxembourg	20	LU28 0019 4006 4475 0000
Malta	31	MT84 MALT 0110 0001 2345 MTLC AST0 01S
Monaco	27	MC58 1122 2000 0101 2345 6789 030
Netherlands	18	NL91 ABNA 0417 1643 00
Norway	15	NO93 8601 1117 947
Poland	28	PL61 1090 1014 0000 0712 1981 2874
Portugal	25	PT50 0002 0123 1234 5678 9015 4
Romania	24	RO49 AAAA 1B31 0075 9384 0000
San Marino	27	SM86 U032 2509 8000 0000 0270 100
Slovakia	19	SI56 1910 0000 0123 438
Slovenia	24	SK31 1200 0000 1987 4263 7541
Spain	24	ES91 2100 0418 4502 0005 1332
Sweden	24	SE12 1231 2345 6789 0123 4561
Switzerland	21	CH93 0076 2011 6238 5295 7
United Kingdom	22	GB29 NWBK 6016 1331 9268 19
Vatican City	22	VA59 0011 2300 0012 3456 78

Note: Only the bank managing the relevant account is in a position to check the accuracy of an IBAN!

IBAN CONVERSION PORTAL (CROSS-BANK SOLUTION)

The "Deutsche Bundesbank", the "Bundesverband deutscher Banken – BdB", the "Bundesverband der Deutschen Volksbanken und Raiffeisenbanken", the "Deutsche Sparkassen- und Giroverband" and the "Bundesverband Öffentlicher Banken Deutschlands" provide a cross-bank solution for the determination / verification of BIC and IBAN via the Bank-Verlag GmbH.

You are strongly discouraged from determining the IBAN yourself using the current existing data (reason: bank-specific conversion rules exist).

Details about how IBANs are structured in various countries can be found at:
https://www.swift.com/sites/default/files/resources/iban_registry.pdf

IBAN-ONLY

Banks may no longer request the BIC from their customers for domestic payments within the EU / EEA. We nevertheless recommend that the BIC is entered as this is still required for international non-SEPA payments. You benefit from stringent data storage. A further need to store the BIC is the identification of the bank in case of any bank mergers (future IBAN forward and return procedures) and for querying in directories as to whether the respective bank supports SEPA products such as Direct Debit B2B.

FORMATS

The electronic delivery of SEPA payments has to be carried out using the ISO 20022 XML formats. These replace the DTAUS formats. For the technical configuration rules for SEPA Credit Transfers (pain.001) and SEPA Direct Debits (pain.008), please see our technical brochure entitled "SEPA Payment Transactions – Formats".

SEPA: Payment Instruments

- SEPA Credit Transfer
- SEPA Instant Payment
- SEPA Direct Debit CORE
- SEPA Direct Debit B2B
- SEPA Cards Clearing (SCC)
- Cheque

SEPA CREDIT TRANSFER (SCT)

The key features of SEPA Credit Transfers are:

- The original amount is forwarded without any deductions.
- The ordering party and the beneficiary bear their own costs.
- Guaranteed maximum one bank business day until the transaction reaches the beneficiary's bank.
- Pan-European harmonised standards and data formats simplify order placement and automation
- The EU price regulation only applies to payments within the EU / EEA.
- Harmonised standards, also for returned payments.

SEPA INSTANT PAYMENTS

- Incoming instant payments must immediately be credited to the beneficiary's account

- Optional service: not all banks have to offer this service (as is the case with SDD B2B)

- The process steps from the originator's bank to crediting the payment to the beneficiary's bank should be executed within 10 seconds (= target period)

- Time-out: Beneficiary's bank rejects the payment if it cannot be executed within 20 seconds

- Obligatory negative status message from the account-holding bank to the payer

- Observance of a maximum amount for outgoing instant payments of EUR 15,000

- Booking of incoming instant payments up to EUR 100.000 possible

- Integration of instant payment into the UniCredit Mobile Banking App

- Possibility of initiation for business customers in UC eBanking global and UC eBanking prime, based on the approved change request of the German Banking Industry Committee (DK)

- Bookings of instant payment receipts at UniCredit also on virtual accounts

- Bulk booking for instant payments is offered (urgent routing for single booking)

- For Corporate clients with bulk orders: It is possible to submit scheduled bulk payments with future execution dates up. to 15 days. Before the execution date is reached, the entire bulk order can be revoked (reference to "Special Conditions of sending and processing SEPA Instant Payment Bulk orders" (Sonderbedingungen zur Einreichung und Ausführung von SEPA-Echtzeitüberweisungen mittels Sammelaufträgen))

- For Instant Payments the "Special Conditions of sending and processing SEPA Instant Payment Bulk orders" (Sonderbedingungen zur Einreichung und Ausführung von SEPA-Echtzeitüberweisungen mittels Sammelaufträgen) will apply. These Special Conditions can be inspected, downloaded and printed from the Internet (under www.hvb.de/conditions). The Special Conditions are open for inspection at the Bank's counters. Copies are available on request.

Instant payments

Features

- Payment in EUR between 2 bank customers
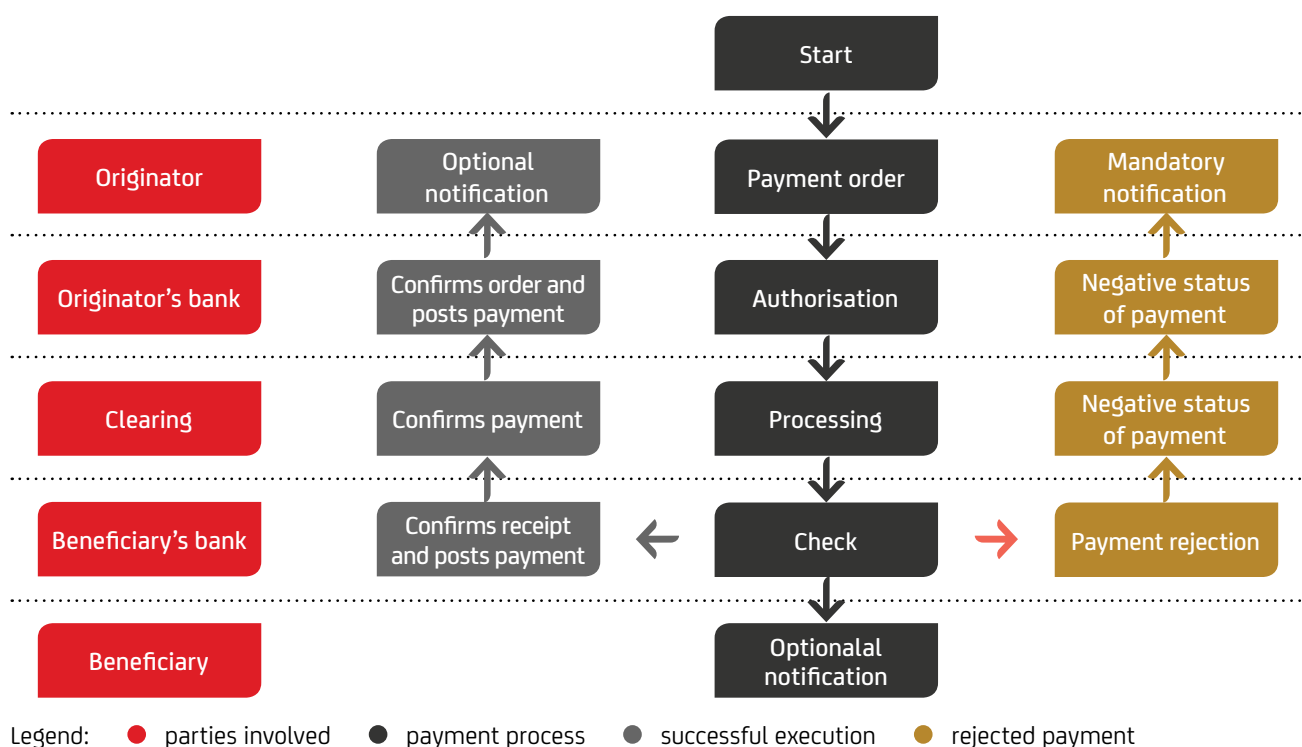- Available 24 hours a day, 7 days a week, 365 days a year
- Immediate execution of payment
- Immediate notification of originator in the event of failure to execute the payment
- Immediate availability of funds to the beneficiary
- Immediate finality of the payment

Instant payment procedure (immediate execution)

Originator	Optional notification	Start	Mandatory notification
Originator's bank	Confirms order and posts payment	Payment order	Negative status of payment
Clearing	Confirms payment	Authorisation	Negative status of payment
Beneficiary's bank	Confirms receipt and posts payment	Processing	Payment rejection
Beneficiary		Check	
		Optionalal notification	

Legend: ● parties involved ● payment process ● successful execution ● rejected payment

SEPA DIRECT DEBIT CORE

SEPA Direct Debit CORE requires a mandate. The debtor authorises the creditor to collect a payment. The bank maintaining the account is directed to carry out the debit instructions and debit the account concerned. The creditor's bank is not obliged to check the mandate.

The key features of SEPA Direct Debit CORE are:

- This is a procedure for the collection of receivables.
- Each creditor needs a single unique, standardised identification number (Creditor Identifier). In Germany, this number is issued by the Bundesbank.
- A direct debit cannot be collected without a mandate. Mandate data are forwarded along with the transaction.
- Only payments in euros will be executed. Credits to and debits from foreign-currency accounts will be the responsibility of the banks concerned.
- The payment due date of SEPA Direct Debits (specified by the creditor on submission) is also the date on which the amount is debited from the debtor's account.
- The debtor must be informed of the debit amount and due date in advance by pre-notification; a document, such as an invoice with information regarding the due date, is sufficient (see page 31).
- The creditor and its bank must forward the debit instruction for collection ahead of time, such that the file is available to the debtor bank at least 1 day (TARGET day) before the due date in the case of a first or one-off debit.
- With respect to returns / refunds, only the original amount in euros is relevant.
- The debtor can refund a direct debit payment up to 8 weeks after the debit date (time of debit / due date).
- If there is no valid mandate, a refund is possible for up to 13 months.
- Harmonised procedures and standards for returns.
- When a debit payment is returned to the creditor, the customer's reference is displayed in a predefined field.

SEPA DIRECT DEBIT CORE WITH SHORTER PRESENTATION PERIOD (COR1)

Since 21 November 2016, the shorter presentation period has been used as the standard for all SEPA CORE Direct Debits. For this reason, the Direct Debit COR1 has been replaced by the normal Direct Debit CORE. HVB converts submitted COR1 Direct Debits and processes them as SEPA CORE Direct Debits.

SEPA DIRECT DEBIT BUSINESS-TO-BUSINESS (B2B)

The following features should be borne in mind in this instance as they differ from the SEPA Direct Debit CORE:

- Collections are only made between non-consumers / corporates.
- The debtor is not entitled to obtain a refund
- Returns by the debtor bank must be made within 2 days or 3 days in exceptional cases (public holidays) after the due date for B2B direct debits. For Direct Debit Core it is 5 days.
- The mandate must be a separate B2B mandate.
- The debtor bank is obliged to check the B2B Direct Debit against the mandate (this must be stored at the bank).
- Presentation of direct debits no later than 1 day before the due date.

SEPA CARDS CLEARING

In order to also be able to use the efficient and modern SEPA infrastructure for card-based payments, the Berlin Group and the DK (Deutsche Kreditwirtschaft – German Banking Industry Committee) have developed a separate format, SEPA Cards Clearing (SCC), which makes it possible to process payments made with national and international card products.

By February 2016, the clearing of debit card payments was migrated to the new format. It concerns the clearing of all transactions initiated with a debit card via PIN authorisation, i.e.

- Cash withdrawals at ATMs
- E-purse top-ups ("Geldkarte")
- Prepaid mobile phone card top-ups at ATMs
- Payments via PIN at retailers (POS transactions)
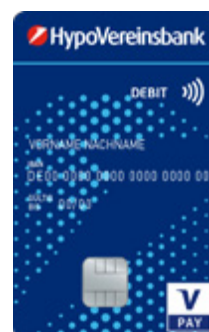
Benefits for card holders

- All girocard debit cards have been issued with a chip.
- Increasing acceptance of the girocard debit card in Europe.
- In other European countries, customers can use their girocard debit cards at businesses which accept Maestro or VPAY girocard payment (girocard.eu).
- IBAN is printed on the cards of UniCredit Bank AG.
- Use of the girocard for modern forms of payment, such as contactless or mobile payment.

SEPA ELV DIRECT DEBITS

The payment at retailers by signature (ELV) was migrated to SEPA Direct Debit CORE in January 2016.

ELV

The name, which is not readable from the card, is replaced in the direct debit by the abbreviation "CDGM"; in addition, the card's number, serial number and expiry date are entered. This makes it possible to use the German ELV procedure within SEPA.

Whereas in the case of PIN-authorised SCC payments the card issuer gives a payment guarantee for the transaction, the risk of non-payment in the case of the ELV procedure is borne by the retailer.

CHEQUE GOES XML

Since 21 November 2016, cheque payments between domestic banks and savings banks have been processed exclusively in ISO 20022 XML format and using the IBAN. To this end, new configuration rules have been agreed between banks specifically for this format.

To you as a customer, this will become apparent as new cheque forms:

- Cheques contain the IBAN of the cheque issuer instead of the account number and bank code as before.
- The BIC need not be indicated as it is contained in the IBAN.
- Text keys:
  - BC = Bearer Cheque (formerly 01)
  - OC = Order Cheque (formerly 02)
  - TR = Traveller's Cheque (formerly 03)
  - MC = Multicurrency Cheque (formerly 11)
  - DS = Clearing Payment Instruction (formerly 12)

The distinction between the following will remain unchanged:

- Cheque type: bearer, order cheque
- Cheque cashing: uncrossed cheque, crossed cheque

Please note:

- The "old" cheque forms showing the account number and bank code will remain valid and can still be issued and submitted for being credited to your account in accordance with the applicable terms.

Good to know:

- In contrast to SEPA Credit Transfer and SEPA Direct Debit, there will be no SEPA cheques!
- This means: Cheques in EUR issued and submitted in Germany will be processed on the basis of the cheque agreement between Deutsche Bundesbank and the banks and savings banks in Germany rather than in accordance with the SEPA provisions.
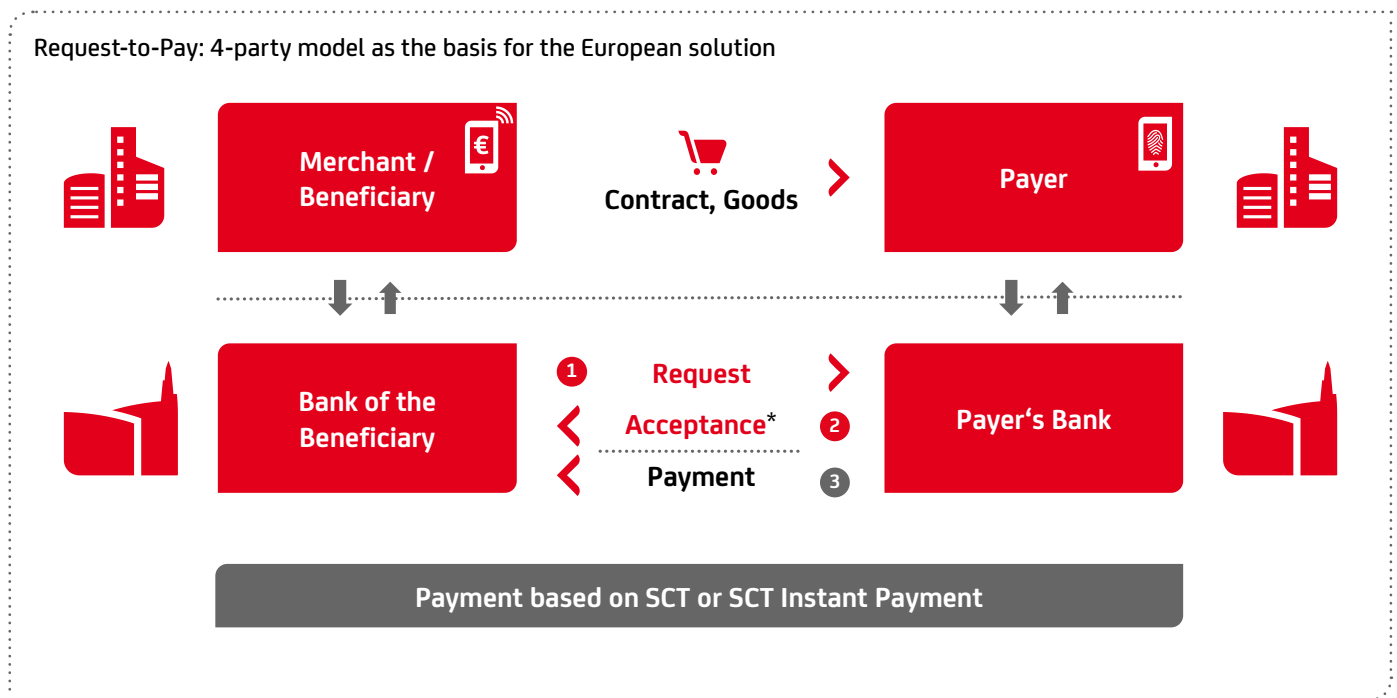
REQUEST TO PAY

Outlook

SEPA Request To Pay (RTP or R2P) is a message requesting payment that the beneficiary sends to the payer.

This message contains all relevant payment information and triggers a SEPA Instant Payment (SCT^{Inst}) or a SEPA Credit Transfer (SCT) after confirmation by the payer. It is not a new payment instrument, but rather an exchange of messages that can also transmit an electronic invoice, among other things.

With the Request To Pay, the beneficiary can transmit various data to the payer (including payment data and electronic invoices) and, in addition to an expiry date, also specify a desired execution date. Also modifications (e.g. changes to the amount) can also be allowed. The payer can accept, reject or (if allowed) modify the RTP. The Request To Pay status is also updated for each step.

These regulations are defined by the EPC RTP Rulebook, based on the XML format (pain.013/pain.014). UniCredit Bank AG is currently working on implementing the SEPA Request to Pay.

Request-to-Pay: 4-party model as the basis for the European solution

Merchant / Beneficiary	Contract, Goods	Payer

Bank of the Beneficiary	1 Request / Acceptance* 2 / Payment 3	Payer's Bank

Payment based on SCT or SCT Instant Payment

*Acceptance, rejection or modification possible

Extended Services of UniCredit Bank AG

In addition to the standardised SEPA payment services, such as SEPA Credit Transfer, SEPA Direct Debit CORE, SEPA Direct Debit B2B and SEPA Cards Clearing, our range of products also includes additional SEPA services.

SAME-DAY SALARY TRANSFERS

Many companies want to ensure their employees receive their salary Überweisung on time. We offer a special solution so that you do not have to split the salary data files yourself and sort them by recipient at UniCredit or third-party banks within the SEPA region. The special service for SEPA salary transfers enables the salaries of all your employees to be posted on the same day (irrespective of whether payment recipients have their account with UniCredit or another bank within the SEPA region).

UniCredit offers this special service as part of its „CT Preferred SALA Individuell after CutOff" product. This is of particular importance to companies which have standardised return processing systems for all their sites. This can be individually managed for any data file submitted. In this way, SEPA Credit Transfers, where the payment recipients are with UniCredit, are debited and credited on the same day as standard. If the transfers recipient is with a third-party bank, the settlement is also made on the same day by EBA clearing.

SEPA ULTIMATE ORDERING PART – DIFFERENT ACCOUNT USED FOR ORDERING

When submitting SEPA Credit Transfers (SCT) and SEPA Direct Debits (SDD), and entering the transfer beneficiary or debtor for direct debits in the data file submitted, you can also indicate an account to which any return payments should be made in addition to the account of the submitting party. This is of particular importance to companies which have standardised return processing systems for all their sites. This product will also appeal to public coffers which collect direct debits and transfers centrally on behalf of various local public bodies, such as tax offices, municipalities and public authorities.

XML URGENT EURO CREDIT TRANSFERS – SAME DAY

Urgent XML euro transfers in the form of credit transfer orders are same-day payments that can be mandated in XML format analogously to SEPA payments.

Target countries:

- National credit transfers within Germany
- Credit transfers to EU / EEA countries

If you send us your urgent euro credit transfer orders electronically, e.g. via our UC eBanking prime software in pain.001 XML format by the 4.00 p.m. cut-off time, the credit transfer will be executed to the beneficiary's bank with the same-day value date. We execute payment orders that you send us after this cut-off time on a "best efforts" basis.

Data conversion is required since the TARGET2 large-value payment system is based on MT format. From November 2022, the switch to XML will also take place in the interbank formats.

Urgent XML euro transfersare individual payments that can be processed on a single payment basis, and are not included among SEPA products. Since November 2015, it has also been possible for presenters to post urgent XML euro transfers in bulk. (→ SEPA Payment Transactions: Formats).

INTERNATIONAL FORMATS – EUROPEANGATE

You can deliver the payments in various formats. UniCredit supports the current and previous formats of the DK (Deutsche Kreditwirtschaft), the EPC (European Payments Council) and the cgi-MP (Common Global Implementation – Market Practice). Via the EuropeanGate input channel, you can forward to other banks of the UniCredit Group and have converted SEPA, international and national payments (→ SEPA Payment Transactions: Formats).

XML-AZV

Since 2014, it has been possible to initiate your foreign payments (e.g. currency payments and euro payments in non-SEPA countries) electronically in the ISO 20022 XML format. We support this based on the cgi-MP standard (Common Global Implementation – Market Practice). More detailed information on the cgi-MP standard can be found at: https://www.swift.com/standards/market-practice/common-global-implementation

In the context of the international conversion international payments will be processed in future in XML in the interbank area (CBPR+).

From November 2022 international payments will also be accepted in XML format according to the DK Standard as well as cgi sdtandard with ISO 20022 with the order type AZX pain.001.001.09.

You can transmit your XML orders via the following electronic supply channels: EBICS, SWIFTNet or Host-to-Host. Since the XML ISO 20022 order format allows a greater data spectrum than the SWIFT MT103 interbank format, it may occur in individual cases that not all data fields can be transferred to the final beneficiary's bank. The "IBAN-Only" special service is also offered for XML foreign payments within the SEPA region (→ SEPA Payment Transactions: Formats).

SWIFT GLOBAL PAYMENTS INNOVATION

The SWIFT Payment Tracker is the first product from the SWIFT-gpi range UniCredit offers to its customers. It enhances the transparency of international payments by using a unique reference number that allows for tracking at any time where a payment is located. Once the money is credited to the payee's account, the payer receives both information on the payment process and a confirmation message. In the future, you can track your payments in two ways

- online in the UniCredit Portal
- by means of status messages (pain.002)

More than 160 banks in Asia, North America and Europe are currently implementing SWIFT-gpi. This procedure is expected

to establish itself as a standard in international payment transactions. UniCredit welcomes and fully supports these innovations.

DTAZV CONVERSION INTO SEPA DATA FORMAT

Payments that are made via DTAZV and are subject to the EU price regulation will be processed as SEPA payments (possible until February 2014). To this end, the orders must satisfy the following conditions or include the following information:

- Name of the beneficiary
- The beneficiary's international bank account number (IBAN)
- The amount in euros
- The price option SHARE (shared fees)

If the payment order cannot be settled as a SEPA payment (e.g. the beneficiary's bank is not SEPA-ready, the order is urgent or contains additional instructions), the payment will be settled as a conventional cross-border payment.

SPECIAL UNICREDIT SERVICE – SEPA CREDIT TRANSFER (SCT)

Since not all banks in the SEPA countries accept SCT, it may occur that submitted SEPA payment orders cannot be executed via SEPA. As a special service for customers of UniCredit, we automatically process SEPA payment orders that cannot be settled in SEPA in a manner that is most beneficial for the customer, provided that settlement is possible.

BUNDESBANK DIRECTORY

Since June 2013, field 14 of the Bank Routing Code Directory states whether special IBAN calculation is required for this bank code. The Bundesbank's extranet includes detailed rules allowing a proprietary IBAN calculation. The bank codes file includes an identifier for each bank code that describes the calculation of the IBAN (status as of June 2018):

- Standard calculation for almost 65 per cent of bank codes

> - DE country identifier
> - Check digit based on Modulo 97-10 (ISO 7064)
> - Bank code
> - 10-digit account number, with preceding zeros on the left-hand side

- 46 divergent rules for around 34 per cent of bank codes, e.g.
  - Donations accounts and dummy accounts are converted into genuine account numbers for the purpose of IBAN calculation.
  - The accounts are not entered in the IBAN using preceding zeros on the left-hand side. Instead, the zeros are placed at the end in the case of certain banks.
  - Certain banks utilise a divergent bank code for calculating the IBAN.
  - Mergers at some banks have created extensive divergences.
- No IBAN calculation is possible for 30, not deleted, bank codes because the respective banks do not participate in the payments system.

IBAN BIC CALCULATOR AND UC SEPA FORMAT CHECK

You can convert specific UniCredit accounts into IBAN /BIC online using the account number/bank code at https://www.hypovereinsbank.de/portal?view=/de/services/downloads-tools/bic-iban-rechner.jsp.

At https://payfits.unicredit.eu/payfitsvp/#VALIDATE_FILE, you can also validate XML files (pain.001 and pain.008) in DK format to check whether they are correctly structured and filled, and whether they contain permissible BICs. Here, you will receive free of charge an extensive test report and an XML file with commentaries.

UC VIRTUAL ACCOUNTS ACCESS

UC Virtual Accounts Access enables you to further optimise your SEPA payments. The procedure offers all users with a complex organisation a company-wide overview of their financial status without overblown account structures while enabling flexible handling of bank accounts as well as efficient liquidity optimisation without necessitating daily intercompany transfers, as it is the case with cash pooling. This ultimately entails further cost optimisations in payment processing – while increasing transparency and efficiency.

ELECTRONIC ACCOUNT INFORMATION AT UNICREDIT

Since 2008, an end-of-day customer statement or intraday statement may include SEPA transactions. SEPA-specific information – e.g. end-to-end reference – is organised so that it can be automatically processed by customers. Because a harmonised standard will be used, multi-bank capability will also be available in the future.

- MT940 end-of-day statements in previous SWIFT structure adapted to SEPA data
- MT942 intraday statements in previous SWIFT structure adapted to SEPA data
- Provision of account transactions in DTI format adapted to SEPA data.

Info: For 2025 the decommission of MT940 and MT942 is planned. The MT940/42 formats are replaced by camt.053 or camt.052.

Provision of all account statements in ISO 20022 XML format:

- camt.052 (account report, corresponds to MT942)
- camt.053 (account statement, corresponds to MT940)
- camt.054 (batched transaction notification)
- camt.054 (Credit Notification Instant)

The XML formats can be provided in parallel to the well-known SWIFT/DTI format in order to enable a gradual and secure transition into the XML world (→ SEPA-Reporting).

Electronic account statement in PDF format

In order to reduce the administrative effort associated with paper-based account statements (receipt, internal forwarding, scanning, filing/archiving), there is the option to obtain the account information in PDF format using the secure EBICS transmission method or to receive it via SWIFTNet FileAct instead of paper-based account statements. The content is exactly the same as in paper-based statements.

Advance account report

The account reports during the day (camt.052) also provide information on direct debits that are available to us before the due date.

Fee report

camt.086 messages contain information on fees debited in the past billing period from the business segment of payment transactions, cash management and account management.

PAYMENT STATUS INFORMATION / pain.002

The pain.002 status information provides you with positive feedback at defined processing points and concise feedback on the incorrect files, individual transactions as well as the type of the errors. It contains rejected payments submitted by SEPA Credit Transfer (pain.001) or SEPA Direct Debit (pain.008). The customer is sent incorrect files and transactions with an error code by email before settlement.

The use of the pain.002 status information offers the following benefits:

- The consistent use of ISO 20022 messages makes it possible to retain all relevant information from submission to feedback.
- The positive status information enables you to quickly track the status at the defined processing points within the process.
- The pain.002 status information provides you with valuable information prior to receipt of the account statement (camt.053) on the day following the posting.
- The error report is already available prior to settlement (comparable to the existing error log).

This is particularly interesting for SEPA Direct Debit, since in this case the order is forwarded to the debtor bank prior to the due date, making it possible for the debtor bank to verify the order prior to the due date (e.g. whether the account exists). In this case, the creditor can already be informed about a reject including a statement of the cause of error prior to the due date or prior to settlement (e.g. if the account has been closed). This means that the creditor can make a complaint immediately, rather than after the due date.

The XML "pain.002" data format contains the original fields of the submission and serves to check the submitted data file and make corrections quickly for resubmission.

Since 2016, UniCredit has offered positive status messages as well. This extended pain.002 also shows the following positive status messages in the case of file rejections: "File accepted" and "File accepted with changed due date" and a final status message "File processed and posted on the execution date". In addition, there is a status message "Partially executed" if individual transactions are rejected. This extended version with positive status messages became the new DK standard with effect from November 2017.

In the future, the Payment Status Report (pain.002) is planned to be also offered as part of the SWIFT-gpi initiative and instant payments.

Further information on the technical configuration rules for the Payment Status Report (pain.002) can be found in the brochure SEPA-Reporting".

ELECTRONIC RECALL

Since the beginning of 2016, customers of UniCredit Bank AG have also been able to recall SEPA Credit Transfers and SEPA Direct Debits electronically. For this purpose, the camt.055 message is used in ISO 20022 XML format. The electronic recall request replaces the form customers previously faxed to the bank.

At interbank level, a SEPA recall process can be initiated using camt.056 (Recall/Request for Cancellation) or pacs.007 (Reversal). The electronic recall is solely intended for STP processes. Customers can recall entire files or individual transactions pertaining to a specific file.

For this purpose, the DK has created the new C55 EBICS order type. The format specifications and the fields important for the identification of the original message are described in the "SEPA Payment Transactions – Formats" brochure.

The STP recall of SEPA Credit Transfers may take up to 10 target days after the settlement day (from November 2018 up to 13 months). Once the payment has been credited to the beneficiary's account, the consent of the beneficiary has to be obtained from the beneficiary's bank. In the case of faulty or duplicate SEPA Direct Debit collections, a credit entry (reversal) can be initiated for up to 5 target days (7.00 a.m.) using camt.055.

The bank sends the result of the recall request to the customer by means of a camt.029 message. Since the beneficiary's consent is required for the recall, especially when credit transfers are recalled after settlement, it makes sense to make the information available to the originator in electronic form again. Besides the reference to the camt.055 recall request, the camt.029 message also contains the reasons for the rejection in cases where the recall cannot be executed.

FINTS

You can execute your business payments easily and cost-efficiently based on the FinTS standard (formerly HBCI). Our FinTS service is fully SEPA-enabled and supports all current SEPA formats in the SEPA payments system:

- SEPA Credit Transfer, SEPA Scheduled Transfer and SEPA Collective Transfer
- Instant Payment
- SEPA Standing Order
- SEPA Direct Debit (CORE and B2B) as bulk orders
- SEPA Direct Debit return
- SEPA accompanying note management (may depend on the FinTS software used)
- Accompanying letter/Payment transaction file release
- XML urgent credit transfers

You can find more information and the current SEPA-enabled version of the FinTS software at hvb.de/ebanking.

UC EBANKING PRIME

With UC eBanking prime, we are making available to you a multi-bank- and multi-location-capable software for payment transactions and cash management.

In the case of UC eBanking prime, your entire data remain

where you have direct access to them – at home. Based on this "domestic environment", we structure your individual solution to include optimum security and comfortable handling.

In addition to the common SEPA payment formats, UC eBanking prime supports other functions such as

- SEPA mandate management
- SEPA payment recalls
- AWV reporting
- XML international payments
- CGI payments
- Liquidity planning
- Interest calculation

Here is an example of the functions of SEPA mandate management:

SEPA mandate management

- Fully integrated creation and management of SEPA mandates
- Allocated, digital filing of scanned (signed) mandate letters
- Mandate import from payment file (optionally via DTAUS or SEPA)
- CSV mandate import via the Master Data Tool (MDT)
- Mandate export to mass mailing letters for form printing
- Status management for SEPA mandates
- Transfer of mandate data to direct debits
- Mandate history for modification-relevant data
- Mandate modifications with transfer of corresponding data to direct debits

UC EBANKING GLOBAL

UniCredits browser-based eBanking solution: cash management without needing software.

This electronic banking solution makes your payment transactions and cash management even more flexible. On both a national and international scale. Without software installation, stressful updates and maintenance.

You can process your national and international payment transactions quickly, easily and affordably.

The benefits for your company:

- Saving of time, since no installation is required
- No maintenance is necessary
- Software is always in the latest and most secure version

UC eBanking global guarantees you:

- Full compatibility with the requirements of SEPA
- Guaranteed compliance with the EBICS standards
- Data encryption using state-of-the-art technologies
- Processing of payment transactions in various countries using a single application

Some of the key functions are listed below:

- Account statements in SWIFT, camt and PDF format
- Accounts overview with ledger and value date balances
- Export of sales and balance data
- Quick entry and transfer of domestic and cross-border payment orders
- Instant payments
- Processing pf payment transactions in various countries using a single application
- IBAN/BIC calculator
- Divisible electronic signature for approval of payment orders by persons at different locations
- Multi-bank capability, HVB access is set up automatically
- Multilingual user interface (Chinese, Croatian, Czech, English, German, Hungarian, Italian, Polish, Romanian, Slovak, Slovenian, Spanish)
- Automated workflow: interface financial accounting/UC eBanking global
- Receipt of fee reports
- Support of mobile tokens and PhotoTAN

SWIFTNET FILEACT

With SWIFTNet, corporate customers have the option of sending and receiving messages directly via the SWIFT network. Participating firms receive their "own SWIFT access and SWIFT code". Communication via SWIFT replaces the former classic eBanking access.

The advantages of this are clear: one standard for communication worldwide, extremely secure and rapid communication with maximum availability. The SWIFT connection has been available to corporate customers of UniCredit since 2005. SWIFTNet FileAct offers the opportunity to exchange finance-related messages of various formats in files via the SWIFT network.

FUNCTION FOR DATA PROCESSING SERVICE CENTRES

You take care of the payment processes/salary payments of your clients as a service provider and use an external data processing service centre (SRZ) for this purpose.

When you process payments on behalf of your clients and transmit them directly to the bank, you act in line with the SRZ procedure. The required authorisation from the client can be executed via an accompanying letter, online banking or FinTs (e.g. via distributed electronic signature – VEU). Among other things, attention must be paid to use special order types, to fill the InitiatingParty element group with a 10-digit SRZ code and to calculate a hash value of the file for the SRZ procedure. More detailed information on this can be found in a special product sheet. Talk to our Cash Management Specialist.

SEPA STANDING CREDIT TRANSFER / DIRECT DEBIT ORDER

The SEPA standing credit transfer order is perfectly suited for recurrent euro payments within the SEPA region. The payment is transferred to the beneficiary as easily and quickly as with SEPA Credit Transfer.

The SEPA standing direct debit order is used to collect recurrent

SEPA Direct Debits from a debtor within the SEPA region. It works like the SEPA standing order. Both Direct Debit CORE and Direct Debit B2B can be collected. One-off collection is possible as well.

PAPER-BASED CREDIT TRANSFERS

UniCredit offers SEPA Credit Transfer forms in line with the "Guidelines for standardised payment transaction forms (2016)" with the standard text key 16.

In addition, payment slips with text 08, donation slips with text 06 and transfer forms with check digit-adequate reference number and text 07 (in accordance with ISO 11649:2009) are offered.

QR code for transfer forms

The standardised provision of the QR code (Quick Response Code) in SEPA payment transaction forms (06, 07 and 08) and invoices has been added to the "Guidelines for standardised payment transaction forms". This enables users to automatically adopt invoice information for the entry of credit transfer data. The QR code is based on the technical recommendations of the EPC (see europeanpaymentscouncil.eu: EPC 069-12) .

QR codes permit various levels of error correction, which guarantee that the QR code can be read even if parts of the QR code cannot be recognised for various reasons. The version recommended by EPC with an error correction capacity of 15% can even counterbalance slight contaminations or paper kinks.
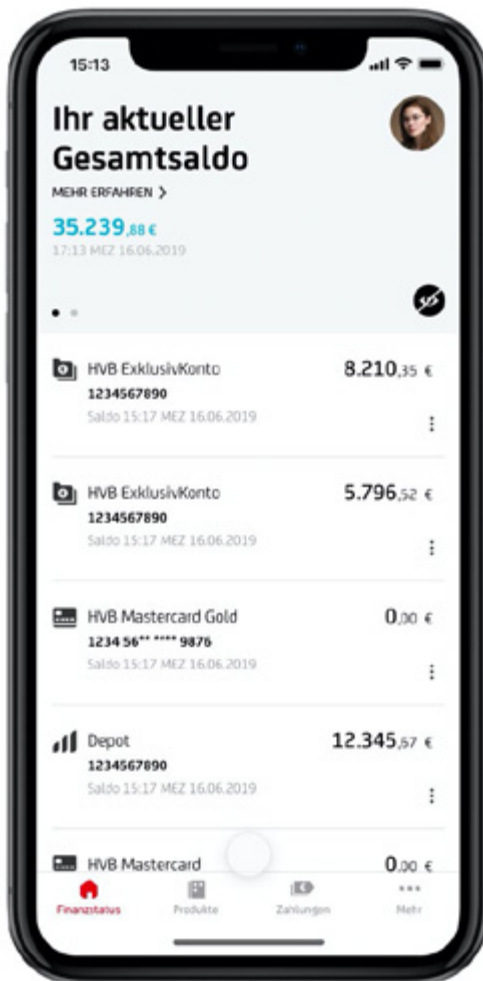

The QR code contains, among other information, the beneficiary's name, IBAN and BIC and optionally the amount and remittance information as well as the code for donation (CHAR) or the reference secured with check digits (IVPT).

A more detailed description and the requirements for the QR code can be found in the Guidelines Concerning Uniform Payment Forms (2016), Appendix 4 (p. 64 ff): https://die-dk.de/media/files/Richtlinie-ZV-Vordrucke-2016-DK_finale_Fassung_DK_Homepage.pdf.

HVB MOBILE B@NKING APP

The current version of the HVB Mobile B@nking App makes it possible to easily execute credit transfers and instant payments. In addition to manual entry, it allows you to conveniently transfer all relevant information directly to the electronic transfer form by scanning a QR code, photographing the transfer data or uploading external files.

If several bank accounts are offered in an invoice, the scanner will select the one which is fully recognised by the algorithm, which is not necessarily the one listed first in the invoice. The HVB appTAN procedure is required to approve the transaction.

GIROPAY

paydirekt becomes the new giropay!

In the future, paydirekt will become giropay – the joint digital payment method used by German banks and Sparkassen.

More secure, more direct and more efficient – giropay, the standard for online payments of the German banks and savings banks

Online traders prefer advance payment, but their customers want the security of payment on account while also expecting maximum data privacy! paydirekt combines both: Payment guarantee for you as an online trader and maximum data security and protection for your customers.

Integrate paydirekt into your online shop and actively offer the new "Made in Germany" payment method to your customers.

The potential for your online shop: Far more than 50 million online-capable current accounts at all German banks can be used with paydirekt. paydirekt Express enables payments including a message indicating the shipping address to the trader. This makes it possible to place an order without the customer having to enter his address on the trader's website or create and customer account. The customer can add several shipping addresses in the paydirekt customer portal via his online banking access. Your Account Manager or Cash Management Specialist will be happy to provide you with further details.

Further information on paydirekt can be found at: https://www.hypovereinsbank.de/hvb/unternehmen/kontozahlungsverkehr/bezahlsysteme-ecommerce/paydirekt

OTHER SERVICES OFFERED BY UNICREDIT BANK AG

Customer events and presentations on the subject of SEPA

The direct debit mandate

PREREQUISITES

The prerequisite for collecting a SEPA Direct Debit CORE and SEPA Direct Debit B2B is the availability of a valid mandate from the debtor that contains predefined elements.

- The creditor is obliged to retain the mandate and present it on request.
- The mandate can be revoked at any time by the debtor with respect to the creditor.

Note: Answers to frequently asked questions about the SEPA Direct Debit mandate can be found in the subsequent chapter "FAQ about the SEPA Direct Debit mandates" on„FAQ about the SEPA Direct Debit mandates" see page 36 of this brochure.

SAMPLE FORMS

SEPA Direct Debit CORE mandate

The SEPA Direct Debit CORE mandate is based on the "SEPA Direct Debit CORE Scheme Rulebook" issued by the European Payments Council (europeanpaymentscouncil.eu).

The design of the mandate is not rigidly determined — only the content. The legally relevant text of the SEPA Direct Debit CORE mandate must read as follows:

> By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.
>
> **Note:** As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which your account was debited.

The mandate must also contain the following minimum information:

- Name, address (street name, building number, post code, town name and country) and creditor identifier.
- The latter is issued by Deutsche Bundesbank.
- The specification whether the mandate is for recurrent payments or for a one-off payment.
- Name, address (if outside the EEA: street name, building number, post code, town name and country), account details and signature of the account holder / debtor.
- The indication of place and date is mandatory

The mandate reference assigned individually by the creditor

- uniquely identifies the mandate in conjunction with the creditor identifier
- is up to 35 alphanumeric digits long and
- can be included in the mandate or be notified to the debtor later.

Standard case of a recurrent direct debit

> **Sample GmbH, Rosenweg 2, 00000 Somewhere**
>
> Creditor identifier DE99 ZZZ0 5678 9012 34
> Mandate reference 987543CB2
>
> **SEPA Direct Debit CORE mandate**
> By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.
>
> **Note:** As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which your account was debited.
>
> ....
> First name and last name (account holder)
>
> ....
> Street name and number
>
> ....
> Postal code and city
>
> ....
> Bank (name and BIC)
>
> IBAN: _ _ | _ _ _ _ | _ _ _ _ | _ _ _ _ | _ _ _ _ | _ _
>
> ....
> Date, place and signature
>
> Source: Sample forms for the SEPA Direct Debit mandate: Excerpt from the publication by Deutsche Kreditwirtschaft (DK, formerly ZKA) of 30 October 2009.

SEPA Direct Debit Business-to-Business mandate

The SEPA Direct Debit Business-to-Business mandate is based on the "SEPA Direct Debit Business-to-Business Scheme Rulebook" issued by the European Payments Council (europeanpaymentscouncil.eu). The design of the mandate is not rigidly determined — only the content. The legally relevant text of the SEPA Direct Debit B2B mandate must read as follows:

> By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.
>
> **Note:** This mandate is only intended for business-to-business transactions. You are not entitled to a refund from your bank after your account has been debited, but you are entitled to request your bank not to debit your account until the day on which the payment is due.

The mandate must also contain the following minimum information

- Name, address (street name, building number, post code, town name and country) and creditor identifier.

- The latter is issued by Deutsche Bundesbank.
- The specification whether the mandate is for recurrent payments or for a one-off payment.
- Name, address (if outside the EEA: street name, building number, post code, town name and country), account details and signature of the account holder / debtor.
- The indication of place and date is mandatory.

We recommend that a mandate reference be provided at the same time, as it is required by the debtor to issue the mandate at his bank.

The mandate reference assigned individually by the creditor

- uniquely identifies the mandate in conjunction with the creditor identifier
- is up to 35 alphanumeric digits long and
- can be included in the mandate or be notified to the debtor later

---

Sample GmbH, Rosenweg 2, 00000 Somewhere

Creditor identifier DE99 ZZZ0 5678 9012 34
Mandate reference 987543CB2

SEPA Direct Debit B2B mandate
By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.

Note: This mandate is only intended for business-to-business transactions. You are not entitled to a refund from your bank after your account has been debited, but you are entitled to request your bank not to debit your account until the day on which the payment is due.

....
First name and last name (account holder)
....
Street name and number
....
Postal code and city
....
Bank (name and BIC)

IBAN: _ _ | _ _ _ _ | _ _ _ _ | _ _ _ _ | _ _ _ _ | _ _

....
Date, place and signature

Source: Sample forms for the SEPA Direct Debit mandate: Excerpt from the publication by Deutsche Kreditwirtschaft (DK, formerly ZKA) of 30 October 2009.
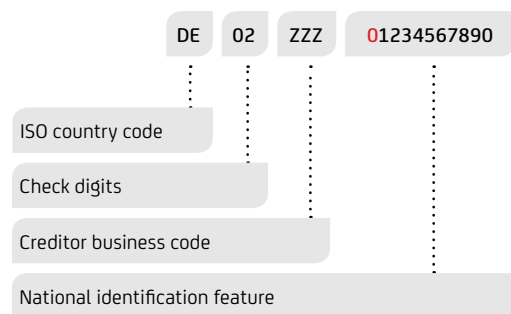

Creditor identifier

ASSIGNMENT IN GERMANY

Creditor identifier for SEPA Direct Debit presenters in Germany

Creditors are registered with a standardised, unique and harmonised identification number (creditor identifier).

- Digits 1−2 contain the ISO country code for Germany (DE) as the country issuing the creditor ID.
- Digits 3−4 contain the check digits, which are calculated in the same way as the IBAN check digits (ISO 13616).
- Digits 5−7 contain the creditor business code for which the direct debit creditor can assign any given alphanumeric digits. These three digits are filled with the letters "ZZZ" by default.
- The following digits 8−18 contain the national identification feature for the direct debit creditor in consecutively ascending numbering. The eighth digit of the creditor identifier is always occupied by "0" until further notice.
- Foreign creditor identifiers may contain a total of 35 digits.

| DE | 02 | ZZZ | 01234567890 |

ISO country code
Check digits
Creditor business code
National identification feature

How do I get a creditor identifier?

It is issued by the Deutsche Bundesbank.
glaeubiger-id.bundesbank.de.

CREDITOR IDS FOR CORPORATE GROUPS, ASSOCIATIONS, WEGS (HOMEOWNER ASSOCIATIONS) AND MARRIED COUPLES

One creditor identifier is required for each legal entity (direct debit creditor). The individual who is the economic beneficiary of the creditor account that submits the direct debit requires the creditor identifier.

Registered associations

Registered associations submit applications using their association name, and not in the name of the first chairperson or treasurer.

German homeowner associations (WEGs)

Application made by the administrator, potentially through a resolution passed by a homeowners' meeting. Since the administrator of the joint property in WEGs represents the semiautonomous community in dealings with third parties (utilities), as well as in the case of the collection of monthly advances, and the account must always be managed in the name and for the account of the homeowner association, the homeowner association's legal representative, in other words, the administrator, must apply to the Bundesbank for a

creditor identifier for each homeowner association. The creditor identifier remains unchanged if the administrator changes. If the management account into which the rental payments are made is held in the owner's name and the administrator only has statutory authority over the account, the owner's creditor identifier is to be used. Creditor identifiers for WEGs are generally applied for as "Other Associations of Individuals" (sonstige Personenvereinigungen) at the Bundesbank.

Tax advisors / Insolvency administrators

(see FAQ 17, page 41)

Married couples

They have to select the item "Associations of Individuals" (Personenvereinigungen) and then "Other Associations" (sonstige Vereinigungen) at the Bundesbank if they wish to share one creditor identifier.

INTERNATIONAL ASSIGNMENT

Creditor IDs are usually requested in the country in which the company/person is domiciled. The creditor identifier (CI) is assigned by different institutions in the individual countries. These have the same format structure as German CIs, but can be up to 35 digits long. These foreign creditor IDs can also be used to submit direct debits in Germany.

Overview of the assignment of creditor identifiers in Europe:
https://www.europeanpaymentscouncil.eu/document-library/clarification-paper/creditor-identifier-overview

Pre-Notification

Pre-notification is a component of the SEPA Direct Debit scheme for Direct Debit CORE and B2B.

Original rulebook text: "The pre-notification must be sent by the creditor at least 14 calendar days before the due date unless another timeframe is agreed between the debtor and the creditor."

- The amount and the due date must be communicated to the debtor. Furthermore, the creditor identifier and the mandate reference shall be provided.

- The timeframe of 14 calendar days (two weeks) before payment can be altered or shortened in the contract terms (e. g. on the day of submission).

- A contractual waiver of the pre-notification regulations is not allowed according to the rulebook, i. e. a correct SEPA Direct Debit payment must be announced using a pre-notification. It is not the bank's responsibility to check whether a pre-notification has been issued; this responsibility solely concerns the relationship between the creditor and debtor.

- The 14-day period for the pre-notification is calculated from the due date.

- There are no rules stipulating the medium via which a pre-notification should be transmitted. Possible methods include by letter, contract, invoice, text message, e-mail, fax, via the Internet, General Terms and Conditions …

- The pre-notification must be conveyed to the account holder. If you have no direct address information (e. g. grandmother pays her grandson's mobile phone charges), you should notify your contractor to forward the pre-notification to the payer/account holder, or you should obtain the divergent address information. When sending the pre-notification to the divergent payer, please also comply with the non-disclosure obligations pursuant to Section 203 of the German Penal Code (StGB).

- What happens if the debtor is incorrectly informed about the collection date or the collection amount? In such instances, the debtor cannot be forced to default (reminder fees, return fees …). The validity of the mandate, and consequently the authorisation of submitted direct debits, is nevertheless unaffected by an erroneous or missing pre-notification.

Pre-notification – one-off / recurrent

For recurrent direct debits where the amount to be debited remains the same, a single notification detailing the date of the first debiting and the timetable for subsequent payment due dates can be issued to the debtor.

- Example of an individual pre-notification per collection: Telephone bill dated 5 December:.
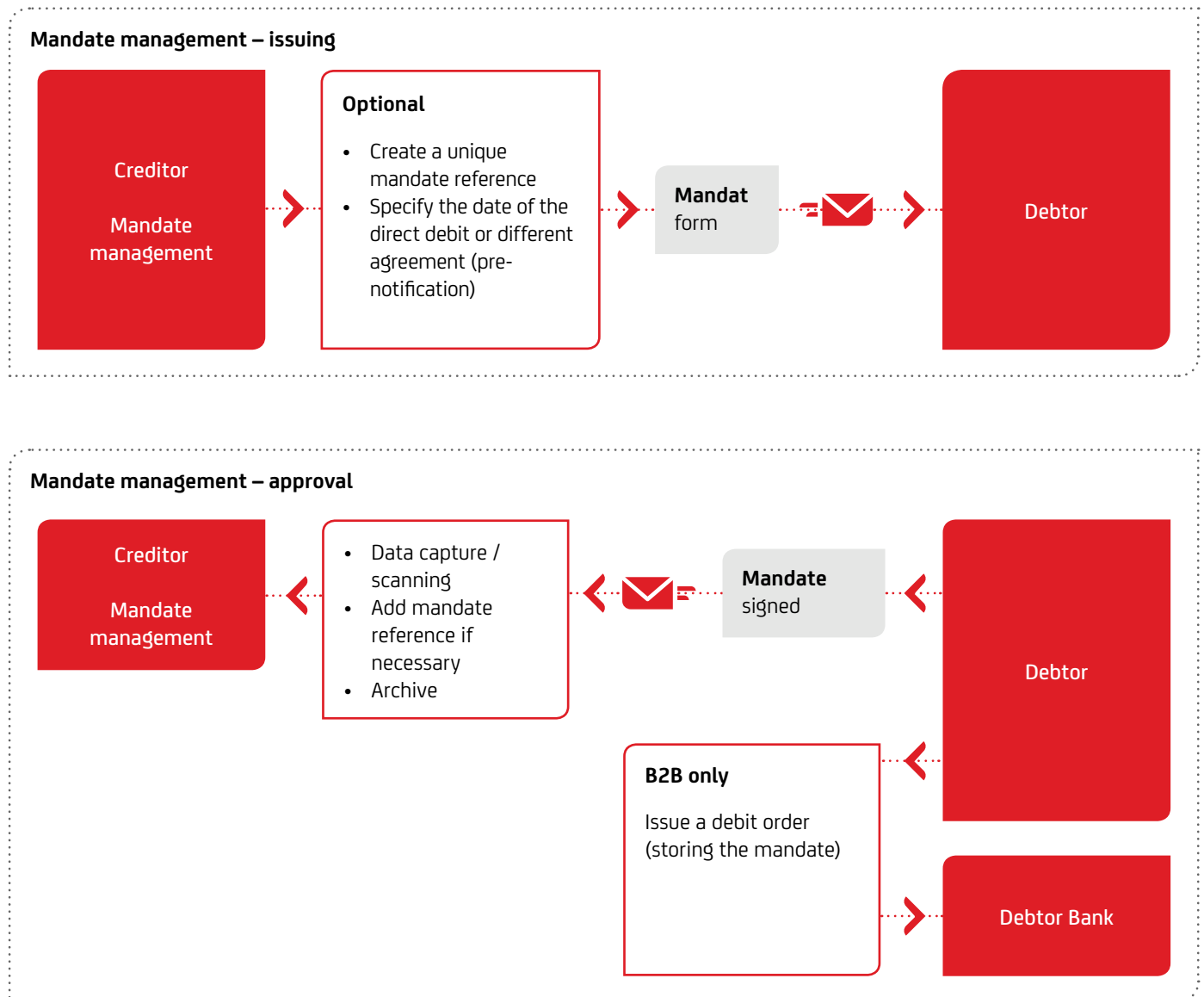
"The payment amount of EUR 68.11 will be collected by using the SEPA Direct Debit with mandate 4711 for creditor identifier DE321 from your account IBAN DE123 with HypoVereinsbank HYVEDEMM with due date 15 December 2022. Please ensure that there are sufficient funds on your account to cover the payment."

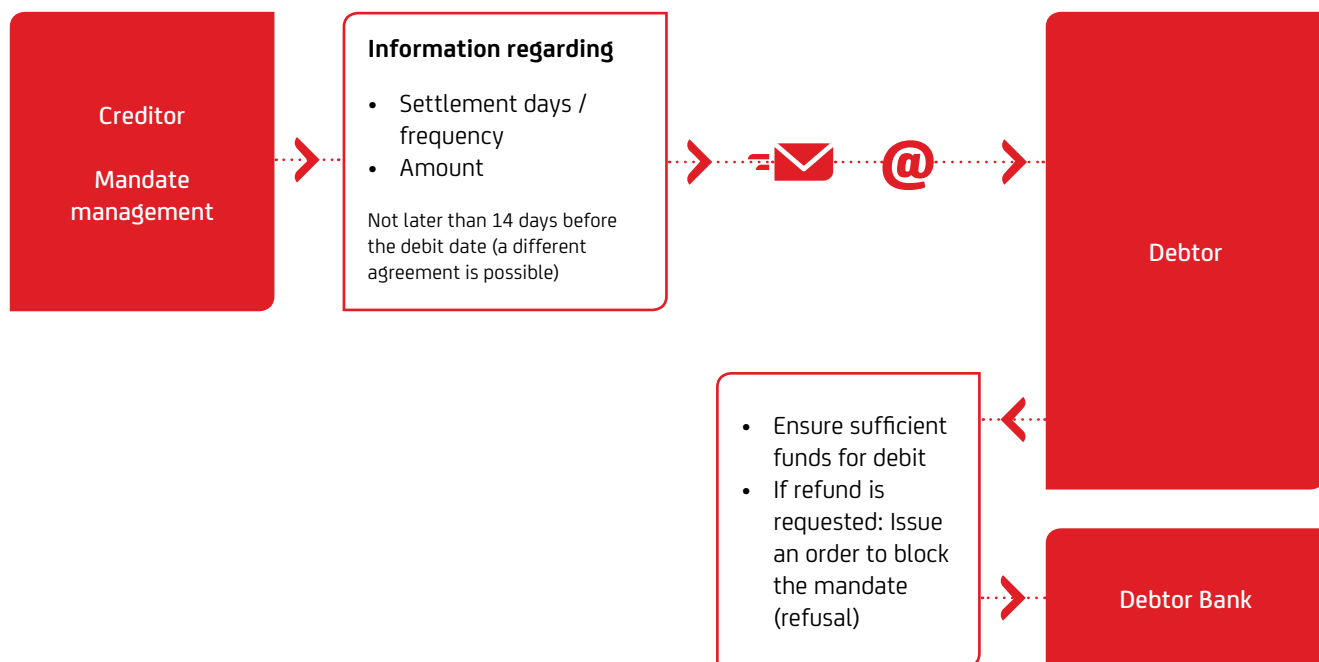- Example of a pre-notification for recurrent payments:

Tenancy agreement: "The rent of EUR 500 will be collected by using a SEPA Direct Debit with mandate 4712, for creditor identifier DE321 from your account IBAN DE123 with HypoVereinsbank HYVEDEMM every first of the month, starting on 1 December 2022. If the due date falls on a weekend or holiday, the due date will be moved to the next working day."
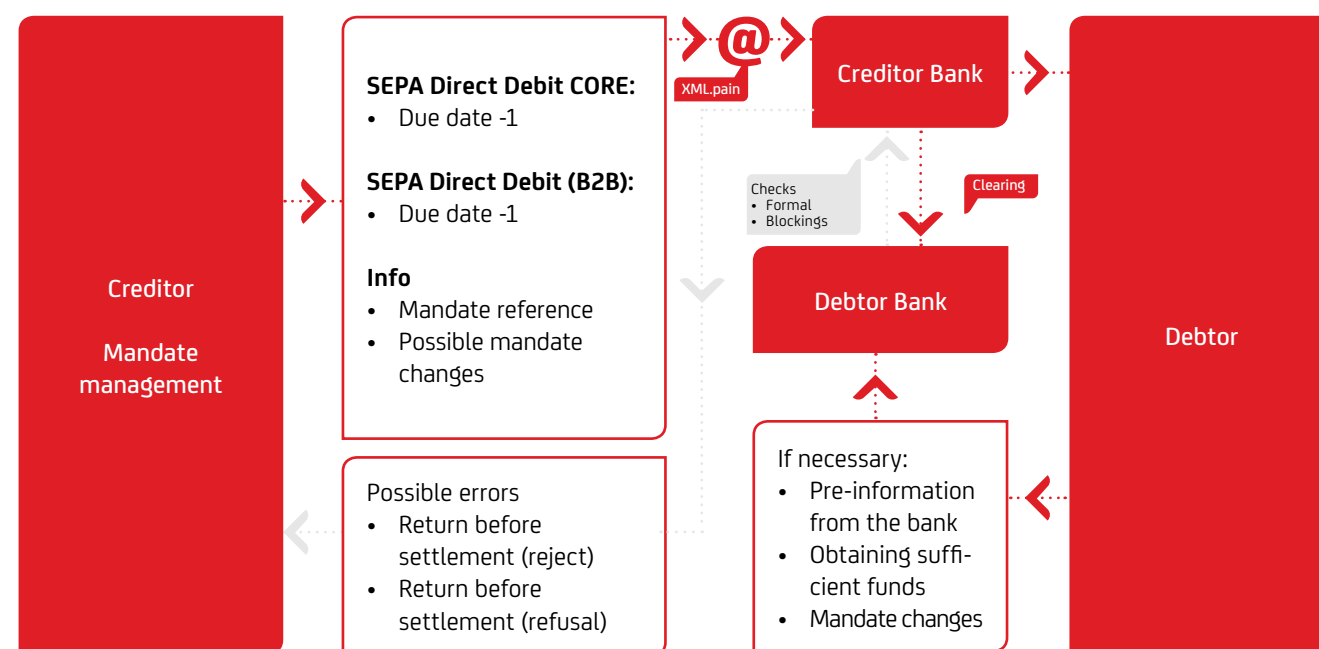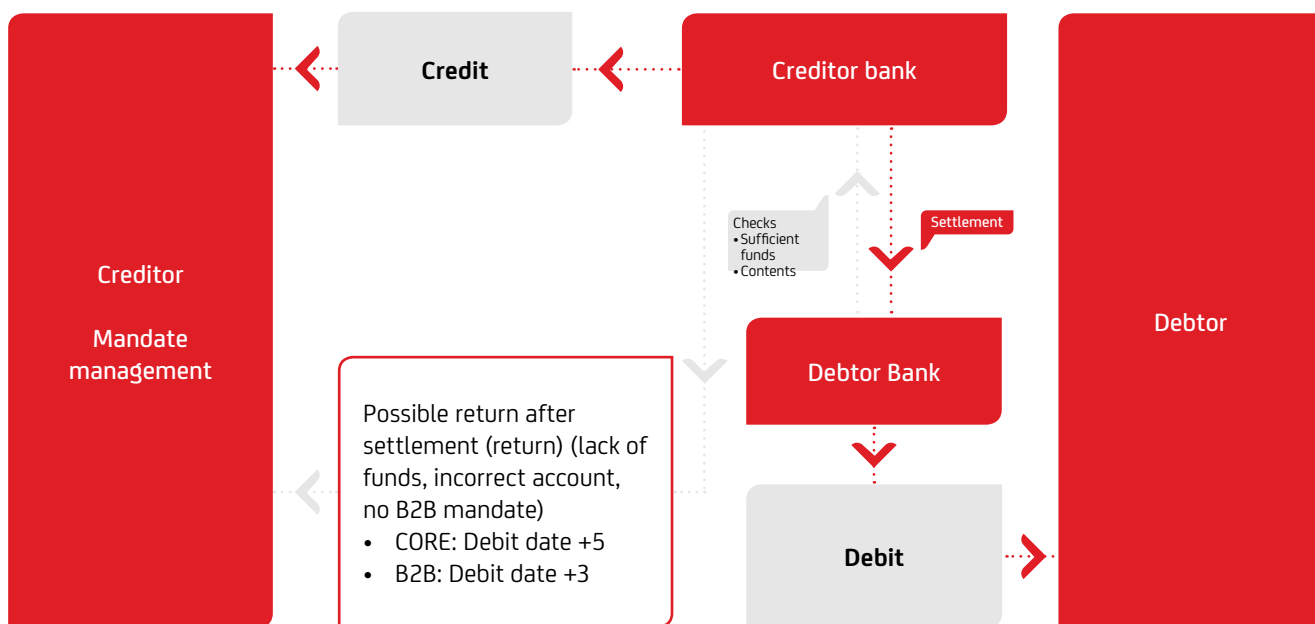
SEPA Direct Debit
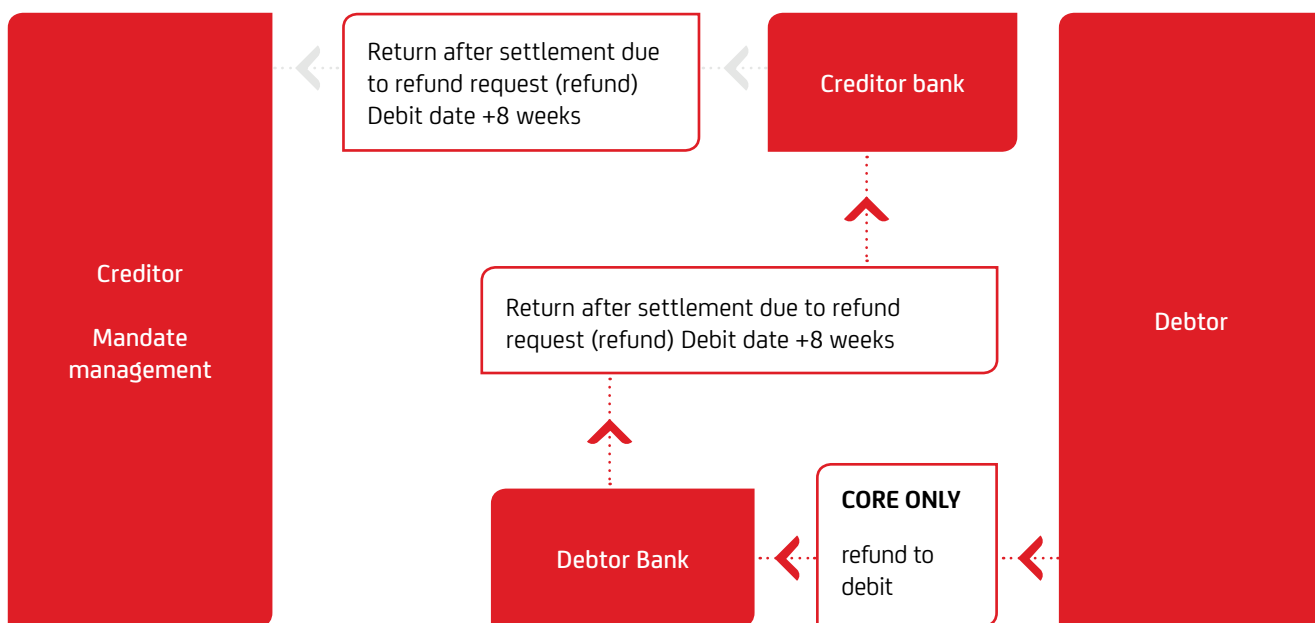
CYCLE OF A SEPA DIRECT DEBIT

Mandate management – issuing

Creditor

Mandate management

→

Optional

- Create a unique mandate reference
- Specify the date of the direct debit or different agreement (pre-notification)

→

Mandat form

→

Debtor

Mandate management – approval

Creditor

Mandate management

←

- Data capture / scanning
- Add mandate reference if necessary
- Archive

←

Mandate signed

←

Debtor

B2B only

Issue a debit order (storing the mandate)

→

Debtor Bank

Mandate management – pre-notification

Creditor

Mandate management

Information regarding
- Settlement days / frequency
- Amount

Not later than 14 days before the debit date (a different agreement is possible)

Debtor

- Ensure sufficient funds for debit
- If refund is requested: Issue an order to block the mandate (refusal)

Debtor Bank

Direct debit submission

Creditor

Mandate management

SEPA Direct Debit CORE:
- Due date -1

SEPA Direct Debit (B2B):
- Due date -1

Info
- Mandate reference
- Possible mandate changes

Possible errors
- Return before settlement (reject)
- Return before settlement (refusal)

XML.pain

Creditor Bank

Checks
- Formal
- Blockings

Clearing

Debtor Bank

If necessary:
- Pre-information from the bank
- Obtaining sufficient funds
- Mandate changes

Debtor

Direct debit settlement

Creditor

Mandate management

Credit ← Creditor bank

Checks
- Sufficient funds
- Contents

Settlement

Debtor Bank

Debit → Debtor

Possible return after settlement (return) (lack of funds, incorrect account, no B2B mandate)
- CORE: Debit date +5
- B2B: Debit date +3

Return due to refund request up to 8 weeks

Creditor

Mandate management

Return after settlement due to refund request (refund) Debit date +8 weeks ← Creditor bank

Return after settlement due to refund request (refund) Debit date +8 weeks

Debtor Bank ← **CORE ONLY** refund to debit ← Debtor

Refund due to refund request within 13 months
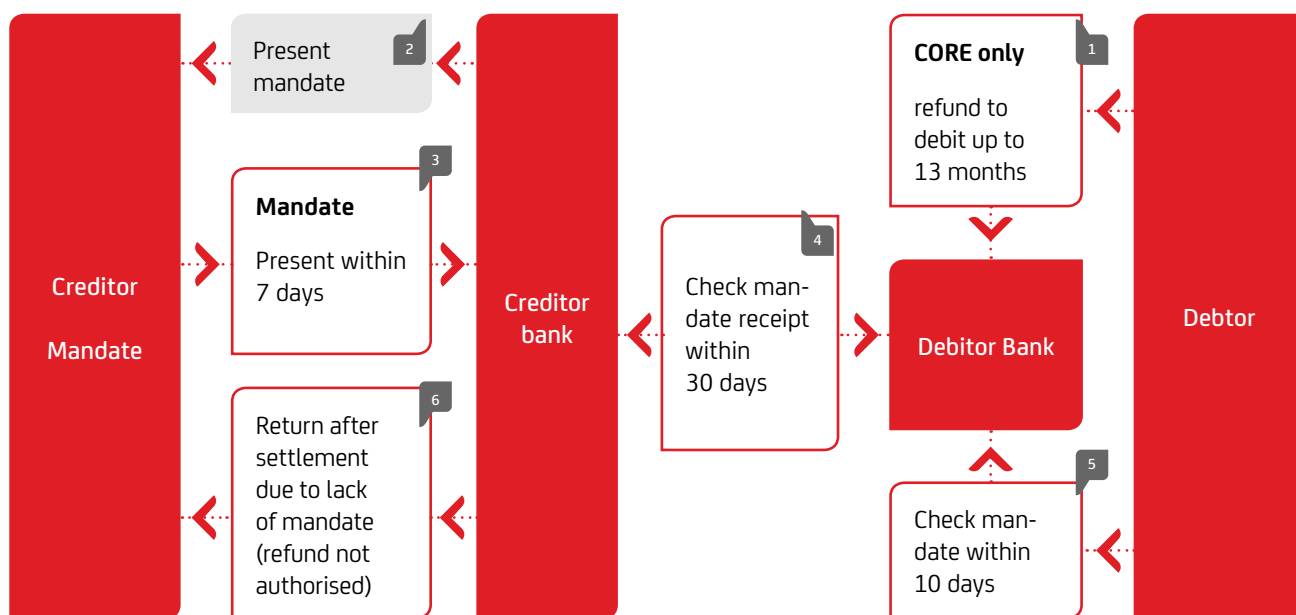
DIRECT DEBIT RETURNS PROCESS

Process	Descritpion	Reasons
Reject	Return prior to settlement by the creditor bank within the scope of the clearing and settlement mechanism or by the debtor bank	Debit cannot be processed, e.g. late submission, wrong format, wrong data, account closed, customer deceased
Refusal	Return prior to due date	Debit account frozen by the debtor for individual or all direct debits
Return	Return after interbank settlement by the debtor bank up to 5 TARGET days after due date	Debit not possible, e.g. account closed, insufficient funds, customer deceased
Refund	Return by the debtor bank up to 8 weeks after due date (later only due to absence of mandate), not possible for SEPA Direct Debit B2B	Refund request by the debtor without reason stated
Recall / Revocation	Call back of the direct debit by the creditor/creditor bank	Recall before settlement – e.g. duplicate collection
Reversal	Cancellation of the direct debit by the creditor after settlement by requesting refund	Refund after settlement – e.g. duplicate collection

FAQ about the SEPA Direct Debit mandates

1 PROCESS OF ISSUING A MANDATE

Question: Who takes the first step in issuing an mandate?

Answer:

- As with the Collection Authorisation Procedure, the creditor generates a pre-printed mandate form with its details and subsequently allows the debtor to sign it.
- The signed mandate will then be collected/scanned by the creditor who then initiates the collection process.
- In the case of a SEPA Direct Debit B2B, the debtor needs to simultaneously issue a mandate with its bank

2 NUMBER OF MANDATES PER CREDITOR / DEBTOR RELATIONSHIP

Question: Is it possible in a single creditor / debtor relationship to have many different mandates and does attention possibly have to be paid to ensure that every direct debit is collected using the correct mandate reference?

For example, if a utility company provides the electricity, gas and water for the same customer. In this case, is one single mandate for the individual creditor / debtor relationship sufficient (i. e. one mandate for all three utilities), or is it necessary for a separate mandate to be issued for every contract (one mandate for each separate utility)?

Answer:

There are two options. In this situation, the mandate system should be geared towards the specific requirements of the creditor. A later automatic change in the system without having to issue a new mandate is only possible from option "2" to option "1", not from option "1" to option "2".

Option 1: A bulk mandate for all contractual relations between the same creditor and debtor. Here only one mandate is issued.

Option 2: Multiple mandates issued to coincide with the number of contractual relations between the same creditor and debtor. Each of these mandates must then be separately issued with their own mandate reference.

2.1 EXPLANATORY NOTES ON THE NUMBER OF MANDATES PER CREDITOR / DEBTOR RELATIONSHIP

About Option 1: A bulk mandate for all contractual relations between the same creditor and debtor. Here only one mandate is issued.

Advantage:

- Easy to administer.

Disadvantages:

- If the customer blocks its mandate, then all of the direct debits from all of the contract relations are returned.
- Aside from that, should any separation between the creditor and debtor take place, then new mandates have to be issued, as a mandate is only applicable to one creditor identifier. It may be changed, but you cannot divide it amongst two different companies if there are pending dispositions or outsourcing of a business field.

About Option 2: Multiple mandates issued to coincide with the number of contractual relations between the same creditor and debtor. Each of these mandates must then be separately issued with their own mandate reference.

Advantage:

- The debtor can block individual mandates.
- The debtor has a clear overview of the existing payment obligations.
- If the business field of the creditor is changed (for example, electricity is sourced from a different provider), then a mandate with a mandate change can be passed onto the provider.

Disadvantage:

- Multiple direct debits under a contractual relationship cannot be collected with a single direct debit, as the direct debit has to contain an exact mandate reference.

3 MANDATE LANGUAGE

Question: In which language should the mandate text be drafted?

Answer:

For a mandate within Germany, a mandate text in German is sufficient.

For cross-border direct debit collections, the mandate text must be drafted in two languages

- in the respective national language:
  - SEPA Direct Debit CORE
    https://www.europeanpaymentscouncil.eu/other/core-sdd-mandate-translations
  - SEPA Direct Debit Business-to-Business (B2B)
    https://www.europeanpaymentscouncil.eu/other/sepa-b2b-dd-mandate-translations
- as well as in English if possible

General rules:

- europeanpaymentscouncil.eu/knowledge_bank_detail.cfm?documents_id=175

4 MANDATES FOR WHICH COUNTRIES

Question: For which countries[1] can mandates be obtained?

Answer:

Mandates can generally be obtained for all SEPA member states. However, not all banks currently support the SEPA Direct Debit.

The banks currently taking part can be found here: ebaclearing.eu under STEP2, SEPA Direct Debit and then under Participants.

5 CHANGING A MANDATE

Question: How are changes to mandates implemented?

Answer:

Altered mandate data is conveyed with the direct debit (once upon the first direct debit).

The following mandate changes are permitted:

- Creditor-initiated
  - Mandate reference (provide old & new mandate reference)
  - Creditor name (provide old & new creditor name)
  - Creditor ID (provide old & new creditor identifiers)
- Debtor-initiated
  - Account (provide old & new IBAN of the debtor)

Reasoning behind the forwarding of change notifications:

- It provides information to debtor and enables the debtor to give possible instructions to its bank (blockings, for example).

As a basic principle and especially in the case of Direct Debit Business-to-Business (B2B), the creditor should advise the customer of any changes to the mandate that may have been made (in the pre-notification, for example), so that the debtor is able to transmit this information to its bank.

If the address changes (e. g. as a result of moving), the debtor name changes (e. g. through marriage), or the creditor's banking connection changes, no new mandate needs to be obtained. A special designation in the direct debit is not required in this case. If the identity of the debtor changes (e. g. change of tenant), however, a new mandate must be obtained.

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[1]Please refer to page 12 f. for SEPA countries

6 MANDATE VALIDITY 36 MONTHS

Question: How long is a mandate valid for?

Answer:

- A mandate can be cancelled at any time by either the debtor or the creditor alone without any term of notice. If the bank has received a mandate (for Direct Debit B2B), then the debtor can cancel it no later than the business day before the due date (terms and conditions may vary, please check)

- If a mandate is no longer used after first-time submission within a 36-month period, then that mandate becomes invalid and can no longer be used. With every direct debit payment made, the mandate validity is extended by 36 months (naturally this does not apply to one-off direct debits). The banks are not required to check the validity of the mandate.

- This means that one direct debit collection every three years can suffice to keep the mandate valid.

- The reference date for the commencement of the period is the last due date of the last direct debit.

- When returning a CORE Direct Debit with the return reason "no mandate / unauthorised transaction", a new mandate is necessary.

7 OBLIGATORY ASPECTS OF A MANDATE

Question: Which aspects of a mandate are mandatory?

Answer:

- The requirements for the SEPA Direct Debit mandate can be found in the EPC's (European Payments Council) SEPA Direct Debit Rulebook (europeanpaymentscouncil.eu).

- The design of a mandate is not standardised, but the content is (SEPA Direct Debit CORE): "By signing this mandate form, you authorise (A) {NAME OF CREDITOR} to send instructions to your bank to debit your account and (B) your bank to debit your account in accordance with the instructions from {NAME OF CREDITOR}.

- As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 8 weeks starting from the date on which your account was debited."

- With a Business-to-Business (B2B) Direct Debit, the following note must be present: "This mandate is only intended for business-to-business transactions. You are not entitled to a refund from your bank after your account has been debited, but you are entitled to request your bank not to debit your account up until the day on which the payment is due."

7.1 OBLIGATORY ASPECTS OF A MANDATE – ADDITIONAL SECTIONS

The following additional sections must be present in the mandate:

- Name of the creditor or name of the creditor company in case of Direct Debit Business-to-Business (B2B), address (street, building number, post code, city and country) and creditor identifier of the payee

- Specification whether the mandate is for recurrent payments or for a one-off payment

- Name of debtor, IBAN (foreign IBANs must also be accepted), address of debtor (mandatory for debtors outside the EU / EEA) and signature of debtor

- A mandate reference – to be completed by the creditor
    - this can be included in the mandate itself or
    - may be notified to the payer afterwards, for example in case of mandates in printed form

- The debtor will then be subsequently informed of the mandate reference in the pre-notification.

- Important: In the case of Direct Debit Business-to-Business (B2B), the debtor must submit this mandate reference together with all other obligatory mandate components to its bank or the mandate will not become valid – for this reason it is recommended that the mandate reference is always provided in the mandate itself.

7.2 FURTHER OPTIONAL MANDATE COMPONENTS

- Creditor's country
- Creditor Reference Party
- Creditor Reference Party ID
- BIC of the debtor
- Address of debtor (EU / EEA countries; outside these countries, the address has been a mandatory element since June 2017)
- Debtor ID
- Debtor Reference Party
- Debtor Reference Party ID
- Contract reference number
- Contract designation/purpose (mandatory in some countries)

8 OBLIGATION TO RETAIN THE MANDATE

Question: How and for how long must a mandate be retained?

Answer:

The retention of mandates is based on the national legal regulations which form the basis for collection agreements. In Germany, for instance, the mandate can be retained in the legally stipulated form (please refer to Section 126b BGB "Written form" and Section 126b BGB "Text form", i.e. not necessarily in the original (see the current "Terms and Conditions of Direct Debit Collection" no. 2.4.3).

9 MANDATE WITH THE ACCOUNT DETAILS OF THE DEBTOR

Question: A debtor has multiple bank accounts which are all known to the creditor. Does a mandate only relate to one specific debtor bank account, or can the mandate also be independent from one specific debtor-bank account?

Answer:

- It is an obligatory aspect of the mandate that it contains the debtor's account details (IBAN / BIC), not those of the creditor. The creditor may use different accounts for its collections, as long as the creditor identifier remains the same.
- A change to the account details of the debtor is initiated by change to the mandate (mentioned in 6). For this purpose, the old and new account details are transmitted on submission of the direct debit. In the case of Business-to-Business Direct Debit, it is to be noted that the debtor must separately inform its bank as its bank must check the mandate.

10 WHICH MANDATE SHOULD THE DEBTOR GIVE TO THE BANK

Question: Which mandate form should the debtor give to the bank?

Answer:

The mandate signed by the paying party has to be sent to the creditor.

Direct Debit Business-to-Business (B2B):

For a SEPA Direct Debit B2B, the debtor's bank must check the mandate. To this end, the debtor should take a signed copy of the mandate to its bank and then issue a mandate. The original mandate also has to be signed and sent to the creditor.

Some banks have separate forms for issuing a mandate. Many banks also charge a fee for checking the SEPA Direct Debit Business-to-Business against the B2B mandates and / or for the submission of the B2B mandates. The following information of the debtor is required from the debtor's bank:

- Debtor account details
- Mandate reference (may be found in the pre-notification, rather then in the mandate)
- Creditor identifier
- Mandate sequence (one-off or recurrent payments)
- Special instructions, transaction amount limits, period of validity

In the case of mandate changes:

- The debtor has to separately inform its bank of changes to the mandate.

11 MANDATE REQUEST

Question: How is a mandate request carried out?

Answer:

- If the debtor has doubts about the mandate, the said mandate may be requested from the creditor bank within 13 months after the debit date.

- Within a few days, the creditor must then provide the mandate to the creditor bank and it is then sent by debtor bank to the debtor who will check it with the assistance of the debtor bank to ensure that the mandate has the correct authorisation. With incorrect or missing mandates, the direct debit is returned (only with SEPA Direct Debit CORE).Excerpt from the collection agreement: "Provision of copies of the direct debit mandate. Upon request, the customer must provide the bank with copies of the collection authorisation, the SEPA Direct Debit mandate or the SEPA Direct Debit Business-to-Business (B2B) mandate and, where applicable, further information on the submitted direct debits. In the case of the SEPA Direct Debit mandates or the SEPA Direct Debit Business-to-Business (B2B) mandates, the customer must provide them within a period of seven business days."

- For this reason, in the creditor's mandate management, the retention and prompt availability of the mandate must be accounted for and ensured (at least 14 months after the final SEPA Direct Debit CORE collection).

12 ISSUING MANDATES ON THE INTERNET

Question: Is it possible to issue a mandate online if the collection agreement states that "written form" is required?

Answer:

The requirements that are made relating to the agreed (= arbitrary) written form are stipulated Section 127 of the German Civil Code (BGB). Unless something else has been agreed between the contractual partners, several options are consequently permitted.

The following are secure in legal and evidence-related terms:

- a mandate form signed personally by the payer (Sections 127 (1), 126 (1) of the German Civil Code [BGB])

- a statement by the payer including a qualified electronic signature (electronic form; Sections 127 (1) 126 (3) 126a of the German Civil Code [BGB]).

By contrast, telecommunications-based transmission while complying with the text form involves legal risks (Section 127 (2)). In this context, it should be taken into account that it is incumbent upon the creditor to present and provide evidence that a mandate has been authorised by the debtor.

In all cases, it must be ensured that it can be proved that the issuer issued the mandate, that the mandate is stored by the creditor, and that the creditor can present it in the event of a dispute (Article 5 (3a ii) EU Directive No. 260/2012 and amending Regulation (EU) No 248/2014 – "SEPA Migration Directive").

13 TECHNICAL PROCEDURES RELATING TO THE ISSUING OF MANDATES

Question: Which technical procedures relating to the issuing of mandates satisfy the requirements of Section 127 (2) of the German Civil Code (BGB) (telecommunications-based transmission complying with the text form)?

Answer:

The submitter of the direct debit must always ensure firstly that its mandate complies with contractual form requirements, and, secondly, that it is appropriate for presentation as evidence in the event of a dispute (please see above). To this end, certain procedures between the creditor and its payment service provider can be agreed.

14 DIRECT DEBIT B2B FOR NON-CONSUMERS

Question: Who can sign a Direct Debit B2B

Answer:

Only non-consumers can waive the right to return a direct debit. According to the definition that is customary in the EU, a consumer is an individual that acts in business transactions in line with purposes that cannot be attributed to their professional or commercial activity. Small companies (fewer than 10 employees and annual turnover or balance sheet total of less than EUR 2 million = micro enterprises) are also deemed to be consumers in some countries.

As a consequence, a SEPA Direct Debit B2B that debits small companies in the United Kingdom, Portugal, Sweden, Norway, Switzerland, Italy, Czech Republic, Slovakia, Hungary, Iceland, Malta and Cyprus is not possible (status as of: 2011, Directive 2007/64/EC – General report on the transposition by the Member States).

15 NEW MANDATE REQUIRED

Question: When must a new mandate be obtained from the debtor?

Answer:

- If a collection authorisation, SEPA Direct Debit CORE or SEPA Direct Debit B2B mandate does not exist (any longer) in written form[1]
- If more than 36 months have passed since the last SEPA Direct Debit collection
- If the debtor has revoked its mandate with respect to the creditor
- If a direct debit was returned with the "NoMandate – MD01" return reason code
- If the last direct debit collection occurred with the "Final" or "OneOff" sequence.
- After fulfilment of the related contract if the mandate was issued with a special reference to a contract (contractual mandate)
- After a change of debtor (e. g. change of tenant)

16 NEW MANDATE IN THE EVENT OF A CREDITOR CHANGE

Question: Is it necessary to obtain a new mandate after a merger of the creditor?

Answer:

The mandate always exclusively refers to the legal entity designated as the creditor. In the event of a universal succession, such as a merger, the mandate is also passed on to the absorbing company. If a mere legal transfer of assets and contracts takes place, but not a transfer of mandates at the express request of the debtors, who authorise their bank to debit payments from a current account in favour of a particular creditor, this must be checked by the respective lawyers. If necessary, the consent of the debtors should be obtained.

Changes to the Ultimate Creditor Name are not relevant.

17 ASSUMPTION OF DIRECT DEBIT COLLECTION BY INSOLVENCY ADMINISTRATOR

Question: Does an insolvency administrator need a new mandate for his clients?

Answer:

- If you process payments for your clients, you should obtain the creditor identifier from your clients. The individual who is the economic beneficiary of the creditor account that submits the direct debit requires the creditor identifier. If you wish to continue using the existing creditor identifier of your client upon assumption of the collection, you should perform the submission via the client's account.
- If you want to collect direct debits for your clients/proceedings to the credit of a trust account, use the creditor identifier of the trustee. For this purpose, a new mandate needs to be obtained from the debtor upon assumption of the collection.
- In XML format, you, as the presenter of the file, indicate your company name in the InitiatingParty element group. The name of the trust account (if possible, incl. name of the company concerned) is entered in the debtor (for credit transfers) or creditor (for direct debits) element group. The UltimateDebtor and UltimateCreditor element groups can also state the full name of the client / proceedings so that the creditor or debtor can allocate the credit transfer or direct debit.

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[1]Please refer to FAQ 12

Key abbreviations

2FA   2-factor authentication; secure authentication method in accordance with the PSD II. In this case, at least two of the following three elements must be used: knowledge (e. g. password or PIN); possession (e. g. card or token); inherence (e. g. fingerprint or voice)

AIS   Account Information Service

AISP   Account Information Service Provider

Berlin Group   An initiative of the European banking industry to standardise the interface between the debit card issuer and the acquirer (acquired points of acceptance)

BIC   Business Identifier Code; international bank sort code as per ISO 9362

B2B   Business-to-business; e. g. SEPA Direct Debit Business-to-Business (B2B)

camt   Cash management messages; account statement format (camt.053), account report (camt.052) and DTI (camt.054) as well as recall request (camt.055) as well as response to recall request (camt.029)

CBPR+   Cross Border Payment and Reporting International Clearing of International Payments from 2022

CI   Creditor Identifier

CORE   SEPA Direct Debit CORE

COR1   SEPA Direct Debit CORE with shorter presentation period (D -1); has been processed as Core since November 2016

DK   Die Deutsche Kreditwirtschaft (former Zentraler Kreditausschuss ZKA)

DTAUS   Old DK format for national electronic payments based on account number and bank code

DTAZV   DK format for foreign electronic payments; see XML-AZV for the alternative XML format

DTE   DK format for urgent electronic payments based on account number and bank code; see urgent XML euro payments for the alternative XML format

DTI   Volume information ("Datenträgerinformation") electronic collector information in the old DTAUS format. Alternatively, the incoming transactions can also be provided to the customer as camt.054.

EBA   EBA Clearing, central clearing house for forwarding payments within the SEPA region (ebaclearing.eu); Euro Banking Association (abe-eba.eu); European Banking Authority (eba.europa.eu)

EBICS   Electronic Banking Internet Communication Standard – DK standard for remote data transfer (ebics.de)

ELV   Card payment at retailers by signature at the POS terminal

EMV   Europay Mastercard Visa

EMZ   Electronic bulk payment system run by Deutsche Bundesbank in Germany (system/clearing facility in the euro area)

EPC   European Payments Council (europeanpaymentscouncil.eu)

ERPB   Euro Retail Payments Board – Leading representative of the supply and demand sides of the European payments market

EWWU   European Economic and Monetary Union (EMU)

FinTS   Financial Transaction Service – DK standard for remote data transfer in online banking(hbci-zka.de)

IBAN   International Bank Account Number

INST   Instant Payments

ISO 20022   The UNIFI standard is described in "ISO 20022 Financial Services – Universal Financial Industry Message Scheme" (iso20022.org).

pain   Payment Initiation; Customer/bank format (credit transfer file pain.001, direct debit file pain.008 and status report pain.002)

PE-ACH   Pan-European Automated Clearing House; An EPC term for a pan-European, fully automated (STP-capable) clearing system for payments

PISP   Payment Initiation Service Provide

POS   Point of sale. Customers pay by debit card at the POS terminal and confirm the transaction with their PIN

PSD   Payment Services Directive. Defines rules for payment services in the single European market

PSP   Payment Service Provider

QR-Code   Quick Response Code (2D Code)

RTP   Request to Pay

RTS   Regulatory Technical Standards – for strong customer authentication and secure communication in electronic payments under PSD2

SCC   SEPA Cards Clearing

SCF   SEPA Cards Framework. Defines rules for the SEPA card payment market

SCT   SEPA Credit Transfer

SDD   SEPA Direct Debit – SEPA-Direct Debit CORE and SEPA Direct Debit B2B

SEPA   Single Euro Payments Area

SOX   Sarbanes Oxley Act. In July 2002, the US Congress passed a law to restore public confidence in securities, improve corporate management practices, promote ethical business practices and increase the transparency and completeness of balance sheets.

SRZ   Data Processing Service Centre

STP   Straight Through Processing (fully-automated processing of payment orders)

SWIFT   Society for Worldwide Interbank Financial Telecommunication

SWIFT gpi   SWIFT global payments innovation; allows for tracking international payments on a global scale

TARGET 2   Trans-European Automated Real-time Gross Settlement Express Transfer. The European Union central banks' real-time gross payment system for the euro. SEPA clearing takes place on all TARGET days (i. e. Monday – Friday excluding New Year, Good Friday, Easter Monday, 1 May, Christmas holidays on 25 and 26 December).

XML   Extensible Markup Language (abbreviated to XML) is a standard defined by the World Wide Web Consortium (W3C) for producing machine- and human-readable documents in the form of a tree structure. XML defines the rules for structuring such documents.

XS2A   Access to Account – access to account by payment service provider

ZUGFeRD   Standardised format for electronic invoices within e-invoicing. Forum electronic invoicing Germany: ferd-net.de

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Our cash management and eBanking specialist will be glad to help you with your SEPA projects.

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