

## Local Migration Rules – Survey Programme Management Forum

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **AUSTRIA**

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)  
**no, legacy mandates can only be migrated to SDD Core  
new mandates are required for SDD B2B**
- B) Sequence types - which sequence type is to be followed for the first collection following migration?  
**Migration to SDD Core is done by a FRST. This is necessary as legacy schemes do not carry mandate information. FRST triggers the storing of new mandate information at debtor bank.**
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?  
**IBAN, BIC, UMR, CID – these elements are not present in the legacy schemes.  
By sending a FRST they are stored at debtor bank.**
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?  
**Creditors define their own UMR. CID is issued by Oesterreichische Nationalbank. CID and UMR together form a unique combination. Neither CID nor UMR are used in legacy schemes, consequently no specific migration rules have been defined.**
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?  
**No (see also D above)**
- F) Should the amendment indicator be used in the first collection following migration?  
**No, as nothing was amended**
- ### 2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?
- AM04: (Unsufficient funds) is not allowed by law,  
MS03: (Reason not specified) is used instead**

- 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

Is being analysed – no decision yet.

- 4. “Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

Currently no need seen.

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **Belgium**

A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)

NO, only migration of legacy mandates to Core SDD.

B) Sequence types - which sequence type is to be followed for the first collection following migration?

The migration is done by a First. Following transactions should follow the mandate life cycle rules.

C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

IBAN

BIC

UMR

Creditor ID

Mandatory SDD elements should be provided in the SDD messages as for a normal SDD collection. To make the link with the legacy mandate, please follow the migration brochure and given below at question F.

D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?

The creditor can choose its own UMR following the existing rules in the SDD Scheme

The mandate reference in combination with the Creditor ID needs to be a unique combination for as well the SEPA as for the legacy data.

The legacy mandate reference start with 'DOM80' followed with 12 figures extended with 6 figures. Example: DOM80123456789012123456

E) Creditor identifier - Does your community apply specific rules for the first collection following migration?

The Creditor should use its SDD Creditor Identifier. See EPC SDD Cred Identifier for more information.

F) Should the amendment indicator be used in the first collection following migration?

Yes

<AmdmntInd>true</AmdmntInd>

<AmdmntInfDtls>

<OrgnlMndtId>DOM80123456789012</OrgnlMndtId> -> DOM80 followed by the original reference (DOM80: existing local Direct debits)

<OrgnlCdtrSchmeId>

<Id>

<PrvtId>

<Othr>

<Id>DOM8000123456789</Id> -> DOM80 followed by the original reference

<SchmeNm>

<Prtry>SEPA</Prtry>

</SchmeNm>

</Othr>

</PrvtId>

</Id>

</OrgnlCdtrSchmeId>

</AmdmntInfDtls>

2. **Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

AM04: Insufficient Funds cannot be reported. R-trx for this reason is added to the rest part, MS03: Reason not specified.

3. **Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

These will be treated following the domestic rules. All new collections with due date after 01/02/2014 will be processed following SDD rules.

4. **“Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

It would help to add a reason code reflecting the limitation (on frequency or amount) put by the debtor was passed.

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community:

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)  
[The Czech Republic will not introduce euro as national currency before our mandatory SEPA End Date - 31<sup>st</sup> October 2016. The existing legacy mandates are related to national direct debits in CZK, so they will stay valid for our national transactions in CZK currency.](#)
- B) Sequence types - which sequence type is to be followed for the first collection following migration?  
[Migration of national transaction is not expected in the near future, the target date for adopting euro hasn't been set yet.](#)
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?  
[We don't have national DD in euro currency. Therefore only new mandates with all mandatory elements are/will be issued for SDD.](#)
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration? [No migration](#)
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration? [No migration](#)
- F) Should the amendment indicator be used in the first collection following migration? [No migration](#)

### 2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

[Czech rules for personal data protection and banking secrecy are quite strict. Therefore we find disputable to apply specific reason codes for r-transactions by the Debtor's bank \(currently only information about "Account not available" was used\). In our opinion there should be a sufficient justification - one general R-code "Unfulfilled conditions" and in such situation it is always recommended to contact debtor from creditor's initiative.](#)

### 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment -

How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)? [As we don't have national euro DD and 1<sup>st</sup> February 2014 is not the mandatory date for CZ, such collections will not appear.](#)

### 4. "Checking obligations" as described in Article 5(3)(d) of the SEPA Regulation - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation? [Currently we don't see a need for development of additional reason codes.](#)

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **Denmark**

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)
- B) Sequence types - which sequence type is to be followed for the first collection following migration?
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?
- F) Should the amendment indicator be used in the first collection following migration?

As we do not have a domestic direct debit scheme for euro transactions – and hence no migration of an existing DD scheme – the above does not apply. Should we at some point join the euro, however, there would be some challenges as our domestic DD scheme is based on other principles than the SDD. This also applies below.

- ### 2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

As far as we are aware, there are no legal restrictions on the use of R-transaction reason codes.

- ### 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

See answer to question 1 above.

- ### 4. “Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

We see no need for the development of additional reason codes, as existing codes can be used.

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community:

FINLAND / Overview note: the Finnish community will NOT migrate from legacy DD to SDD. (There will be a migration from legacy DD to E-invoicing-based service. SDD will be offered as a completely new product by individual banks that choose to do so.)

Therefore, most of the questions are not applicable to Finland or the answer is "no".

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)  
See above. The answer is "no" to both options. The Finnish legacy DD service will end on January 31, 2014. As of February 2014 there will be no legacy DD being offered in Finland. Therefore, Article 7 does not apply.
- B) Sequence types - which sequence type is to be followed for the first collection following migration?  
As there is no migration from legacy DD to SDD, the first SDD collection will always be "first".
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?  
See above - not applicable.
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?  
No.
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?  
No.
- F) Should the amendment indicator be used in the first collection following migration?  
Not applicable – no migration.

### 2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

All of the reason codes are applicable and none are permitted by law. No reason code usage rules have been created in the Finnish community.

### 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

As the legacy service will be terminated as of 31 Jan 2014, there will be no collections or R-transactions as of 1 Feb 2014. Therefore, this is a non-issue for the Finnish community.

4. **“Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

No. The Finnish community has not discussed the matter which indicates that no market need has been identified.



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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration initiating cross-border SDD collections.

- **Overview of migration rules per community: France**

1. Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)  
Legacy mandates can be migrated only for SEPA Core and not B2B.
  2. Sequence types - which sequence type is to be followed for the first collection following migration?  
The sequence type used for the first SDD migrated has to be first.
  3. SDD mandatory mandate elements that are not present in the legacy scheme – please identify these elements and the manner in which they are used in the first collection following migration?  
Unique Mandate Reference - UMR (refer to 4), creditor scheme Id (refer to 5).
  4. Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?  
The French creditors have proposed to begin the RUM with ++ when the SDD is migrated from legacy direct debit. The use of this rule is a decision of each creditor. Banks have no checking obligation for this element.
  5. Creditor identifier - Does your community apply specific rules for the first collection following migration?  
The SDD creditor scheme Id is differently structured than the legacy creditor scheme Id.  
In the normal case, the legacy creditor Id is embedded in the SDD creditor Id.
  6. Should the amendment indicator be used in the first collection following migration?  
The amendment indicator should be used in case where the SEPA creditor scheme Id is not based on the legacy creditor scheme Id, used for the previously sent of the national transaction.
- **Overview of legal limitations in the use of R-transaction reason codes** – Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?  
All reason codes foreseen in the RB can be used in France.
  - **“Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** – Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?



No need expressed currently.

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **Germany**

A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)

Similar to the EPC direct debit schemes there are two legacy debits debit schemes in Germany existing. Only direct debit mandates for the German core legacy direct debit scheme (“Einzugsermächtigungsverfahren”) can be migrated into direct debit mandates for the SEPA Core Direct Debit Scheme under the following conditions:

1. A valid direct debit mandate for the legacy scheme is existing.
2. The debtor bank has adjusted its Terms & Conditions for the payer regarding the migration rules for legacy mandates into SEPA Direct Debit Mandates
3. The creditor has informed the debtor about the further use of the legacy direct debit mandate as a SEPA Direct Debit Mandate, the Creditor Identifier, the Mandate Reference and the date of the switch.

B) Sequence types - which sequence type is to be followed for the first collection following migration?

Sequence type is **FIRST**

C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

1. Creditor Identifier - has to be applied by the Deutsche Bundesbank
2. Mandate Reference - will be issued by the Creditor
3. IBAN (instead of account number) - could be converted with tools/ software/ conversion services from the national bank account number and the national bank code
4. BIC (instead of national bank code) - could be converted with tools/ software/ conversion services from the national bank code or IBAN
5. Address of the Debtor - optional in the SDD dataset
6. Address of the Creditor - optional in the SDD dataset

D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?

No.

E) Creditor identifier - Does your community apply specific rules for the first collection following migration?

No.

F) Should the amendment indicator be used in the first collection following migration?

No.

2. **Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

The following r-transaction reasons codes will not be used by German Debtor banks due to data protection / banking secret/ consumer protection reasons:

MD07 Debtor deceased  
AG01 Direct debit forbidden on this account for regulatory reasons  
AM04 Insufficient Funds  
RR01-04 Regulatory reason

3. **Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

This question is out of scope of the EPC and the SEPA regulation.

4. **“Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

No, the current reason codes are sufficient.

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **Ireland**

A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)

**Response: Yes for Core, B2B will require new Mandates.**

B) Sequence types - which sequence type is to be followed for the first collection following migration?

**Response: First**

C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

**Response: Date of signing: The date the mandate is migrating to SEPA  
Unique Mandate Reference: a unique value to be generated by Creditor.**

D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?

**Response: No**

E) Creditor identifier - Does your community apply specific rules for the first collection following migration?

**Response: No -**

F) Should the amendment indicator be used in the first collection following migration?

**Response: No**

2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

**Response: None**

3. **Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

**Response: The national legacy scheme will accept 'R' transactions for a period of 13 months after migration.**

4. **"Checking obligations" as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

**Response: No formal discussion has taken place on additional reasons codes but it does make sense that reason codes should accurately reflect the reason for the reject / return / refusal particularly those related to the new checking obligations.**

## Local Migration Rules – Survey Programme Management Forum ABI RESPONSE FOR ITALY

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community:

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)

Yes, the rules laid down by the Italian banking community for the migration of existing legacy mandates (RID mandates) to SEPA apply to both Core and B2B SDD.

In case of migration to a SDD B2B collection of an authorized RID mandate, the obligation of the PSP to verify the information of the mandate with the debtor (in accordance with del SDD B2B Scheme Rulebook) is supposed to be fulfilled if at least one RID B2B collection related to that mandate has been debited before migration (but each bank is free to perform any additional check it deems necessary).

- B) Sequence types - which sequence type is to be followed for the first collection following migration?

The rules laid down by the Italian banking community require that the first SDD collection related to an existing RID mandate, allowing migration is defined as 'First'. This rule applies to both SDD Core and B2B.

However, only for the migration to SDD Core, on specific request of the creditor, the migration of RID mandates will be managed by the PSP of the debtor even if the first SDD Core collection is defined as 'Recurrent' (attribute AT-21- "The transaction type").

- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

No, there are no different mandatory elements in the RID **mandate** versus SDD mandate, considering the basic schemes.

- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?

To ensure continuity of direct debits related to existing RID mandates in the transition to SEPA, it is expected that the attribute AT-01 ("The Unique Mandate Reference") is filled using the

unique code that identifies a specific mandate, already today within the domestic direct debit, (the so-called 'coordinata d'azienda').

Creditors wishing to vary the "Unique Mandate Reference" with the first collection are required to fill the attribute AT-19 ("The unique Mandate reference as given by the original Creditor who issued the Mandate) with the 'coordinata d'azienda' and the attribute AT-01 with the new UMR.

No specific rule is set for new SDD mandates.

- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?

Since 2009, the Italian banking sector established that the "national identifier code" in the attribute AT-02 "The identifier of the Creditor" (positions from 8th to 23rd) is the Italian tax code of the creditor. Apart from this, no specific rule is set specifically for migration.

- F) Should the amendment indicator be used in the first collection following migration?

No.

2. **Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

There are no limitations with respect to the reason codes of R-transactions as defined by the Rulebook.

3. **Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

Analysis in this respect is ongoing.

4. **"Checking obligations" as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

No.



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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: Luxembourg

A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7): **YES**

The Creditor has the choice:

a. To migrate all existing (legacy) mandates to SDD Core (including mandates signed by a professional debtor)

Or

b. To migrate the existing (legacy) mandates signed by a consumer debtor to the SDD Core (by default) and to migrate all or part of mandates signed by “non-consumer” debtor to the SDD B2B.

B) Sequence types - which sequence type is to be followed for the first collection following migration?

The migration of the mandate is initiated via a FRST; if the migration is successful, the collection is processed under the migrated mandate.

The decision whether the legacy mandate is “migrated” or “not migrated” is taken by the debtor’s bank. If the migration of a legacy mandate has not been successful (field 2.49 and/or field 2.31 NOK), the creditor must resend a FRST with the migration specific fields.

C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

The date of signature of the legacy mandates to be migrated is set by default at 1 November 2009.

The current Creditor ID used under the legacy DD Scheme may be re-used and encapsulated in the SEPA Creditor ID (suggested solution – see also point E) below). But it is also possible to re-use and encapsulate any existing identifier (e.g. VAT no. or trade register no.) in the SEPA Creditor ID or to generate an incremental SEPA Creditor ID instead.

The Luxembourgish format contains already the main mandatory information. The major difference concerns the Debtor’s Bank BIC: the current format identifies banks with their bank codes in 4 digits, but there is a unique BIC associated with this local bank identifier.

For more information, please refer to the publicly available Migration scenario under following URL: [http://www.abbl.lu/sites/abbl.lu/files/wysiwyg/SEPA\\_MigrationScenarioSDD\\_Luxembourg-EN\\_v5.pdf](http://www.abbl.lu/sites/abbl.lu/files/wysiwyg/SEPA_MigrationScenarioSDD_Luxembourg-EN_v5.pdf)

- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration? **NO**.  
It is suggested inter alia to creditors to keep the current registration numbers (mandate reference), otherwise they will be obliged to use the Amendment Indicator = True.
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration? **NO**. In order to ease the migration process, the creditor may require a specific SEPA Creditor-ID in which the current legacy Creditor-id is encapsulated; in that case, there is no need to use the amendment indicator.
- F) Should the amendment indicator be used in the first collection following migration?  
If either one or both of the 2 suggested solutions mentioned under D) and E) are not respected, the creditor is obliged to use the flag Amendment Indicator = True for his FIRST migration collection based on a legacy mandate. For more information, please refer to the publicly available Migration scenario under following URL:  
[http://www.abbl.lu/sites/abbl.lu/files/wysiwyg/SEPA\\_MigrationScenarioSDD\\_Luxembourg-EN\\_v5.pdf](http://www.abbl.lu/sites/abbl.lu/files/wysiwyg/SEPA_MigrationScenarioSDD_Luxembourg-EN_v5.pdf)
- 2. Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?  
There is no legal text explicitly prohibiting to apply one or more of the R-transaction codes, but it is at the discretion of each individual bank not always to specify the precise reason of the reject/return (e.g. 'insufficient funds') if the usage of such a code is felt to be to the detriment of their customers.
- 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?  
R-transactions related to collections initiated prior to 1 February 2014 will be handled within the necessary time frame according to the rules and formats of the legacy DD scheme.
- 4. "Checking obligations" as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?  
**No**



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### 1. Overview of migration rules per community: **Netherlands**

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)
- B) Sequence types - which sequence type is to be followed for the first collection following migration?
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?
- F) Should the amendment indicator be used in the first collection following migration?

**Comment [CB1]:** For SDD Core scheme existing legacy mandates which are valid today will stay valid. For SDD B2B scheme new SEPA-mandates must be provided by Debtor

**Comment [CB2]:** First

**Comment [CB3]:** Usage rule; date of existing mandates that will be used after migration will be 1/11/2009.

**Comment [CB4]:** No, not for UMR

**Comment [CB5]:** No, not for CreditorID

**Comment [CB6]:** No, is not mandatory

- 2. **Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

**Comment [CB7]:** There are no legal limitations  
Special reason code usage: Not expected; still under investigation

- 3. **Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

**Comment [CB8]:** Possible 'Pipeline-effects' are still under investigation

- 4. **"Checking obligations" as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

**Comment [CB9]:** Probably

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community:

In Poland only 4 banks are participants of SDD EPC Scheme. These banks are 'connected' via their mother companies not via National Clearing House. There is no existing legacy scheme (beside EPC). The main reason of that is marginal use of direct debits (even in Polish currency). For this reason we don't have any migration plans yet. However, since last year we conduct cycle of meeting which main objective is to prepare new implementation plan (in relation with SEPA Regulation). Nevertheless we consider SEPA Regulation as an obligation for PSP to migrate to SEPA compliant instrument, not as an obligation to implement new instruments which are not offered by banks before. In our opinion it means that only banks which offer direct debit in Euro (but of course not only in EPC Scheme), will have to comply with SEPA Regulation in the requirements regarding direct debits.

Anyway, National Clearing House (KIR) plans to launch local SDD EuroElixir that will be SEPA compliant from the beginning. KIR has already launched the implementation project EuroELIXIR SDD and deadline for implementation is set to I / II quarter of 2014. The assumption for this project, in the first place, is to handle instrument in intra-system relation (between participant of EuroELIXIR system) but only a little bit later it will involve payment exchange with one of the EACHA house.

Regarding e-mandates, there is no solution for local payments yet. E-mandates will be implemented via KIR and most probably will be SDD compliant.

Local Migration Rules survey were consulted with representatives of 4 banks which handle EPC SEPA DD.

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)
- B) Sequence types - which sequence type is to be followed for the first collection following migration?
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?
- F) Should the amendment indicator be used in the first collection following migration?

2. **Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

3. **Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

4. **“Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

## Local Migration Rules – Survey Programme Management Forum

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **Portugal**

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7) **No, legacy mandates can be migrated only for Core.**
- B) Sequence types - which sequence type is to be followed for the first collection following migration? A legacy Mandate is always migrated by sending a First collection.
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration? **BIC, IBAN, Debtor Name, Sequence Type and Date of Signature (Mandate).** A legacy Mandate doesn't use a BIC and IBAN. Instead they use a local code for banks and a BBAN. Companies and Banks should convert these elements into BIC and IBAN, which is a relatively easy step (the portuguese IBAN can be obtained by adding the country portuguese ISO code (PT 50) to the BBAN code). Debtor Name is not present in legacy scheme, and if not available for the Creditor, "NOTPROVIDED" can be used. In first collection the use of Sequence Type will be easy, with codeword FRST.
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration? **No. Every UMR from legacy scheme can be used "as is" into SEPA Core. Until the end of 2014, for every First collection, a check is made at the Legacy Mandate Database, in order to check if it exists and it's valid**
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration? **No.**
- F) Should the amendment indicator be used in the first collection following migration? **No.**

### 2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

*There are no R-transaction reason codes in our community which are not permitted to apply by law.*

### 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

**Legacy systems will remain open only for these specific R-Transactions, for the necessary period (we are still analysing the need to cover the period for Refunds with no Mandate).**

### 4. "Checking obligations" as described in Article 5(3)(d) of the SEPA Regulation - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation? **Yes, as this are new and different obligations, they should have specific reason codes, otherwise generic codes will be used, disguising information for creditors and incrementing the need for additional information on rejection reasons.**

## Local Migration Rules – Survey Programme Management Forum

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **SLOVAKIA**

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7) **YES – valid for SDD Core, not for B2B mandates**
- B) Sequence types - which sequence type is to be followed for the first collection following migration? **RCUR**
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration? **(based on SDD Core v 6.0 b.5.17 ruleNo.3- data elements in the SDD Mandate)**
- UMR
  - Name of Debtor
  - Address of Debtor (not mandatory)
  - Account Nr. (IBAN) of the account to be debited
  - BIC of Debtor Bank
  - Identifier of Creditor
  - Name of the Creditor
  - Address of the Creditor (in pacs.003 mandatory if provided by Creditor in pain.008)
  - Date of signing of the Mandate
  - Signature(s) of the Debtor
  - Transaction type (on-off, recurrent)
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration? **YES – migration of Identification reference currently used in legacy scheme (local collections in Slovakia) to UMR (if available). If not available in legacy mandate, in first collection after migration will be stated “NotProvided”**
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration? **YES – automatic conversion legacy authorization for collection in debtor’s account to SDD, Debtor bank automatically fill up:**
- CID of creditor to legacy authorization for collection
  - mandate reference identical with current “Identification data”, if it is available in original authorization for collection
  - sequence type = **RCUR**
- in the first SDD after migration Debtor bank will compare Creditor’s CID and mandate reference in received SDD with the data in converted authorization for collection
- F) Should the amendment indicator be used in the first collection following migration? **YES – in Slovakia “FALSE”**

### 2. Overview of legal limitations in the use of R-transaction reason codes -Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what

special reason code usage rules does your community follow? **There are allowed all reason codes except AM04-Insufficient funds.**

**3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)? **There will be communication in paper form between debtor bank and creditor bank followed by settlement using credit transfer)**

**“Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation**-Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

**No proposal**



## Local Migration Rules – Survey Programme Management Forum

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community:

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7) In Slovenia, the migration of existing mandates from the National direct debit scheme to the Core SDD scheme has been already executed. According to the National scheme, which was abolished on 31 December 2012, the mandates were maintained at the Debtor Bank. In the course of migration, all data included in valid mandates were transferred via special infrastructure to Creditor Banks and then to Creditors. At the inter-bank level in the frame of The Bank Association of Slovenia, banks agreed to assume a unified structure and data set of valid mandates to be transferred to the Creditor. To realise the migration, each Creditor has to conclude a special contract for the migration of mandates. This contract regulates the transfer of mandates from Debtor banks to the Creditor. So the Creditor is able to make SDD according to the rules by managing SDD mandates.
- B) Sequence types - which sequence type is to be followed for the first collection following migration? All first SDD SEPA, including all migrated mandates as well, have to be styled as first SDD collection (marked FRST).
- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration? Slovenian Debtor Banks sent data of concluded mandates for direct debit information to Creditors electronically according to the National scheme rules. The following data about Debtor were exchanged: Debtor IBAN and a special Direct Debit Code (DB Code). On the basis of DB code, the Creditor could identify the Debtor in his records. At the migration of mandates (transfer of data from valid mandates) from Debtor Banks to Creditor Banks, Debtor information was added, according to the Inter-bank agreement and bringing into line with Information Commissioner. This information was used at the SDD collection.
- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration? At the process of migration, all Slovenian banks agreed the method of making unified code for migrated mandates. So the mandate data in the course of migration were completed according the agreement. Creditor could keep those data or replace them with his own unified mandate code (there is no rule agreed for making this code).
- E) Creditor identifier - Does your community apply specific rules for the first collection following migration? When the Creditor concludes the contract for executing SDD with the Creditor Bank, the Creditor Bank provides him Creditor Identifier, according to the rules agreed for modelling CI in Slovenia. This CI has to be stated on all SDD collections (those sent on the

basis of migrated mandates and those concluded as SDD mandates). The Creditor has to inform all Debtors, whose mandates were migrated from the National scheme to the SDD scheme, about the Creditor Identifier Code and about unified Mandate Code for SDD (for migrated mandates as well). This may be executed before migration or at the following information for SDD.

2. Should the amendment indicator be used in the first collection following migration? In the first collection after migration in all the following SDD collections, Creditor Identifier code, assigned to the Creditor at concluding the SDD contract, has to be stated.
  - **Overview of legal limitations in the use of R-transaction reason codes** - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow? In the frame of the SEPA project, SDD WG and Legal SG prepared a narrower R-transaction reason codes set, considering the Slovenian legislation in the area of protection of personal data. Slovenian banks were proposed to use the following narrower R-transaction reason codes set at Rejects, Refunds and Reversals:

	Code	Name	Definition
1	AC01	IncorrectAccountNumber	Format of the account number specified is not correct
2	AC04	ClosedAccountNumber	Account number specified has been closed on the Receiver's books
3	AC06	BlockedAccount	Account specified is blocked, prohibiting posting of transactions against it.
4	AG01	TransactionForbidden	Transaction forbidden on this type of account (formerly NoAgreement)
5	AM04	InsufficientFunds	Amount of funds available to cover specified message amount is insufficient.
6	AM05	Duplication	Duplication
7	MD01	NoMandate	No Mandate
8	MD02	MissingMandatoryInformationInMandate	Mandate related information data required by the scheme is missing.
9	MD06	RefundRequestByEndCustomer	Return of funds requested by end customer

10	MD07	EndCustomerDeceased	End customer is deceased.
11	MS02	NotSpecifiedReasonCustomer Generated	Reason has not been specified by end customer
12	MS03	NotSpecifiedReasonAgent Generated	Reason has not been specified by agent.
13	RR04	Regulatory Reason	Regulatory Reason
14	SL01	Specific Service offered by Debtor Agent	Due to specific service offered by the Debtor Agent

If the Creditor Bank receives other R-transaction reason codes from the Debtor Bank, those codes are forwarded to the Creditor as well.

- 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

The National scheme (Scheme NPI DB) was abolished on 31 December 2012. Till 1 February 2014, R-transactions generated before 31 December 2012, will be handled according to the Scheme NPI DB. As all collections, executed from 1 January 2013, are handled according to the SEPA SDD Scheme, we do not expect any R-transactions, sent before 1 February 2014 under the Scheme NPI DB.

- 4. “Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation? Using additional R-transaction reason codes connected to the Article 5(3)(d) of the SEPA Regulation, the Creditor could be provided with more detailed information of the reason for SDD collection Reject (par ex.: SDD amount exceeds SDD limit on the account, the SDD frequency does not match...). However, this information is not necessary urgent for untroubled SDD execution.

## Local Migration Rules – Survey Programme Management Forum

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community: **Spain**

- A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)

*Legacy mandates are valid for SDD core, so direct debits under a particular legacy mandate can be migrated to the SEPA direct debit core scheme, provided that they respect technical rules defined for this purpose. No migration to B2B since there is no specific legacy B2B direct debit scheme.*

- B) Sequence types - which sequence type is to be followed for the first collection following migration?

*One of the main conditions for migration of transactions from legacy to SEPA core is that they must have previously been processed under the legacy scheme. Since at least the first collection should have happened before migration, only recurrent (or final) is allowed for migrated direct debits.*

- C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

*The only element missing identified is the signature date, a conventional date has been defined to populate mandates elements for migrated collections.*

- D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?

*Mandate references are to be restructured according to SEPA format, but content should be equivalent to previous legacy reference.*

- E) Creditor identifier - Does your community apply specific rules for the first collection following migration?

*Just formal conversion from the local creditor identifier.*

- F) Should the amendment indicator be used in the first collection following migration?

*No.*

- ### 2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

*N/A.*

- 3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment** - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

*This question is still under evaluation.*

- 4. “Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation** - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?

*No.*

## Local Migration Rules – Survey Programme Management Forum

Circulation: PMF  
Restricted: Yes

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The aim of this survey is to provide an overview of community specific migration rules that need to be taken into consideration when initiating cross-border SDD collections.

### 1. Overview of migration rules per community:

A) Can existing legacy mandates be migrated to SEPA for both Core and B2B? (SEPA Regulation Article 7)

UK response: The UK does not operate a domestic euro direct debit scheme so there are no euro DD mandates to migrate.

B) Sequence types - which sequence type is to be followed for the first collection following migration?

UK response: No euro DDs to migrate so sequence type is not affected.

C) SDD mandatory mandate elements that are not present in the legacy scheme - please identify these elements and the manner in which they are used in the first collection following migration?

UK response: See response to 1A. No legacy scheme to migrate.

D) Unique Mandate Reference - Does your community apply specific UMR rules for the first collection following migration?

UK response: No as no euro DDs to migrate.

E) Creditor identifier - Does your community apply specific rules for the first collection following migration?

UK response: No as no euro DDs to migrate.

F) Should the amendment indicator be used in the first collection following migration?

UK response: No as no euro DDs to migrate.

2. Overview of legal limitations in the use of R-transaction reason codes - Please provide a list of R-transaction reason codes which your community is not permitted to apply by law and what special reason code usage rules does your community follow?

UK response: We are not aware of any legal limitations in the use of R-transaction reason codes in the context of SEPA direct debits. In other words, our view is that within the UK there is no legal restriction on what reason codes can or cannot be used.

3. Legacy DD Schemes R-transaction messaging formats to be used in post-migration environment - How will your community handle R-transactions generated after the migration deadline of 1 February 2014 for collections sent before this deadline under a legacy scheme (and data format)?

UK response: Not applicable as no legacy euro DD scheme.

**4. “Checking obligations” as described in Article 5(3)(d) of the SEPA Regulation - Do you see a market need for the development of additional reason codes in order to meet these requirements of the SEPA Regulation?**

UK response: Payment Council sought the views of its Members.

One Member provided comments as set out below.

“It would have been beneficial to have new reason codes introduced for use on an R-Transaction where a collection needed to be Rejected / Refused due to the customer invoking their rights as per Article 5.3(d). On reviewing the existing R-Transaction codes available as per the current scheme rules, our suggestion on the most logical reason codes to use in this scenario being as follows. It would be beneficial if best practice guidelines could be established around the correct codes to use if processing an R-Transaction due to meeting obligations under Article 5.3(d).

**RETURNS & REJECTS**

- AC06 – Account Blocked
- AG01 – Transaction forbidden for Regulatory Reasons
- MD01 – No valid mandate
- MS02 – Refusal by Debtor
- RR04 – Regulatory Reason
- SL01 – Due to specific service offered by Debtor.

**REFUNDS**

- MD01 – Unauthorised Transaction
- MD06 – Disputed authorised transaction

**REVERSALS**

- There does not appear in our view to be a specific suitable code so would probably use MS02 in practice if the scenario occurred.”

A second Member has commented on the above as follows:

“We agree that the introduction of more granular R message codes would help better inform creditors of the exact reasons for the return/refund and assist them in resolving issues with their debtors. This is particularly the case when these are linked to Article 5(3)(d) of the SEPA Regulation. The description “No valid mandate”, which is likely to be used in a majority of these cases, does not adequately describe instances where the return/refund has been initiated due to a specific debtor-lead block on a different amount and/or periodicity, or has black-listed the creditor.”

**5. Additional UK Comments**

From Member 1

Whilst the UK does not have a euro domestic DD scheme, and the majority of the questions do not apply to the UK Industry, many banks operate branches within other European jurisdictions and / or need to process SDD Payments using legacy mandate data. An understanding of the rules that will be applied across the Member States will be of benefit to the UK Industry and their customers. For example, a UK PSP could offer SDD Services at the moment for Cross Border payments, and have a customer in the UK wish to utilise the benefits afforded to them under the Regulation re consolidated Treasury/ Liquidity management and use one account for their Debits. They may

enquire about use of existing legacy mandates and having them applied to SDD collections now or at a future date, so guidance or information around any specific obligations could be of use, and would ensure the UK PSP is following Industry standards.

If this is the case, then comments in the context of the Local Migration Rules survey questions would be:

1A

- It would be beneficial if best practice guidelines could be established around some key elements if using a legacy mandate. Examples being:
  - Is there any requirement for PSPs to record on their records that information from a legacy mandate was used to generate the SDD mandate?

1B

- Expectation is that the sequence type as outlined under the existing SDD Scheme rules would be followed.

1C

- Best practice guidelines on how the information should be sourced – e.g. if information is missing, will it be compulsory to request a new SDD mandate to be completed, or will it be acceptable to request via other means, provided that all correct regulatory and data protection guidelines are adhered to?

1D

- Assumption would be that the UMR rules as specified within the SDD Scheme Rules would be followed.

1E

- Assumption is that rules would follow the existing SDD Scheme Rules

1F

This could be used as a way to indicate that the collection is a 1<sup>st</sup> collection using mandate information generated from a legacy mandate.

#### Additional Comments from Member 2

Each country has plotted its own SEPA migration path based on its existing DD scheme parameters, legal constraints and bank preferences. To a large extent countries are filling a void left by the lack of central migration guidance/requirements in the SEPA scheme rulebooks. Although these rules are known and understood at a country level, they are not easily obtained by a bank that is legitimately collecting cross-border into a country where it has no presence. In most cases this is in support of creditors who are centralising their own processes to collect from multiple countries into an account in a single country i.e. what was previously domestic is becoming cross-border. It would therefore be useful to have a central register of all migration rules/requirements that apply domestically and those that apply when collecting cross-border, if different. An example of this is whether the first SEPA collection post migration is coded as a first or a recurrent collection.