

MANDATE OF THE WORKING GROUP

ON

SCT AND SDD POST-MIGRATION ISSUES

Based on Article 8 of the mandate of the Euro Retail Payments Board a working group is set up with the participation of relevant and volunteering stakeholders to address issues with the SEPA Credit Transfer and SEPA Direct Debit schemes after migration (1st August 2014) that are hampering a better integration of the single market for euro credit transfers and direct debits.

Scope: The migration to the SEPA schemes by 1 August 2014 marks a decisive step in the creation of a single European market for euro credit transfers and euro direct debits. However, there are still issues related to the SEPA schemes that have the potential to hamper full market integration. The most commonly cited issues are (but not necessarily limited to) the following:

- Varying national implementations
- Additional Optional Services (AOS) and their effect on interoperability
- Implementation of R-transactions (reason codes and timing practices for R-transactions)
- Various barriers (related to business rules) to the cross-border use of SDD
- Accessibility (ability to use a single payment account in the euro area)
- Reachability of payment service providers for SCT and SDD
- The use and validation of creditor identifier for SDD
- The continued use of conversion services

Deliverables: The working group is expected to put forward recommendations to address any implementation and functioning issues which prevent the SCT and SDD schemes from delivering their full potential. The working group is expected to gather and analyse information from relevant market participants. It is expected to assess the issues in relation to their effect on the functioning of the Single Euro Payments Area. The working group is not expected to deliver suggestions for SCT and SDD business requirements nor for technical implementation specifications, as this is a task for the SCT/SDD scheme owner. The form of communicating the findings and the recommendation of the working group is a report to the ERPB.

Time horizon: The working group is expected to start working immediately after its set-up and deliver its results to the second meeting of the ERPB in late 2014. It is envisaged to dissolve the working group after it reported its findings to the ERPB.

Participants and chairmanship: membership in the working group is open to all volunteering members of the ERPB. It is envisaged that to be successful the working group will ideally consist of representatives of payment service providers, corporates, consumers, retailers and public administrations. One representative of the ECB and a limited number of representatives of euro area NCBs are invited to join the working group as active participants. A representative of the EU Commission will be invited as observer. The working group is to be co-chaired by the EPC (supply side) and the EACT/BusinessEurope (demand side).

Members representing their associations will be appointed by the ERPB Chair based on suggestions by their association via written procedure until 6 June 2014. All other participants will join the group based on invitation by the ERPB Chair, which will be based on an expression of interest to the ERPB secretariat until 6 June 2014.

Rules of procedure: the ERPB mandate defines the rules of procedure of ERPB working groups. The working group takes positions on a $\frac{3}{4}$ majority basis; dissenting opinions are mentioned in any relevant documents prepared by the working group. The members of the group decide on how to organise secretariat support, timing and rules of meetings and communication via written procedure, as well as on the need and format of any interim working documentation produced. Costs related to the operation, meetings, chairmanship and secretariat are met by the members of the group.