SEPA Direct Debit Rulebook changes

On 20 November 2016, new versions of the SEPA Direct Debit (SDD) Core Rulebook 9.1 and the SDD B2B Rulebook 7.1. will be published by the European Payment Council. In these new versions significant changes have been implemented that will become effective as of that date. In the tables below the three changes are described in detail, which will give more insight in the impact on direct debit.

1. Change	Simplification usage of sequence types
Applicable to	SEPA Direct Debit Core and B2B.
Short explanation	The current requirement of indicating the sequence type "FRST" will no longer be mandatory.
Description	All recurring direct debits can be initiated with sequence type "RCUR".
Impact on direct debit process	No longer requiring a specific sequence type for first time SDD's provides a general simplification of the rules taking one of the variables out. But this is not mandatory. In case you choose to continue using "FRST" you can do so without alteration. In case you only want to use RCUR as from 20 November 2016 this could have consequences for your ERP systems.
Documentation	SDD timelines and How to handle r-messages on www.ingwb.com/pcm

2. Change	Improvement standard time cycle for Core mandates (making COR1 redundant)
Applicable to	Initiation of SEPA Direct Debit Core.
Short explanation	Core collections can be presented interbank up to one business day prior to the due date.
Description	Current standard time cycles for SDD Core are 5 and 2 interbank business days. On these days, prior to the due date for interbank presentation, a debtor's bank must receive the request for a first, one-off and/or recurrent direct debit collection. The related Cut off Time is D-6 for a first / one-off and D-3 for recurrent 23:00 hours (for Slovakia the Cut off Time is 17:00 hours). With the rulebook changes the standard time cycle will be shorter i.e. only one interbank business day before the due date direct debits must be received by the debtor bank. The time cycle will be the same as the current B2B time cycle and COR1 (Germany, Austria and Spain) time cycle.
Impact on direct debit process	• The Commercial Cut off Time (COT) for initiating SEPA Direct Debit Core will be: D-2 23:00 hours (for Slovakia the Cut off Time is 17:00 hours) for first time, recurrent or one-off transactions. These COT's are the same as SEPA Direct Debit B2B and COR1. • The 'COR1' option will no longer be supported. The attribute 'The Identification Code of the SEPA Direct Debit Scheme' for SDD Core collection will always be 'CORE' instead of 'COR1'. This should be adjusted in case COR1 is coded in ERP systems. If the SDD is manually initiated 'CORE' instead of 'COR1' should be selected in the screen. As a creditor you will have the advantage of more time to plan for SDD's. However there is less time for a 'request for cancellation' in case of an error during initiation. If you would like to continue using the current timelines this is possible after 20 November.
Documentation	SDD Cut off Times and SDD timelines on www.ingwb.com/pcm

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3. Change	Simplification of indicating a different IBAN in case the clients debtor changes account
Applicable to	SEPA Direct Debit Core and B2B.
Short explanation	The code SMNDA will be defined as 'Same Mandate with a New Debtor Account' to indicate a different IBAN (account).
Description	The European SEPA Regulation n° 260/2012 stipulates the so-called 'IBAN only' rule: the BIC does not have to be provided anymore as of February 2016. The code SMNDA ('Same Mandate New Debtor Agent') is currently used by a creditor to indicate that the debtor amended the mandate debtor account i.e. he asked to be debited on a payment account held at another debtor bank - read: another BIC. As the amended mandate may not indicate the BIC anymore, you as a creditor will not always be able to determine whether or not the debtor bank has changed. Therefore, the code SMNDA will be defined as 'Same Mandate with a New Debtor Account' to indicate a different IBAN.
Impact on direct debit process	• In case SMNDA is used this should be inserted in the tag <OrgnlDbtrAcct> instead of in the tag <OrgnlDbtrAgt> in pain008 where it is currently used. • In the document 'mandate amendment' you can find the instructions on the usage of SMNDA in case your debtor changes account within the same bank or changes accounts between banks.
Additional notes	To support flawless execution ING will replace SMNDA from tag <OrgnlDbtrAgt> to the correct tag <OrgnlDbtrAcct>.
Documentation	C2B Implementation Guidelines of SDD Core and B2B and Mandate Amendments document.

More information
If you have any questions regarding these change, please consult your relationship manager.

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