



SEPA – the new European payments system.

Recommendations
for switching to
SEPA payments.

*Statutory
requirement
as from
2 August 2014.*

3/2021

Banking that matters.

 **Bank Austria**
Member of  **UniCredit**

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Objectives of SEPA.

One of the aims of Economic and Monetary Union is the creation of the single market within the European Union. The third stage of Economic and Monetary Union – the introduction of a single currency, the euro – is linked to the political goal of creating the Single Euro Payments Area, or SEPA, as part of this single market. The core of SEPA comprises the current eurozone countries. The other EU Member States, together with Norway, Iceland, Liechtenstein, Monaco, Switzerland and San Marino, will also be included with their euro-denominated payments.

The European banking industry will therefore combine the goal and the challenge of making viable payment instruments for bulk payments available to consumers and corporate customers throughout Europe on comparable terms. Realising SEPA is thus a strategic project for the entire European banking industry.

The future of European payments.

- With a single format.
- With transparent prices throughout Europe.
- With fixed periods/terms.
- With a harmonised legal framework.
- With cross-border direct debits in Europe.
- With UniCredit.

SEPA not only impacts on cross-border payments within Europe, but also on almost every payment currently handled within national procedures.

We are here to help you!



Take advantage of our extensive network in Central and Eastern Europe, our branches and representative offices in the most important financial centres round the world and our partnerships with approximately 4,000 correspondent banks.

Creation of SEPA.

Initiative by European committees.

European finance and economics ministers reached an agreement on the Payment Services Directive (PSD) in March 2007. The Directive regulates all payments in European currencies in Europe (and thus also existing systems and processes). The PSD therefore constitutes the legal framework for SEPA and is at the same time a key requirement for legal certainty, particularly for the new European direct debit procedure.

The PSD was adopted by the European Parliament and took effect on 1 November 2009. Switzerland also endorses SEPA to the extent that it will adapt its legal system to the SEPA requirements. The PSD was implemented in Austria in 2009 through the Austrian Payment Services Act (Zahlungsdienstegesetz – ZaDiG).

Implementation by the European Payments Council (EPC).

European banks have adopted the SEPA scheme via the European Payments Council (EPC) and have undertaken to implement the scheme through self-regulation.

UniCredit Bank Austria AG is actively involved in the work of the EPC via the Austrian Payments Council (APC). The EPC has adopted the key resolutions.

These constitute the basis for the operational implementation and realisation of SEPA by the banks:

The SEPA Rulebooks for

- SEPA Credit Transfers (SCT) and
- SEPA Direct Debits (SDD),
- SEPA Card Framework
- and the SEPA Implementation Guidelines, based on ISO 20022.

Timeframe.

January 2008.

SEPA Credit Transfers have been available since 28 January 2008. Almost all banks are now reachable for SEPA Credit Transfers (SCT).

November 2009.

It was made compulsory for all banks in eurozone countries to be reachable for SEPA Direct Debit Core (SDD Core). SEPA Direct Debit Business to Business (SDD B2B) may also be used as an optional procedure.

February 2012: EU resolution on final implementation.

On 28 February 2012 the EU reached a decision on the final implementation of SEPA. This determined the next stages for harmonising payment services within the EU single market and focused even more on highlighting the advantages of SEPA. By 1 February 2014 at the latest, Austria along with all other eurozone countries must have adopted appropriate SEPA instruments to replace their national procedures for domestic bulk payments and for euro bulk payments within the eurozone.

April 2013.

Austrian banks make the optional shorter time cycle for SEPA Direct Debits (SDD COR1) available from April 2013.

2014.

SEPA instruments to replace all bulk payments in euros in eurozone countries. From this date

- payments in EEA countries must be requested on the basis of IBAN/BIC data; requests made electronically must be in compliance with ISO 20022.
- payments within Austria must be requested on the basis of IBAN data (BIC is optional); requests made electronically must be in compliance with ISO 20022, while the new form (PAYMENT ORDER, "ZAHLUNGSANWEISUNG") must be used for paper-based orders.
- all banks in the eurozone must be reachable for SEPA Credit Transfers (SCT) and for SEPA Direct Debits (SDD Core).
- existing direct debit and pre-authorised payment mandate procedures in Austria must be replaced by SEPA Direct Debit/SEPA Direct Debit B2B.
- electronic account statements (MT940/942) and return data storage media will be made available in ISO 20022 formats (camt.052, camt.053, camt.054).

February 2016.

SEPA payments can be requested for the entire EEA (EU, Iceland, Norway and Liechtenstein) with only an IBAN, no BIC required.

November 2016.

All banks must be reachable for the system and bulk payments in euros must be switched to SEPA in non-eurozone countries.

Overview of SEPA.

Geographical scope of SEPA.

Area	BIC-ISO code	IBAN-ISO code	Currency code	EU Pricing Regulation	PSD	SEPA
Åland Islands	FI	FI	EUR	●	●	●
Albania ¹⁾	AL	AL	ALL	–	–	–
Andorra	AD	AD	EUR	–	–	●
Belgium	BE	BE	EUR	●	●	●
Bosnia and Herzegovina ¹⁾	BA	BA	BAM	–	–	–
Bouvet Island	BV	–	NOK	–	–	–
Bulgaria	BG	BG	BGN	●	●	●
Denmark	DK	DK	DKK	●	●	●
Germany	DE	DE	EUR	●	●	●
Estonia	EE	EE	EUR	●	●	●
Faroe Islands	FO	FO	DKK	–	–	–
Finland	FI	FI	EUR	●	●	●
France	FR	FR	EUR	●	●	●
French southern and Antarctic regions ²⁾	TF	FR	EUR	–	–	–
French Guyana ²⁾	GF	FR	EUR	●	●	●
French Polynesia ²⁾	PF	FR	XPF	–	–	–
Gibraltar	GI	GI	GIP	●	●	●
Greece	GR	GR	EUR	●	●	●
Greenland	GL	GL	DKK	–	–	–
United Kingdom of Great Britain and Northern Ireland	GB	GB/IE	GBP	–	–	●
Guadeloupe ²⁾	GP	FR	EUR	●	●	●
Guernsey	GG	GB/FR	GBP	–	–	● ⁴⁾
Ireland	IE	IE	EUR	●	●	●
Iceland ³⁾	IS	IS	ISK	●	● ⁵⁾	●
Italy	IT	IT	EUR	●	●	●
Jersey	JE	GB/FR	GBP	–	–	● ⁴⁾
Kosovo subject to UN Resolution 1244 ¹⁾	–	–	(EUR)	–	–	–
Croatia	HR	HR	HRK	●	●	●
Latvia	LV	LV	EUR	●	●	●
Liechtenstein	LI	LI	CHF	●	● ⁵⁾	●
Lithuania	LT	LT	LTL	●	●	●
Luxembourg	LU	LU	EUR	●	●	●
Malta	MT	MT	EUR	●	●	●
Isle of Man	IM	GB	GBP	–	–	● ⁴⁾

1) Potential candidate for accession to European Union.

2) IBAN and BIC country codes do not have to match, "FR" may also be used.

3) Candidate for accession to European Union.

4) Valid from 1 May 2016.

5) As a member of the EEA this country has recognised the legal validity of the PSD (or will recognise it).

Geographical scope of SEPA.

Area	BIC-ISO code	IBAN-ISO code	Currency code	EU Pricing Regulation	PSD	SEPA
Martinique ¹⁾	MQ	FR	EUR	●	●	●
Mauritius	MU	MU	MUR	–	–	–
Mayotte ¹⁾	YT	FR	EUR	●	● ²⁾	● ³⁾
Former Yugoslavian Republic of Macedonia	MK	MK	MKD	–	–	–
Monaco	MC	MC	EUR	–	–	● ⁴⁾
Montenegro ⁵⁾	ME	ME	EUR	–	–	–
New Caledonia ¹⁾	NC	FR	XPF	–	–	–
Netherlands	NL	NL	EUR	●	●	●
Norway	NO	NO	NOK	●	● ⁶⁾	●
Austria	AT	AT	EUR	●	●	●
Poland	PL	PL	PLN	●	●	●
Portugal (including the Azores, Madeira)	PT	PT	EUR	●	●	●
Réunion ¹⁾	RE	FR	EUR	●	●	●
Romania	RO	RO	RON	●	●	●
San Marino	SM	SM	EUR	–	–	● ⁷⁾
Sweden	SE	SE	SEK	●	●	●
Switzerland	CH	CH	CHF	–	–	●
Serbia	RS	RS	RSD	–	–	–
Slovakia	SK	SK	EUR	●	●	●
Slovenia	SI	SI	EUR	●	●	●
Spain (including Ceuta and Melilla, Canaries)	ES	ES	EUR	●	●	●
Spitzbergen (Svalbard and Jan Mayen)	SJ	–	NOK	–	–	–
St. Barthélemy ¹⁾	BL	FR	EUR	●	●	●
St. Martin ¹⁾ (French-speaking section)	MF	FR	EUR	●	●	●
St. Pierre and Miquelon ¹⁾	PM	FR	EUR	–	–	● ³⁾
Czech Republic	CZ	CZ	CZK	●	●	●
Turkey ⁵⁾	TR	TR	TRY	–	–	–
Hungary	HU	HU	HUF	●	●	●
Vatican City	VA	–	EUR	–	–	●
Wallis and Futuna ¹⁾	WF	FR	XPF	–	–	–
Cyprus	CY	CY	EUR	●	●	●

1) IBAN and BIC country codes do not have to match, “FR” may also be used.

2) Joined the European Union on 31 March 2011.

3) According to the decision of the European Payments Council adopted in June 2009.

4) According to the decision of the European Payments Council adopted in March 2009.

5) Candidate for accession to European Union.

6) As a member of the EEA this country has recognised the legal validity of the PSD (or will recognise it).

7) According to the decision of the European Payments Council adopted in December 2013.

Source: BDB Banking Association, 14 March 2012

Every month, the European Payments Council (EPC) publishes a list of banks already participating in SEPA. This list contains the names and addresses of all banks and the BICs of their head offices.

EBA (European Banking Association), the clearing house, makes a list (directory) available comprising the BICs of all the banks that are reachable for SEPA payments (www.ebaclearing.eu under STEP2, SEPA participants by procedure). Additional information on BICs can be found on page 11.

New standards for euro payments.

Harmonised, simplified rules already exist for the most frequently used payment products – credit transfers (SCT) and direct debits (SDD) – for cross-border payments between SEPA countries. It makes no difference whether the transaction takes place inside Austria or between Austria and France, for example. These rules are set forth in EU Regulations (including 260/2012 and 924/2009), in the EU Payment Services Directive (PSD), in local laws (including the Austrian Payment Services Act) as well as in the Rulebooks and interim bank agreements. These relate to technical requirements (e.g. formats), minimum criteria regarding the acceptance and execution of a payment order as well as execution times, rights of return, processing of returns, etc.

Countries outside the European Union have also adopted SEPA standards for euro payments on an optional basis (e.g. Switzerland and Monaco, see table on pages 8–9).

Breakdown of IBAN in Austria.

Each IBAN in Austria comprises 20 alphanumeric characters: characters 1–2 are the country code AT and characters 3–4 are the check digits, which are followed by your Austrian routing code and account number.

Check digits: 2 characters Account number: 11 characters

IBAN EmpfängerIn

A T 3 9 1 1 0 0 0 0 1 2 4 0 1 1 6 2 0 0

AT: Austria Bank identifier code: 5 characters

Country code:	AT
Check digits:	39
Bank identifier code (may not be changed):	11000
Account number:	01240116200
The IBAN reads:	AT39 11000 01240116200

An IBAN identifies a given account in Austria. It is issued by the bank where the account is held.

We advise against using IBAN calculators available on the Internet. While these result in an IBAN that is mathematically accurate, it may still not be recognised as correct by the bank which maintains the account.

More details on the structure of the different IBAN formats in other countries can be found under the IBAN examples.

Examples of IBANs in different countries.

Country	Characters	Example (fictitious):
Belgium	16	BE68 5390 0754 7034
Bulgaria	22	BG80 BNBG 9661 1020 3456 78
Denmark	18	DK50 0040 0440 1162 43
Germany	22	DE89 3704 0044 0532 0130 00
Estonia	20	EE38 2200 2210 2014 5685
Finland	18	FI21 1234 5600 0007 85
France	27	FR14 2004 1010 0505 0001 3M02 606
Greece	27	GR16 0110 1250 0000 0001 2300 695
UK	22	GB29 NWBK 6016 1331 9268 19
Ireland	22	IE29 AIBK 9311 5212 3456 78
Iceland	26	IS14 0159 2600 7654 5510 7303 39
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 MTLCASTO 01S
Netherlands	18	NL91 ABNA 0417 1643 00
Norway	15	N093 8601 1117 947
Austria	20	AT61 1904 3002 3457 3201
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
Sweden	24	SE12 1231 2345 6789 0123 4561
Switzerland	21	CH93 0076 2011 6238 5295 7
Slovakia	24	SK31 1200 0000 1987 4263 7541
Slovenia	19	SI56 1910 0000 0123 438
Spain	24	ES91 2100 0418 4502 0005 1332
Czech Republic	24	CZ65 0800 0000 1920 0014 5399
Hungary	28	HU42 1177 3016 1111 1018 0000 0000
Cyprus	28	CY17 0020 0128 0000 0012 0052 7600

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

BIC – Bank/Business Identifier Code (SWIFT code) at Bank Austria.

Bank designation: 4 characters (e.g. BKAU for Bank Austria)	Place/region designation: 2 characters (e.g. WW for Vienna)
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BIC (SWIFT-Code) der Empfängerbank

B K A U A T W W X X X

Country: 2-character ISO code of the country (e.g. AT for Austria)	Branch designation: 3 further characters
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Bank designation:	BKAU
Country:	AT
Place/region designation:	WW
Branch designation:	XXX
The BIC reads:	BKAUATWWXXX

The BIC is the Bank/Business Identifier Code and is the code assigned to the bank. It is required to ensure your payment arrives, and breaks down as follows:

BKAUATWW

A BIC comprises 8 or 11 characters, and the bank at the head office location is represented by the first 8 characters of the BIC, and the remaining 3 characters give the branch code, if any.

The first 4 characters reveal the name of the bank, e.g. BKAU for Bank Austria. The next 2 characters comprise the ISO code of the country (i.e. AT for Austria), and the following two characters identify the location of the bank (WW for Vienna). The final 3 characters can designate the branches of the head office.

The BIC must be provided exactly as stated by your business partner to ensure your payment order is executed.

In some BIC registers the main 8-character portion is supplemented with XXX at the end to make 11 characters. This means that all the branches under the head office are reachable with the 8-character BIC.

Please note:

Since a BIC containing “XXX” at the end does not represent any specific branch of the bank, this should definitely be omitted in payment instructions and only the first 8 characters of the BIC should be given.

IBAN/BIC conversion service.

In preparation for SEPA, we offer our corporate customers a conversion service for all Austrian accounts.

The account number/bank routing code is supplemented with the IBAN/BIC and account status information.

To this end, the account data must be supplied in a standard format specified by STUZZA.

More information is available on the STUZZA website, www.stuzza.at -> IBAN/BIC -> IBAN Conversion.

Bank Austria customers can deliver their information by e-mail, on a pen drive or using some other medium in CSV format.

IBAN only.

From 2014, the use of BIC codes will no longer be necessary for domestic payments; from 2016 this shall also apply for cross-border payments throughout the whole of the EEA. To be safe, however, we recommend keeping the BICs of your business partners up-to-date and including them on payment instructions, as they may still be required for non-SEPA payments (e.g. express payments).

You benefit from having efficient, standard data records that are always up-to-date.

New payment instruments.

SEPA Credit Transfer.

This will replace the various national and cross-border procedures and formats currently used for euro payments within the eurozone with uniform standards. In the long term, the ISO 20022 format will also be used worldwide, also for non-SEPA payments.

One key criterion for SEPA payments is the mandatory use of an IBAN. A new form, "PAYMENT ORDER" (ZÄHLUNGSANWEISUNG), has been used throughout Austria since 2008 for paper-based SEPA Credit Transfers.

SEPA Direct Debit Core.

This is an innovation in the area of cross-border payments in Europe as no standardised direct debit procedure has previously been available.

SEPA Direct Debit B2B.

The SEPA Direct Debit Business to Business scheme (SDD B2B) has been introduced to complement the SEPA Direct Debit Core scheme (SDD). It facilitates the collection of payments solely between non-consumers/companies.

Electronic account statements in ISO 20022 format.

As part of the SEPA payments system, there is a range of information available that is forwarded from the originator to the creditor/debtor. The amount of mandatory data required to execute a payment is also greater than before. One of the key advantages of SEPA is the smooth forwarding of this information through the entire processing chain.

ISO 20022 formats camt.052, camt.053 and camt.054 are available for the electronic provision of information to customers. These will replace the message formats of MT940, MT942 and the EDIFACT return data storage media (CREMUL/ DEBMUL).

Changes in "paper-based payments".

The new forms for ordering SEPA payments on paper are available at Austrian banks. The payment order replaces the existing payment slips, forms and transfers based on account numbers and bank routing codes.

Using the payment order, domestic euro transfers can be requested on paper from Austrian accounts using an IBAN, and after adding the BIC details, also transfers to all other European SEPA countries (including Monaco and Switzerland).

When national payment service procedures are discontinued, the payment slips, forms and transfer slips used in Austria with bank routing codes and account numbers will no longer be valid; this means that payment instructions will only be accepted by Austrian banks on the "ZÄHLUNGSANWEISUNG" form (with an IBAN).

In the interests of ensuring a quick and smooth changeover we recommend that our corporate customers using payment slips should take the first step as soon as possible. In order to ensure that no old payment slips are circulating in 2013, we recommended customers to stop using such forms at the end of 2012, and the payment order (IBAN/BIC) should be printed and issued instead.

The rapid introduction of payment orders for transfers will encourage the use of IBAN and BIC among the general public and thereby shorten the time for switching to SEPA.

At the same time, using the payment order is a requirement for creditors in order to ensure a consistent conversion of payments and internal processes to SCT and SDD.

Requests for the printing of traditional payment slips will now only be accepted in exceptional cases. Thus for customers who process their payments on paper, we recommend they change their stocks of forms as quickly as possible, or alternatively, switch to electronic payments.

SEPA products in detail.

SEPA Credit Transfer.

The standards apply to all credit transfers in euro within SEPA, regardless of the amount.

The key features of SEPA Credit Transfers are:

- The original amount is forwarded without any deductions, any charges will be debited separately.
- Only payments in euros are permitted.
- The originator and the beneficiary pay their own costs ("SHA").
- Guaranteed maximum processing time of 1 bank business day until the amount is credited to the beneficiary's account.
- Uniform standards and data formats throughout Europe facilitate automation and the issuance of instructions.
- The EU Pricing Regulation only applies to payments within the EU/EEA.
- Uniform standards, also for returned payments.

SEPA Direct Debit Core.

SEPA Direct Debit Core requires a SEPA mandate. The debtor authorises the creditor to collect payments. The bank maintaining the account is directed to carry out the debit instructions and debit the relevant account. The debtor bank is not obliged to check the mandate.

Key features of SEPA Direct Debit Core:

- This is a new procedure for the collection of payments.
- Every creditor needs a uniform, standardised identification number (creditor ID), which in Austria can be requested from Bank Austria and is issued by Austria's central bank (Oesterreichische Nationalbank – OeNB).
- An authorised mandate is required to collect a SEPA Direct Debit. The mandate data are provided in the transaction.
- The due date for payment under a SEPA Direct Debit (specified by the creditor when the mandate is given and agreed with the debtor) is also the date on which the debtor's account is debited with the amount.
- Pre-notification: The creditor undertakes to inform the debtor of the amount of the debit and the payment date in a suitable form, e.g. an invoice specifying the due date, no later than 14 days before the SEPA Direct Debit (debtors and creditors can agree on another deadline).

- The creditor must forward the direct debit instructions in a timely manner, so that the file is available to the debtor bank at least 5 days (TARGET days) before the due date in the case of an initial or a single (one-off) direct debit collection, and at least 2 days before the due date in the case of recurring direct debit collections. From April 2013, a shorter period of 1 day before the due date is possible for the submission of direct debits within Austria.
- The debtor can reverse a SEPA Direct Debit payment within a period of 8 weeks from the debit date.
- If there is no valid mandate, the payment can be returned within a period of 13 months.
- Uniform procedures and standards for reversals.
- When a direct debit payment is returned, the customer's reference is displayed again in a pre-defined field.

SEPA Direct Debit Business to Business (B2B).

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

- B2B collections are only made between non-consumers/ companies.
- The mandate must be a separate SEPA B2B Direct Debit B2B Mandate.
- The mandate must be forwarded to the debtor bank no later than 1 day before the due date, and reversed no later than 1 day before the due date.
- The debtor bank must check the Direct Debit B2B against the SEPA Direct Debit B2B Mandate (this must be held by the bank).
- No refund permitted at the request of the customer.
- The debtor bank can return the direct debit within 2 days after the due date.

SEPA Direct Debit – SEPA Direct Debit B2B comparison.

	SEPA Direct Debit (SDD Core)	SEPA Direct Debit B2B (SDD B2B)	SEPA Direct Debit D-1 (planned)
Reachability of banks	Debtor banks must be reachable throughout the entire eurozone if national direct debit products are offered.	Optional	All Austrian banks, otherwise optional
Applicability	For consumers and companies without restriction	Only for companies / non-consumers	For consumers and companies without restriction
Time cycle for submission	<ul style="list-style-type: none"> – 5 days before the due date for the first submission and one-off submissions to the debtor bank (6 days to the creditor bank) – 2 days before the due date for recurring submissions to the debtor bank (3 days to the creditor bank) – 1 day before the due date to the debtor bank 	1 day before the due date to the debtor bank (2 days to the creditor bank)	1 day before the due date to the debtor bank (2 days to the creditor bank)
Right of return	56 calendar days, without giving reasons. 13 months (for companies, 3 months) if there is no authorisation (mandate).	No right of return	56 calendar days, without giving reasons. 13 months (for companies, 3 months) if there is no authorisation (mandate).

SEPA Direct Debit procedure.

This procedure is based on the four-corner model (agreed by EPC), where the four participants represent the cornerstones:

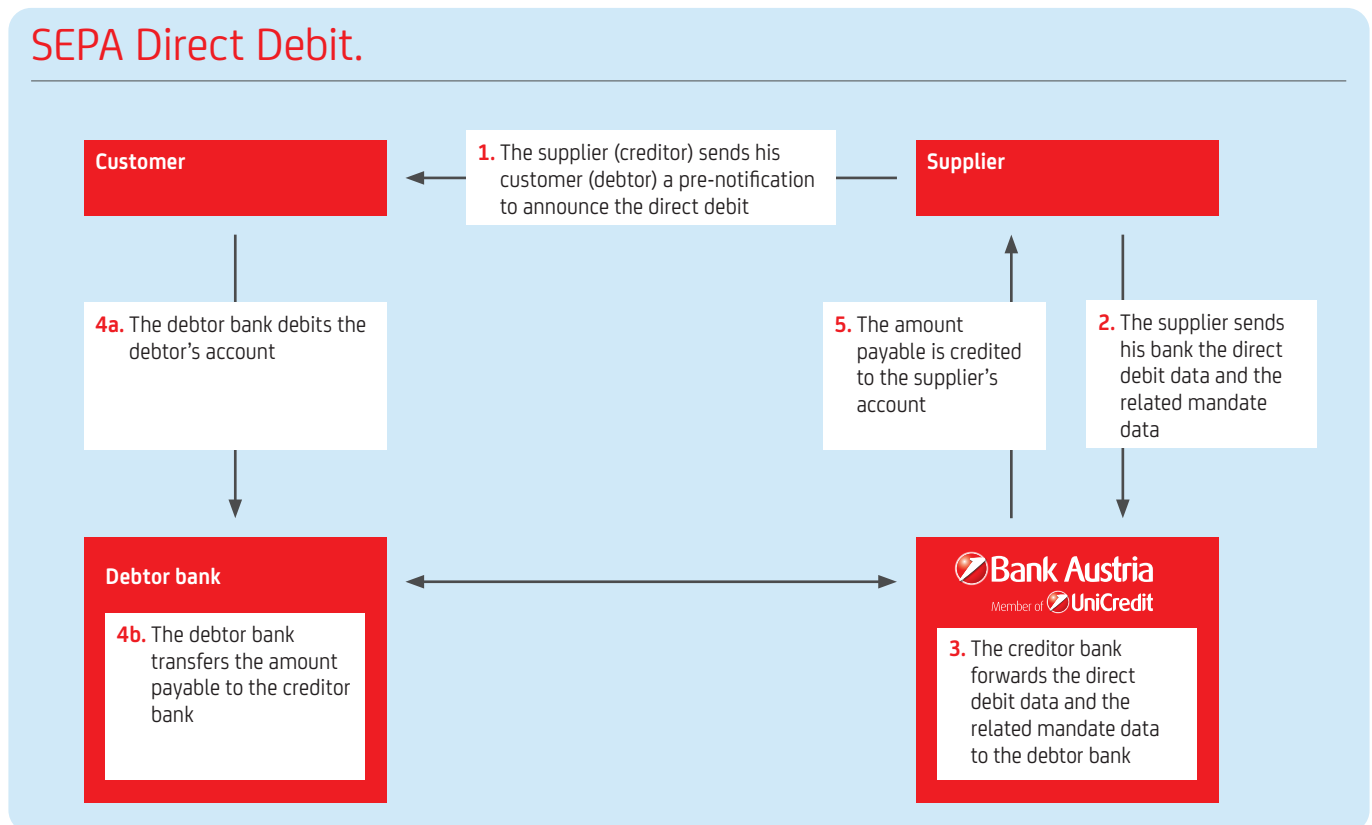
- the creditor,
- the debtor,
- the creditor bank,
- the debtor bank.

The mechanisms for clearing (sending, forwarding and receipt of direct debit data between banks) and settlement (settlements between banks) play an intermediate logistics role.

The settlement of the direct debit on the creditor's and debtor's accounts takes place on the same day (one exception to this rule, for example, is cross-border direct debits on national holidays, where no payment transactions are executed) and is predetermined by the due date upon the submission of the direct debit by the creditor.

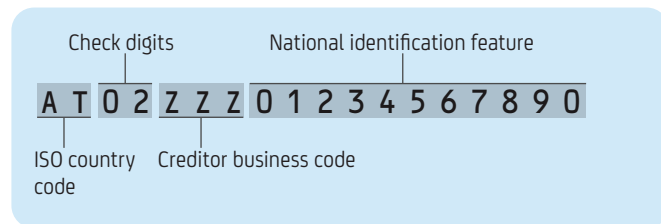
The clearing and settlement mechanisms ensure that all the direct debit data are delivered in a timely manner before the due date to all the clearing houses and banks and that the direct debit can be settled simultaneously on the due date in all places. For this purpose, the time cycles (submitted to the debtor bank) are set internationally depending on the procedure.

These time cycles and the processing times produce the cut-off times for the submission of the direct debits at the creditor bank.



The Austrian creditor identifier (CID).

Creditors are registered with a uniform, clear and standardised identification number (creditor identifier) throughout the entire SEPA area.



- Characters 1–2 are the ISO country code for Austria (AT) as the country which issues the creditor ID.
- Characters 3–4 are the check digits, which are calculated in the same way as the IBAN check digits (ISO 13616).

This identification number is indispensable for

- the agreement for debiting payments under the SEPA Direct Debit procedure at Bank Austria.
- the issuance of SEPA Direct Debit Mandates and SEPA Direct Debit B2B Mandates.
- the submission of SEPA Direct Debit and SEPA Direct Debit B2B collections.

You can request your creditor identifier at Bank Austria. They are issued by the Austrian central bank (OeNB). Creditor IDs already issued (e.g. from Germany) can also be used in Austria.

The SEPA mandate.

SEPA Direct Debit Core and SEPA Direct Debit B2B payments cannot be collected without a valid SEPA mandate from the debtor containing the following pre-defined elements valid across the EU.

- Designation: "SEPA Direct Debit Mandate/SEPA Direct Debit Business to Business Mandate".
- Mandatory elements in German for domestic Austrian mandates, and in the national language supplemented with English for use internationally.
- Clear mandate reference.
- Creditor identifier (CID).
- Name and address of creditor.
- Name and address of debtor.
- Account details of debtor with BIC and IBAN.
- Place, date and signature of debtor.

As the SEPA Direct Debit Mandate and the SEPA Direct Debit Business to Business differ in regard to their use, wording and legal nature, one cannot be exchanged for the other.

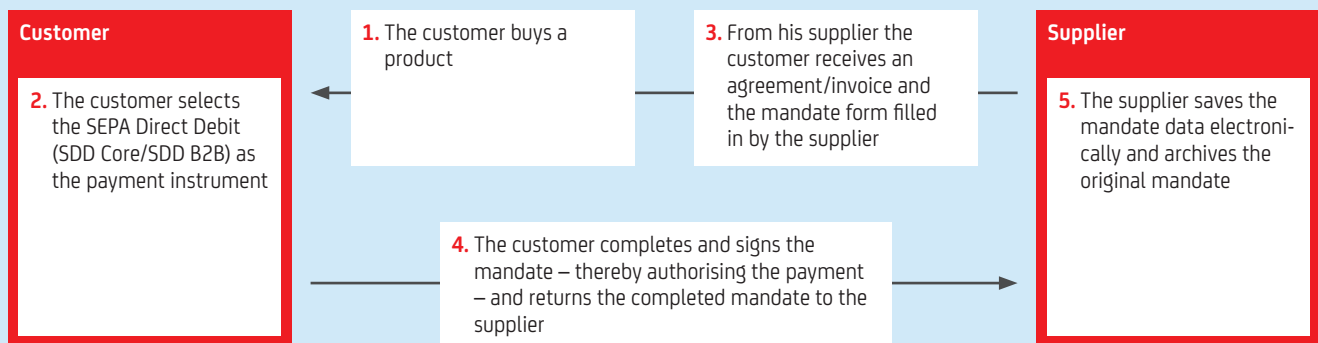
SEPA Direct Debit and SEPA Direct Debit B2B Mandates can currently be issued on paper only; an electronic mandate (e-mandate) is planned for 2014.

The creditor is obliged to keep the mandate and present it to the creditor bank upon request.

SEPA mandates can be revoked by the debtor vis-à-vis the creditor at any time.

The debtor's bank must be notified of a reversal of a SEPA Direct Debit B2B Mandate before it receives the next direct debit.

SEPA mandate.



Changing SEPA mandates.

Modified mandate data are forwarded via the SEPA Direct Debit/ SEPA Direct Debit B2B (this is done once, when the change is made). It is not necessary to obtain a new mandate.

Changes concerning the creditor:

- The mandate reference is changed (specifying the old and the new mandate reference).
- The creditor name is changed (specifying the old and the new creditor name).
- The creditor ID is changed (specifying the old and the new CID).

Changes concerning the debtor:

Changes to account details (specifying the debtor's old and new IBAN).

The direct debit in this case must again be submitted as a first direct debit ("FIRST"). For SEPA Direct Debit B2B payments, the SEPA Direct Debit B2B Mandates must be disclosed/sent to the debtor bank.

Specimens of SEPA Direct Debit Mandates.

Specimen of SEPA Direct Debit Core Mandate.

SEPA Direct Debit Core Mandate

Mandate reference:
Award by Creditor

Creditor ID (CID):

Creditor:

Name:

Address of the Creditor (Address, Postal Code, Country):
.....

By signing this mandate form, you authorise (NAME OF CREDITOR) to send instructions to your bank to debit your account and 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.

Type of payment: Recurrent Direct Debit One Off Direct Debit

Debtor:

Name:

Address of the Debtor (Address, Postal Code, Country):
.....

IBAN: BIC:

Location, Date

Signature:

Specimen of SEPA Direct Debit B2B Mandate.

SEPA Business-to-Business Direct Debit Mandate

Mandate reference:
Award by Creditor

Creditor ID (CID):

Creditor:

Name:

Address of the Creditor (Address, Postal Code, Country):
.....

By signing this mandate form, you authorise (NAME OF CREDITOR) to send instructions to your bank to debit your account and your bank to debit your account in accordance with the instructions from (NAME OF CREDITOR).

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.

Type of payment: Recurrent Direct Debit One Off Direct Debit

Debtor:

Name:

Address of the Debtor (Address, Postal Code, Country):
.....

IBAN: BIC:

Location, Date

Signature:

Migration from pre-authorized payment mandates/direct debits to SEPA Direct Debit.

Mandate migration to SDD Core.

Creditors switching from the previous direct debit or pre-authorized payment mandate procedure to the SDD Core procedure can transform existing pre-authorized payment mandates (orders for direct debits, direct debit authorisations) into SEPA mandates.

In this case, the creditor must conclude a "Supplementary Agreement to the SDD Core Creditor Agreement" with Bank Austria.

The creditor must observe the following requirements for the switch:

- A written, approved direct debit authorisation/debit order must be available.
- The debtor must be informed of the mandate details (CID, mandate reference, due date) prior to the first debit using the SEPA Direct Debit (e.g. with a pre-notification).
- The first SEPA Direct Debit must be referred to as "FIRST" when submitted.

The date of the switch pre-notification is used as the date for the mandate signature.

Please note: direct debit procedures cannot be migrated to SDD B2B (non-consumers).

Creditors using the existing direct debit procedure (for companies/non-consumers) and switching to the SDD B2B procedure must send new SEPA Direct Debit B2B Mandates to the debtor and have them authorised. Furthermore, the debtor must present these authorised SEPA Direct Debit B2B Mandates to his bank (debtor bank). (These are deposited at the bank and entered into the appropriate banking system).

Pre-notification and return procedure.

Pre-notification.

Pre-notification is part of the SEPA Direct Debit (Core and B2B) procedure.

Original rulebook text: “The Pre-Notification must be sent by the Creditor at least 14 Calendar Days before the Due Date unless another timeline is agreed between the Debtor and the Creditor.”

- The amount, the direct debit date, the creditor identifier (CID) and the mandate reference must be communicated to the debtor.
- The timeline of 14 calendar days (2 weeks) can be changed by agreement with the debtor. The time cycle for the pre-notification is calculated from the due date onwards.
- The Rulebook does not provide for a contractual agreement that waives the pre-notification. This means a correct SEPA Direct Debit must be announced in a pre-notification. However, the bank is not obliged to check whether a pre-notification has been issued as this relates only to the relationship between the creditor and the debtor.
- The submission of the direct debit is independent of the pre-notification.

For recurring direct debits, information on the debtor only needs to be provided once, before the first direct debit.

Example of a specific pre-notification per debit:

Telephone bill from 5 Dec.: “We will debit the sum of EUR 68.11 via SEPA Direct Debit under mandate 4711 with creditor identifier AT02ZZZ01234567890 from your account with the IBAN AT541100012345678900 at UniCredit Bank Austria AG, BKAUATWW on the due date of 15 Dec. 2013. Please ensure that you have sufficient funds in your account.”

Example of one-time pre-notification:

Rental agreement: “We will debit the rent of EUR 500 via SEPA Direct Debit under mandate 4712 with the creditor identifier AT02ZZZ01234567890 from your account with the IBAN AT541100012345678900 at UniCredit Bank Austria AG, BKAUATWW on the 1st of each month, starting on 1 Dec. 2013. If the due date falls on a weekend or a bank holiday, the due date will move to the next banking day.”

Return procedure SEPA Direct Debit/SEPA Direct Debit B2B.

One benefit of the new SEPA Direct Debit procedures is the standard return procedures across Europe. These enhance legal certainty (based on the PSD/ZaDiG) as well as the transparency and reliability of procedures.

For Austrian customers the return procedures are largely similar to existing direct debit order/pre-authorised payment mandate return procedures, especially with refunds (return requested by customer, only with SEPA Direct Debit Core payments), returns (return by the debtor bank) and rejects (rejections for technical reasons, e.g. by the creditor bank).

List of all types of return with SDD.

Before due date		After due date	
Reject	Return by the creditor bank, by the clearing bank or by the debtor bank before the due date on account of an error in the direct debit submitted (e.g. format error, data error, IBAN invalid, due date incompatible with submission date, etc.).	Refund	Only with SEPA Direct Debit (SDD Core): Return by debtor (e.g. customer objection) up to 56 calendar days after debit. For lack of an authorised mandate, returns are possible through the debtor bank for up to 13 months (PSD rule, also applies for traditional debit order and pre-authorised payment mandate procedures). Before a return can be executed due to a lack of a mandate, the debtor bank must request the mandate from the creditor bank. The return may only be executed once it has been verified that the authorisation does not exist.
Refusal	Return before due date by debtor (e.g. mandate deleted, account blocked by debtor).	Return	Return by debtor bank (e.g. non-payment, "IBAN not available") within 2 (B2B) or 5 (Core) TARGET days after due date.
Revocation	Return/revocation of direct debit by the creditor bank or the creditor (e.g. direct debit submitted unintentionally).	Reversal	Cancellation by the creditor or the creditor bank after settlement (e.g. due to double/unintended direct debit).

SEPA customer formats.

Current status of data formats in Austria.

SEPA data formats are based on the ISO standard 20022 / UNIFI (Universal Financial Industry Message Scheme).

The ISO 20022 standard comprises all the message types for data exchange in the financial industry. Using the XML convention (Extensible Markup Language) the message definitions are very flexible and ideal for global use. The messages are generally larger than those in the familiar EDIFACT format, while preferences on how they are used differ slightly depending on the country.

However, ISO 20022 only permits the use of 140 characters (structured or unstructured remittance information) for payment orders, which is fewer than the former V3 format used in Austria.

The “pain.xxx” (pain.001, pain.008) messages (Payment Initiation) are used for requesting payment on a customer-bank basis.

An updated technical file description of the XML fields for the SEPA formats is available on the STUZZA website (www.stuzza.at, under “Payment transfer formats/XML”).

SEPA Credit Transfer customer formats:

Valid	SCT (SEPA Credit Transfer)	Description
Since March 2009	ISO: pain.001.001.02.austrian.002	SEPA Credit Transfer Version 2 APC format
From Rulebook Version 6.0:	ISO: pain.001.001.03.austrian.003	SEPA Credit Transfer Version 3 APC format

An updated technical file description of the XML fields for SEPA Credit Transfers (pain.001.xxx.xx) is available on the STUZZA website (www.stuzza.at, under “Payment transfer formats/XML”).

SEPA Direct Debit customer formats:

Valid	SDD Core (SEPA Direct Debit) SDD B2B (SEPA Direct Debit B2B)	Description
Since 2 November 2009	ISO: pain.008.001.01.austrian.002	SEPA Direct Debit Version 2 APC format
From Rulebook Version 6.0:	ISO: pain.008.001.02.austrian.003	SEPA Direct Debit Version 3 APC format

An updated technical file description of the XML fields for SEPA Direct Debits (pain.008.xxxxx) is available on the STUZZA website (www.stuzza.at, under “Payment transfer formats/XML”).

SEPA services offered by Bank Austria.

We also offer other SEPA services besides SEPA payments and the various SEPA Credit Transfer and Direct Debit (Direct Debit Core) options.

Electronic banking.

Bank Austria supports all SEPA products with its electronic banking products.

Here are a few examples from BusinessLine:

Capturing data of creditor in BusinessLine:
Creditor ID and mandate reference.

The screenshot shows the 'BusinessLine - [Auftraggeber]' window with the following data:

- Auftraggeber:** Mustermann GmbH (Firmenname oder Vor- und Zuname)
- Adresse:**
 - Straße: Julius Tandler Platz 3
 - Postleitzahl: 1090, Ort: Wien
 - Ländercode: AT
 - Telefonnummer: 050505 42815 (Ihre Telefonnummer für eventuelle Rückfragen des Bankinstitutes)
 - Ansprechpartner: Max Mustermann
 - Abteilung: 8242
- Sonstige Daten:**
 - Creditor ID: AT73ZZZ00000001047 (Ihre Creditor ID für SEPA-Lastschriften)
 - Mandatsreferenz mit: [] beginnend (durch Angabe eines Wertes wird die Mandatsreferenz für SEPA-Lastschriften automatisch erstellt)
 - Identifikation: keine Identifikation angegeben

Buttons at the bottom include 'Speichern' and 'Schließen'.

Capture and saving of mandate data.

SDD SEPA-Lastschrift Fälligkeitsdatum:

Zahlungspflichtiger:
 Name: ▶ Susanne Musterfrau
 Identifikation: ▶ keine Identifikation angegeben
 IBAN: ▶ AT32120000697228807
 SWIFT/BIC: ▶ BKAUATWW

Betrag:
 WHG: EUR ▶ **95,95**

Zahlungsreferenz:
 ▶

Verwendungszweck:
 ▶ Lieferung vom 8.4.2011

Auftraggeber:
 Kontocode: ▶
 Auftraggeber: ▶
 Kontodaten:
 Kontowortlaut: **Mustermann Ges.m.b.H.**
 IBAN: AT2312000069726282
 SWIFT/BIC: BKAUATWW
 WHG: EUR
 Bankinstitut: UNICREDIT BANK AUSTRIA AG

Interne Notiz (wird nicht mitgesendet): ▶

NUM

SEPA Direct Debit mandate (CORE, COR1, B2B).

SDD SEPA-Lastschrift

Mandat

Creditor ID: ▶ AT73ZZZ00000001047

Mandatsreferenz: ▶ 2011-04-08-000000001

Erteilt am: ▶ 31.03.2011

Erste Lastschrift einer Reihe von Lastschriften
 Wiederholte Lastschrift einer Reihe von Lastschriften
 Letzte Lastschrift einer Reihe von Lastschriften
 Einmallaschrift

Art der Lastschrift:

CORE - Standard Lastschrift ohne Hinterlegung eines Mandats bei der Bank
 COR1 - Standard Inlandslastschrift ohne Hinterlegung eines Mandats bei der Bank
 B2B - Firmenlastschrift mit Hinterlegung des Firmenlastschriftmandats bei der Bank

NUM

New generation of electronic banking with MBS 6.0.

The technical requirements from EU Regulation 260/2012 relate in particular to the mandatory use of ISO 20022 XML message standards. This obligation also applies for payment customers that deliver bulk payments electronically.

In practical terms, this means that after SEPA-transition, companies will only be able to send their domestic electronic payments and cross-border payments (transfers and direct debits in euros) to banks in XML format. Electronic account information will also be made available in new ISO 20022 formats.

In order to fulfil these statutory requirements, Bank Austria will provide you with new versions of the familiar electronic banking solutions. These new versions support the MBS 6.0 standard from STUZZA. This will completely change communication between you and the bank servers from EDIFACT to the ISO 20022 XML standard.

The messages for payment transaction orders (PAYMUL, DIRDEB) of return storage media (CREMUL and DEBMUL) and account statement messages (MT940/942) will be switched to the corresponding XML messages (e.g. pain.001, pain.008, camt.052, camt.053 and camt.054).

Please refer to www.stuzza.at for further details.

Conversion to SEPA data format.

At Bank Austria, all SEPA-compliant cross-border payments submitted are automatically executed as SEPA payments if the creditor bank is reachable via SEPA and the following requirements are fulfilled:

- the currency of the transfer is the euro.
- the payer account is a euro account.
- the beneficiary's account is held in a SEPA country.
- the account details of the beneficiary include an IBAN and a BIC.
- the charges are split between the payer and the beneficiary.

Execution of a SEPA Credit Transfer via an alternative payment route.

Bank Austria checks whether a SEPA payment that complies with all the SEPA criteria can be executed all the way through to the beneficiary's bank in accordance with the SEPA procedure. Should this prove impossible for whatever reason (e.g. because not all of the banks are SEPA-compliant yet), the transfer is automatically executed via an alternative payment route. This involves a conversion into an older format of a conventional procedure.

Bank Austria's IBAN conversion service.

As part of switching to SEPA, all customers must switch the banking details of their business partners from bank routing code and account number to IBAN/BIC. An IBAN identifies an account as an unambiguous identifier, and, as a rule, customers should not create an IBAN on the basis of its constituent parts. IBAN calculators or conversion programmes that are not linked to banks can result in the generation of incorrect IBANs. When customers use IBANs they have calculated themselves there is a risk that these may be rejected by banks and result in a return.

At Bank Austria you can convert all existing and valid Austrian account details to IBAN/BIC electronically. The data must be delivered in a standard format, which can be downloaded from the STUZZA website: [http:// www.stuzza.at/11096_DE](http://www.stuzza.at/11096_DE).

Bank Austria customers can deliver their information by e-mail, on a pen drive or by using some other medium in CSV format.

This way you know that the details of Austrian accounts with your business partners are up-to-date and meet the requirements of modern European payment transactions.

Electronic account information at Bank Austria.

Since 2008, an electronic account statement may also include information on SEPA transactions. For this purpose, SEPA-specific information, such as end-to-end references, is prepared in such a way as to facilitate automated onward processing by the customer. By using the STUZZA-MT940 full version, customers can draw on many SEPA attributes of a payment and thereby enhance the account reconciliation process. Bank Austria offers the following services in regard to electronic account statements:

- MT940/MT942 in the previous SWIFT structure, with integrated data from SEPA transactions.
- New/additional transaction codes for electronic queries of account statements/transactions for SEPA Direct Debit Core, SEPA Direct Debit B2B, SEPA Credit Transfers and return transactions.
- CREMUL/DEBMUL – lists of account transactions, adapted to SEPA data. With CREMUL/DEBMUL, unlike MT940, separate files are produced for transactions in the previous payments system and for SEPA transactions.

Parallel to converting the formats for issuing payment instructions, new message formats will also be introduced for electronic account statements and for "return storage media". Adopting the new account statements in accordance with the ISO 20022 standard will make automated reconciliations more efficient for customers. The SEPA payment order information is forwarded to the creditor with the relevant SEPA attributes in the new statement format:

- electronic intraday statement MT942 will be replaced by the ISO format camt.052,
- the electronic intraday statement MT940 will be replaced by the ISO format camt.053,
- the CREMUL/DEBMUL data carrier will be replaced by the ISO format camt.054.

The use of these new message formats will take place with the rollout of MBS 6.0.

SEPA – Opportunities and benefits.

SEPA delivers benefits and improvements in payment transactions for all market participants by simplifying the pan-European infrastructure and removing trade barriers. In addition to the transparency of European payment products, private individuals and companies participating in the SEPA scheme benefit in particular from shorter processing times.

	Consumers	Non-consumers
Pan-European SEPA standards	•	•
New payment products	•	•
One account for outgoing payments throughout Europe	•	•
Transparent costs and prices	•	•
Standard processes with reduced costs/complexity	•	•
Fixed processing times	•	•
New European direct debit (Direct Debit Core)	•	•
Harmonised legal framework	•	•
Transaction pooling – improved liquidity management		•
End-to-end automated processes		•
Debit cards accepted throughout the EU	•	•
More card transactions/fewer cash transactions	•	•
Lower terminal costs		•
Wider range of clearing services		•
Lower costs for standard software and services		•

Source: European Payments Council (EPC)

Recommended actions for our customers.

The extent of the changes accompanying the implementation of SEPA is comparable with the adoption of the euro, but is even more comprehensive. We recommend that you analyse all the affected areas of your company and that you make key strategic decisions where this has not yet been the case. Below is an initial list of recommendations for the future and questions for you to consider.

Organisation and structure.

An analysis of your organisation and structure should include the structure/organisation of your accounts and account relationships and the interaction with your trading partners.

- Appoint a SEPA officer, and initiate a project, if necessary.
- Ask your suppliers and debtors for their IBANs and BICs and store them in a database. We do not recommend using IBAN calculators that are available on the Internet. These can provide you with a mathematically correct IBAN, but it may still not be recognised as correct by the account-holding bank.
- Discuss SEPA with your trading partners and identify its impact on the day-to-day handling of your financial transactions.
- Consider any changes to your financial management structures and processes.
- Where will data be prepared in the future?
- Where must or can standard formats be used instead of local or individual formats?
- Are there any payment processes not affected by the conversion?
- Identification of synergies and improved efficiency: can standard transaction processes and standard documentation of payment processes be used for the entire company?

- Only incoming payments abroad on local accounts?
- Is it possible/sensible to process European payments centrally from Austria for example?
- With SEPA and concentrating payments from Austria for example, does it make sense to reduce the number of bank accounts, and what impact would this have on group agreements (such as pooling of accounts)?

Analysis of systems.

An analysis of your systems should focus on your databases, treasury systems and of course the electronic banking software you use.

- In which databases and systems are SEPA data elements (e.g. SEPA mandates, IBAN, BIC) to be implemented?
- Ability to map in ERP (Enterprise Resource Planning) and Treasury System – are your systems compatible with XML and ISO 20022?
- Plan the required software releases – contact software suppliers.
- Does the software meet the new requirements?
- Can the old national processes be operated parallel to the SEPA process?
- Which parts of the system must definitely be retained after the SEPA migration and which can be disposed of?
- What new know-how is required in-house?

Action needed now – unless already completed:

- **Launch project: analyse current IT systems, organisation and processes.**
- **Add IBAN/BIC to invoices, forms, contracts, master data and data entry masks.**
- **Convert master data from bank routing code/account number to IBAN and BIC (using service provided by Bank Austria).**
- **Determine architecture for managing mandates.**
- **Conclude creditor agreement and apply for creditor identifier.**
- **Switch from payment slips and forms to “ZÄHLUNGSANWEISUNG”.**

Begin as soon as possible:

- Submit all EU standard transfers in SEPA format.
- Define process changes for submitting SEPA Direct Debits, including pre-notification and SEPA mandate attributes.
- Integrate SEPA mandates into existing set of contracts.
- Check migration (SDD Core) of pre-authorised payment mandates and debit orders.
- Gradual switch from domestic transfers to SEPA.
- Submit first pilot SEPA Direct Debits.

Checking workflows and processes.

A check of workflows and processes covers both internal procedures and the payment and account reconciliation instruments used in such procedures.

- Debtor/creditor management: what is changing or what needs to be adapted?
- How/where/by whom are the SEPA mandates managed? How are pre-authorised payment mandates or debit orders migrated to SEPA?
- What internal procedures (e.g. mandate management, customer application, customer agreement, invoice, demand for payment, exchange of correspondence with reference made to account data) are affected especially with regard to the SEPA Direct Debit (Core and B2B)?
- Migration of old procedures to SEPA procedures. Is parallel operation required?
- How does the workflow affect the management of returns/cancellations in back-office operations? Can this management function be optimised by standard payment procedures and account information?
- What payment instruments are currently used in other European countries and what are the costs involved? If appropriate, when will the instruments be migrated? Can costs be reduced by converting to a SEPA product?

Recommendations for planning switch to SEPA Direct Debits.

Requirements:

- Conclude creditor agreement and apply for CID.
- Convert master data to IBAN and BIC.
- Generate an XML file with a SEPA order type.
- Collect SEPA mandates (produce company design, printed documents).
- Mandate migration (SDD Core) for existing direct debit authorisations and debit orders.
- Are debtors familiar with SEPA Direct Debits.

Implement process changes in in-house systems:

- Mandate management system with clear assignment of debtor (mandate reference), archiving, tracking changes and validity.
- Logistics regarding collection of mandates.
- Observance of due date and pre-notification requirement in customer terms and conditions/contracts.
- Control of shorter timelines for identical, recurring payments.
- Send pre-notification with regular settlements.
- Reference for direct debits (FRST, OOFF, RCUR).
- Observe time cycle of 2 or 5 days for SDD Core (optionally only 1 day for Austrian IBANs since April 2013).
- Observe time cycle of 1 day for SDD B2B.
- Processes for various return procedures.

In addition to the above recommendations, only SEPA mandates should be collected from new customers from the time customer systems are SEPA ready.

Bank Austria recommendation: Ask your relationship manager for our **“SEPA Direct Debit Checklist”**!

FAQ on SEPA Direct Debit Mandates.

Difference between a pre-authorised payment mandate and a SEPA mandate.

What is the difference between a pre-authorised payment mandate and the mandate for a SEPA Direct Debit?

- The SEPA mandate contains a clear reference to the SEPA Direct Debit (creditor identifier and mandate reference).
- If the mandate is contested by the debtor (SDD CORE, after 56 calendar days) the creditor must deliver the SEPA mandate to the debtor via the bank. In a pre-authorised payment mandate procedure, this contesting took place on a bilateral basis between the creditor and the debtor, without the involvement of banks.
- A pre-authorised payment mandate does not expire after 36 months of inactivity.
- A SEPA mandate can only be issued with the IBAN of the debtor (no account number/bank routing code).
- The address of the debtor was not part of the pre-authorised payment mandate.

Process for issuing mandates.

Who takes the first step in issuing a mandate?

- Just like with pre-authorised payment mandates, the creditor produces a SEPA mandate form with his details and has it signed by the debtor.
- This signed SEPA mandate is then recorded/scanned at the creditor's end, resulting in the initiation of the SEPA Direct Debit/SEPA Direct Debit B2B by the creditor.
- Before the SEPA Direct Debit B2B is executed, the debtor must also send his bank a copy of the SEPA mandate.

Number of mandates per creditor-debtor relationship.

Can there be several different mandates in a creditor-debtor relationship, so that care must be taken to ensure each direct debit is charged with the right mandate reference number? By way of example, one can take a utilities company that supplies electricity, gas and water to the same customer. Should a separate mandate be collected for each contract?

There are two options. The mandate system should be built around the specific needs of the creditor.

A: A collective mandate for all contractual relations of the same creditor-debtor relationship. Here, only one mandate is collected.

Advantage:

Simple administration.

Disadvantages:

- If the customer blocks the mandate, all direct debits from all contractual relationships will be returned.
- If the creditor-debtor relationship is split, new mandates must be collected as any single mandate is valid for only one creditor identifier. This can change, but may not be split between two companies if a business field is sold or outsourced.

B: Collect several mandates for the several contractual relationships of the same creditor-debtor pair. These must be collected separately with the respective mandate references defined. The reference (Initial/Recurrent/One-Off), the issue and the expiry date must be observed individually.

Advantages:

- The debtor has a clear overview of his payment obligations and can block/terminate individual mandates.
- If the business field of the creditor changes, e.g. electricity is outsourced to another company, a mandate can be forwarded to the company with a mandate modification.

For reasons of transparency we recommend issuing a separate mandate for each contractual relationship where possible.

Mandate language.

In which language must the mandate text be written?

For an Austrian mandate, the mandate text can be written in German:

- SEPA Direct Debit Mandate (Core).
- SEPA Direct Debit B2B Mandate.

Sample mandates can be found on the corporate customer website of UniCredit Bank Austria AG (Corporate Customers/Corporates/Cash Management & Payments/Payment Transactions & Account/SEPA). For cross-border direct debits the mandate must be worded in two languages – in the given national language and in English.

Mandates for which countries.

For which countries can mandates be collected?

Mandates can be collected for all countries participating in SEPA.

- According to the PSD all banks of the eurozone must have been able to receive SEPA Direct Debits since 1 November 2010.
- For banks in the other SEPA countries, it is recommended to check in the EPC or EBA register or make an enquiry through the debtor at the debtor's bank, for example.
- SEPA Direct Debits must be supported by all banks in EU countries by 31 October 2016.
- For SEPA Direct Debit B2B payments there are no statutory requirements for the reachability of banks.
- The current list of participating banks can be found at the following link: http://www.europeanpaymentscouncil.eu/content.cfm?page=sepa_b2b_direct_debit_scheme_-_participant_register&http://epc.cbnet.info/content/adherence_database

Modification of mandates.

How are mandates modified?

Modified mandate data are forwarded with the direct debit (this is done once, with the first direct debit, after the change is made).

The following mandate changes are anticipated:

- Initiated by creditor:
 - Mandate reference is changed (old and new mandate reference stated).
 - Creditor name or address is changed (old and new creditor name or address are stated).
 - Creditor ID is changed (old and new creditor identification is stated).
- Initiated by debtor:
 - Account details are changed (old and new IBAN of debtor is stated).
 - Change of name or address.
 - Change of bank account details (direct debit must be submitted as a first direct debit ["FIRST"] with a new bank account).

Reason for forwarding change information:

To notify the debtor and consequently any instructions can be sent to his bank (e.g. blocking debits). In principle we recommend advising the customer in advance (on the pre-notification, for example), of mandate changes initiated by the creditor – especially with Direct Debit B2B payments – so the debtor can inform his bank of the mandate change.

Mandate validity 36 months.

How long is a mandate valid for?

- A mandate can essentially be revoked unilaterally at any time by the debtor and the creditor without the need for a period of notice. If the bank has received a mandate (for a Direct Debit B2B payment), the debtor must revoke it no later than the business day prior to the due date (please observe the relevant business terms and conditions).
- If a mandate is inactive for 36 months, it is no longer valid. After each direct debit based on a given mandate, said mandate is extended by another 36 months (does not apply for one-off direct debits). However, banks are not obliged to check this. The last direct debit charged under the mandate is what counts here.
- The date signalling the start of the given period is the date the mandate is signed (or the migration date) and then the last due date of the last direct debit.

Compulsory elements of mandates.

What are the compulsory elements of a mandate?

- The SEPA DD Rulebook of the EPC (www.europeanpayments-council.eu) constitutes the basis for SEPA Direct Debit Mandates.
- SEPA Direct Debit Mandate:
 - The format of the mandate is not binding, only the content is pre-determined. For general use and for best possible protection it is recommended to use the form agreed upon by Austrian banks (STUZZA) (example on page 18).
- SEPA Direct Debit B2B Mandate:
 - The format of the mandate is not binding, only the content is pre-determined. It is recommended to use the STUZZA sample (example on page 18).

The mandate must contain the following additional information:

- Name, address and creditor identifier of creditor.
- Name, address, account details with date and signature of payer.
- Mandate reference – to be given separately by creditor:
 - can be included in mandate (recommended).
 - the mandate reference is subsequently disclosed to the payer (e.g. advisable for mandates on printed forms that have not been personalised for the bank). In this case, the debtor is informed of the mandate number in the pre-notification.
 - Important: With Direct Debit B2B payments, the debtor discloses this mandate number to his bank together with the other elements of the mandate (copy of SEPA Direct Debit B2B Mandate authorised for each account), only then does the mandate take effect. This is why it is always recommended to put the mandate reference directly on the mandate with SDD B2B.

Retaining mandates.

How, and for how long, should a mandate be retained?

A mandate represents statutory (PSD) authorisation from the debtor for each individual payment and must be archived in accordance with legal guidelines. In the event of a legal dispute regarding compliance of a direct debit submitted by the creditor, reference can be made to this document, even after many years. If the mandate cannot be traced, there is no basis for authorising the direct debit.

Which mandate must the debtor pass on to the bank?

Which mandate form (copy) must the debtor pass on to the bank?

In the case of a SEPA Direct Debit B2B, the debtor bank must check the mandate. For this purpose, the debtor orders his bank to execute Direct Debit B2B payments on his account by submitting a copy of the SEPA Direct Debit B2B Mandate authorised for each account. The original mandate must be signed and sent to the creditor. The following information on the debtor will be required by the creditor bank:

- Debtor account details.
- Mandate reference number.
- Creditor identifier.
- When changing mandates, the debtor must communicate mandate changes to his bank separately.

Mandate request for SDD Core.

How is a mandate requested?

- If the debtor has doubts regarding the charging of his account with a SEPA Direct Debit, he can request the SEPA Direct Debit Mandate via the bank up to 13 months after it is booked.
- The creditor must then present the mandate within 5 days of receiving such request from the creditor bank. This is sent on to the debtor for checking, who enlists the help of the debtor bank to check if the authorisation is in order.
- If the mandate is missing or incomplete, the creditor must accept that he is required to return the direct debit (only SEPA Direct Debits) up to 13 months after it was charged.

Key abbreviations.

APC

Austrian Payments Council
<http://www.austrianpaymentscouncil.at/>

BIC

Bank Identifier Code, international bank sorting code according to ISO 9362.

B2B

Business to Business.

CID

Creditor identifier

STUZZA

Society for Payment System Research and Cooperation.

EBA

European Banking Association, also clearing house (<http://www.abe-eba.eu/>).
EBA Clearing, <https://www.ebaclearing.eu/>

EPC

European Payments Council (www.europeanpaymentscouncil.eu).

IBAN

International Bank Account Number.

ISO 20022

The UNIFI standard is described in “ISO 20022 Financial Services – Universal Financial Industry Message Scheme”. Designated as UNIFI (ISO 20022), the International Organization for Standardization (ISO) has issued a specification for the finance industry based on the XML syntax. ISO 20022 comprises a logical data model – the so-called business model – inter-organisational workflows and corresponding message types (www.iso20022.org).

PAIN

ISO 20022 message group (Payment Initiation), for messages between customers and banks in connection with the issuance of payment orders.

POS

Point of sale. Customers pay with debit cards at so-called POS terminals and confirm transactions with a PIN.

PSD

Payment Services Directive. Guideline for payment services in the single market.

SCF

SEPA Cards Framework, sets forth rules for the SEPA card payment market.

STP

Straight through processing (fully automated processing of payments).

SCT

SEPA Credit Transfer.

SDD

SEPA Direct Debit.

SEPA

Single Euro Payments Area.

XML

Extensible Markup Language (XML for short) is a standard defined by the World Wide Web Consortium (W3C) for producing documents in the form of a tree structure that can be read by machines and humans. XML defines the rules for structuring such documents.

Feel free to contact us for more information.

We will keep you up-to-date on the progress and current developments surrounding SEPA.

Further information.

Would you like to stay on top of developments relating to SEPA and eBusiness? All the latest information can be found on the Internet at www.bankaustria.at

SEPA customer information:

The new European payments system.

Your contact:

UniCredit Bank Austria AG

Corporate & Investment Banking

Commercial Banking

Your relationship manager will be pleased to answer any questions you may have.

You can call on our cash management and eBanking experts to help you manage your SEPA projects.

Note:

The customer information in this brochure is provided for information purposes only and offers an overview of our planned SEPA services. The general information in the brochure relates to SEPA products planned at the time this publication was being prepared (March 2014). We reserve the right to make future changes.

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Phone

24-hour Business Serviceline: 05 05 05-24



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unternehmerbank.at



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