SEPA
Frequently Asked Questions

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General SEPA Questions

What is SEPA?

SEPA (Single Euro Payments Area) is a European-driven regulation that was originally conceived as part of the Lisbon Agenda in 2000. It aims to create an integrated pan-European payments market that will allow payments in euro to be made and received in and between each of the current 33 SEPA member countries under the same conditions and as efficiently as within national borders as before. SEPA builds upon and is underpinned by the Payment Services Directive.

The Payment Services Directive (PSD) is EU legislation which not only provides the legal platform for SEPA but also introduces the rules and standards for all payment service providers.

The introduction of SEPA means that cross-border electronic non-urgent euro payments across the current 33 SEPA countries can be as quick, easy and inexpensive as payments at home.

What is the aim of SEPA?

The aim of SEPA is to create a single, integrated, standardised payments market across Europe. Individuals and businesses will be able to move money as easily, quickly, securely and efficiently cross-border as they can domestically today, under the same basic conditions, rights and obligations.

What are the benefits of SEPA?

SEPA aims to remove the technical, legal and commercial barriers to a single domestic payments market. SEPA provides numerous benefits for both consumers and businesses:

Consumer Benefits

SEPA will offer consumers greater choice of service, competition and flexibility to perform electronic euro banking transactions.

Key benefits that SEPA will provide:

- Ability to undertake all SEPA euro payments from one bank account. For example, those working abroad will no longer need to hold one account at home and another in the country they work in. They will be able to complete all of their electronic transactions from their home account
- All SEPA payments will be as easy and cost-effective as domestic payments are today
- Access to more detailed payment information for credit transfers and direct debit collections
- Pay by direct debit for services provided by companies throughout SEPA e.g. utility bills
- Improved consumer entitlements and rights
- Guaranteed, standard timelines for payments and the return of unsuccessful payments

Business Benefits

SEPA will offer businesses greater choice of service, competition and flexibility to perform euro banking transactions.

Key benefits that SEPA will provide for businesses:

- Gradual harmonisation of payment instruments across the current 33 SEPA countries
- Option for businesses to reduce the number of bank accounts they hold and, in theory to, consolidate payments and liquidity management to one location
- Guaranteed timelines for payments and returns
- Standardised payment infrastructures increasing cross-border market opportunities
- A standardised file-format for payment instructions
- Ability to credit salaries to accounts in other SEPA countries (SEPA Credit Transfer)
- Ability to create cross-border direct debits with customers throughout all SEPA countries (SEPA Direct Debit)

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What countries are included in SEPA?

There are currently 33 members of SEPA. It comprises the 28 EU member states, the three European Economic Area countries (Iceland, Liechtenstein and Norway), Switzerland and Monaco.

List of SEPA Members

Austria	Greece	Netherlands
Belgium	Hungary	Norway
Bulgaria	Iceland	Poland
Croatia	Ireland	Portugal
Cyprus	Italy	Romania
Czech Republic	Latvia	Slovak Republic
Denmark	Liechtenstein	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
France	Malta	Switzerland
Germany	Monaco	United Kingdom

SEPA Zone
- Euro Countries
- EU-28
- EEA countries plus Switzerland & Monaco
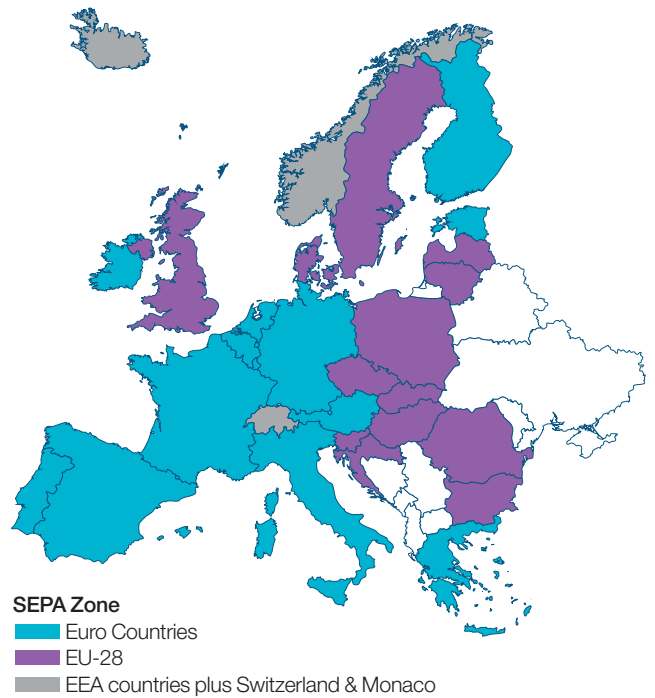
What currencies are covered by SEPA?

SEPA transactions are always executed in euro, where debtor and creditor accounts are registered with banks in one of the SEPA countries.

Is SEPA mandatory?

Yes. With the passing of the EU Regulation (260/2012) in February 2012, the move to SEPA standards will become mandatory for the current 33 SEPA countries. This means that if you are not ready for SEPA by 1st February 2014 in Ireland you will not be able to carry out electronic non-urgent euro transactions.

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When will SEPA happen?

National domestic schemes in euro countries will shut down on the 1st February 2014; countries where euro is not the domestic currency will close their domestic schemes by 31st October 2016. The table below shows a list of key dates for SEPA:

Date	Area	Details
1st January 2008	SEPA Cards Framework (SCF)	The SEPA Cards Framework launched
28th January 2008	SEPA Credit Transfer (SCT) Scheme	The SEPA Credit Transfer scheme launched
November 2009	The Payment Services Directive (PSD)	The PSD came into law within each EU member
November 2009	SEPA Direct Debit (SDD) Scheme	SEPA Direct Debit was implemented
1st February 2014	National Migration End Date in euro countries	National Migration is the date by which the national domestic schemes will shut down throughout euro countries; in Ireland IRECC will shut down By 1st February 2014, all non-urgent euro payment schemes will be operating through SEPA in countries where euro is the domestic currency (e.g. Ireland) Account Number & NSC will be replaced by BIC & IBAN New ISO 20022 XML file formats will replace IRECC Standard 18
31st October 2016	National Migration End Date in non-euro countries	National Migration to SEPA for countries where euro is not the domestic currency (e.g. Great Britain and Northern Ireland) (Details as per 1st February 2014 deadline above)

What products make-up the SEPA Payment Schemes?

The table below provides a brief overview of the new SEPA payment products:

SEPA Payment Product	Description	Current Status
SEPA Credit Transfer (SCT) Scheme	SEPA Credit Transfer facilitates cross-border payments in euro throughout the SEPA zone, quickly, securely and efficiently	SEPA Credit Transfer was launched on 28th January 2008. Full migration required by 1st February 2014 for euro countries within SEPA (e.g. ROI). SEPA non-euro countries need to migrate by 31st October 2016 (e.g. NI & GB)
SEPA Direct Debit (SDD) Scheme	SEPA Direct Debit make it possible to make cross-border direct debits in euro as securely and efficiently as domestic direct debits	SEPA Direct Debit product offering was implemented in November 2009. Full migration required by 1st February 2014 for euro countries within SEPA (e.g. ROI). SEPA non-euro countries need to migrate by 31st October 2016 (e.g. NI & GB)
SEPA Cards Framework (SCF)	The SEPA Cards Framework (SCF) will ensure that card payments and cash withdrawals can be made easily, safely and efficiently throughout the SEPA zone	The SEPA Cards Framework was launched on 1st January 2008. Bank of Ireland's credit and debit cards are all SEPA compliant

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What is the difference between the SEPA 'Core' and 'B2B' Schemes?

'The SEPA Direct Debit Scheme (SDD) outlines two separate schemes for participants, the 'Core' Scheme and the 'Business to Business' ('B2B') scheme.

The 'Core' Scheme allows a creditor to collect funds from a debtor's account, provided that authorisation has been supplied by the debtor to the creditor using either a signed paper mandate or the DD+ Plus sign-up option (available to domestic customers only). Please note that the debtor can be either an individual consumer or a business.

The 'B2B' Scheme enables businesses, in the role of debtors, to make payments via direct debit. To do so, the business concerned must inform their bank of the signed mandate details and, also, provide instructions on how to authorise collections on foot of the mandate.'

What SEPA Direct Debit schemes is Bank of Ireland operating?

Bank of Ireland is currently operating the SDD 'Core' scheme only.

Credit Transfers

What is the SEPA Credit Transfer (SCT) Scheme?

The SEPA Credit Transfer (SCT) scheme makes it possible to conduct cross-border electronic payments in euro throughout the current 33 SEPA countries as securely and efficiently as making the equivalent domestic payments. Ultimately, it will be as simple and straight forward to make a payment transfer from Dublin to Paris as from Dublin to Cork.

What are the features of the SEPA Credit Transfer (SCT) Scheme?

- ▶ The maximum transaction execution time is the next business day

- ▶ BIC and IBAN are the only permissible account and bank identifiers for SEPA transactions
- ▶ Payment narrative text of up to 140 characters can accompany the payment

Can a SEPA Credit Transfer be sent to and from any bank in the SEPA area?

SEPA Credit Transfers can only take place between accounts held with banks in SEPA countries that are currently reachable for credit transfers in their national schemes.

Direct Debits

What is the SEPA Direct Debit (SDD) Scheme?

The SEPA Direct Debit (SDD) scheme allows both domestic and cross-border collections to be made in euro throughout the current 33 SEPA countries. Consumers are able to pay for goods or services throughout Europe via direct debit as easily, securely and efficiently as they do at home.

What are the features of the SEPA Direct Debit (SDD) Scheme?

- ▶ Terms and conditions for the consumer are standardised across all 33 current SEPA countries
- ▶ The SEPA Direct Debit scheme covers both recurring and one-off direct debit collections
- ▶ Maximum settlement times are defined for recurring and one-off direct debit collections

- ▶ BIC and IBAN are the only permissible account and bank identifiers
- ▶ There is an extensive set of rules for handling rejected, returned, refused and refunded SEPA Direct Debit collections

SEPA Direct Debit is backed by EU legislation - the Payment Services Directive (PSD).

What will happen to existing Direct Debit mandates after 1st February 2014?

Existing mandates will continue to be valid after 1st February 2014 but all new mandates from this date will need to meet SEPA standards and include the new SEPA information on them.

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How many days in advance of collection will SEPA Direct Debits need to be submitted?

For a first collection, it will need to be submitted 6 days in advance but only 3 days beforehand for all subsequent collections. The SEPA Direct Debit scheme requirement is 5 days and 2 days respectively. However, Bank of Ireland require them 1 day earlier in order to get collections to the debtor bank on time.

Will multiple one off payments for the same customer require new mandates each time?

A One-off mandate can only be used to collect one payment. If an originator wants to collect multiple or recurring payments from a customer they should get the customer to sign a mandate for recurring payments.

What is a Creditor ID?

This is a unique direct debit scheme identifier of the company with whom you have signed the direct debit mandate i.e. the creditor. The Creditor ID replaces the existing 6-digit DD originator number for SEPA Direct Debits but contains these original 6-digits within it. See example below:

DD Originator Identifier No: **123456**
Creditor ID (Irish Creditor): **IE19ZZZ123456**

Note: non-Irish Creditor IDs may be longer (up to 35 digits)

You will require this information when availing of a SEPA Direct Debit Service. You may find it on your pre-notification/bill or by contacting your creditor directly.

What is a Unique Mandate Reference (UMR)?

This is a unique mandate reference assigned to you by your creditor. It is assigned to a specific mandate and is used throughout the lifetime of that mandate. You will need this detail when availing of a Direct Debit Debtor Service. You can find it on your pre-notification/bill or by contacting your creditor directly.

What rights/options can customers avail of, in order to manage their direct debits, under the SEPA scheme?

SEPA Direct Debit Services are rights/options that customers can avail of in order to manage their direct debits under the SEPA scheme. You will find a full list of these options on the SEPA Direct Debits Services page on the Bank of Ireland Group website. Should you wish to avail of any of these services, you will need to complete the relevant form and return it to the address specified.

SEPA Cards

What is the SEPA Cards Framework (SCF)?

The SEPA Cards Framework (SCF) allows card payments and cash withdrawals to be made as easily, safely and efficiently throughout the SEPA zone as at home. This will mean more flexible payment options for people living and travelling throughout the SEPA zone.

What are the features of the SEPA Cards Framework (SCF) Scheme?

▶ Available for card payments in euro and throughout the SEPA zone only

▶ SEPA changes relate to both credit and debit cards

▶ Card holders can pay or withdraw cash with the same card at home and throughout the SEPA zone

▶ Standardised, improved security PIN code throughout the zone, reducing the risk of fraud

▶ Standardisation of point-of-sale terminals to ensure all SEPA cards can be accepted at a single terminal

Bank of Ireland's credit and debit cards are all SEPA-compliant. Credit cards are compliant through Visa and MasterCard, while debit cards are compliant with Visa Debit.

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SEPA Preparation

1. Consumers:

As a consumer, how should I prepare for SEPA?

BIC and IBAN will replace NSC and Account Number as the main payment identifiers so you will need to start becoming familiar with these key pieces of information to ensure people can make payments to you or so you can complete direct debit mandates for paying bills, such as electricity or phone etc.

What is a BIC & IBAN?

A BIC (Bank Identifier Code) is the SWIFT Address assigned to a bank in order to send automated payments quickly and accurately to the banks concerned. It uniquely identifies the name and country, (and sometimes the branch) of the bank involved. BICs are often called SWIFT Codes and can be either 8 or 11 characters long.

An IBAN (International Bank Account Number) is used internationally to uniquely identify the sort code and account number of a customer at a financial institution.

Where do I find my BIC & IBAN?

You can find your BIC & IBAN information on your Bank of Ireland account statement.

The Irish Payment Services Organisation (IPSO) website also provides a BIC & IBAN conversion tool which will convert any domestic National Sort Code (NSC) and Account Number to its equivalent BIC & IBAN:
http://www.ipso.ie/section/ipsosepaservices

Will there be changes to 365 online as a result of SEPA?

A) Impacted screens will have a moderate refresh to display SEPA-related changes when these channels are upgraded later this year. For instance, existing beneficiaries on 365 online will be converted by Bank of Ireland to display BIC and IBAN details. Bank of Ireland will communicate these changes to you later in 2013.

Further updates to 365 online will allow customers initiate SEPA Direct Debits Services online. Forms will also continue to be made available on the Bank of Ireland Group website via the following link: http://personalbanking.bankofireland.com/bank/sepa/direct-debit-change-requests/

2. Business Customers:

What preparations should my business make for SEPA?

Whether your company deals purely within Ireland or throughout Europe you will need to migrate to SEPA if you make credit transfer payments and/or initiate direct debit collections. It is therefore prudent to understand what SEPA means for your company and what steps you need to take:

- Identify somebody within your company who is responsible for SEPA
- Highlight the importance of SEPA at senior management level and consider the strategic options and implications for your business
- Visit the 'Business Readiness' section of the Bank of Ireland SEPA website now to understand what the impacts of SEPA are on business customers, as well what you need to do next if you are a credit transfer customer or direct debit originator

As a credit transfer file-submitter, what do I need to do?

Bank of Ireland's approach to supporting our customers become SEPA compliant for credit transfers (direct credit & direct pay) is to provide a file conversion service at no extra charge. Our file conversion service will convert your domestic STD-18 files, on receipt by Bank of Ireland, to the new SEPA XML format, and we can then process your payment file as SEPA payments.

After 1st February 2014, Bank of Ireland will facilitate a controlled migration of our customers to the new SEPA XML formats using a new dedicated SEPA online channel.

To process your existing payment files under the new SEPA scheme we will be required to apply stricter data quality and data completeness checks in payment files submitted to the bank. To this end, it is essential that you adhere to the STD-18 file specification. Please validate that your existing

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STD-18 file is correct. Details of the STD-18 file specification are available on our website: http://bankofireland.com/SEPA. Any payment requests submitted which do not meet these standards will fail validation and be rejected.

Should you wish to adopt the new SEPA file formats on your own systems, Bank of Ireland will accept SEPA XML files by Connect:Direct Secure Plus (CDS+) only. If you do choose to adopt this approach, please inform Bank of Ireland immediately of your intention to do so by contacting our dedicated SEPA Migration Helpdesk.

Bank of Ireland has a team of dedicated SEPA Migration Consultants to support our business customers through their migration to SEPA. SEPA CT file-submitter queries can be submitted to our SEPA Migration Helpdesk using the contact details below:

Email: sepacustomermigration@boi.com
Phone: 1890 818 208 or +353 1 617 6001 (if outside ROI)

To guide you through this process, Bank of Ireland has published a SEPA Credit Transfer Readiness Checklist which details the steps you should consider taking in order to be ready for SEPA by 1st February 2014.

Should Direct Debit originators be using new mandates now? If so, where are these obtained?
Originators can only use the SEPA mandate template once they migrate to SEPA. The template can be found in the SEPA Rulebook and your SEPA Direct Debit mandate template must be approved by Bank of Ireland. The proposed mandate can be submitted for approval to our SEPA Migration Team via email to: sepacustomermigration@boi.com

What is a dematerialised mandate?
A dematerialised mandate is a list of all the fields taken from the paper mandate that must be stored electronically.

Is it mandatory under SEPA to collect BIC and IBAN details from new customers or can I continue to collect NSC and Account Number?
The SEPA DD mandate must contain your debtors (the customers you are debiting) BIC and IBAN instead of their NSC and Account Number. We recommend that you contact your customers to obtain their BIC and IBAN information if you do not already have it.

Can we include sterling payments through our XML files on the new SEPA online channel?
No, SEPA is a euro scheme only. Sterling payments will not be affected as a result of SEPA.

Can the value change on recurring SEPA Direct Debits?
Both the collection amount and date can change as per the existing direct debit scheme today, so long as you continue to pre-notify customers of the differing amounts.

How do I transmit SEPA Credit Transfer XML files?
Should you wish to adopt the new SEPA file formats on your own systems, Bank of Ireland will accept SEPA Credit Transfer XML files by Connect:Direct Secure Plus (CDS+) only. If you do choose to adopt this approach, please inform us of your intention to do so by contacting our dedicated SEPA Migration Helpdesk immediately to confirm an implementation date.

Bank of Ireland has a team of dedicated SEPA Migration Consultants to support our business customers through their migration to SEPA. SEPA CT file-submitter queries can be submitted to our SEPA Migration Helpdesk using the contact details below:

Email: sepacustomermigration@boi.com
Phone: 1890 818 208 or +353 1 617 6001 (if outside ROI)

What changes, if any, will be made to Business On Line?
Impacted screens will have a moderate refresh to display SEPA-related changes when these channels are upgraded later this year. For instance, existing beneficiaries on Business On Line will be converted by Bank of Ireland to display BIC and IBAN details. Bank of Ireland will communicate these changes to you later in 2013.

As a direct debit file-submitter, what do I need to do?
Direct debit originators (collectors) will need to submit the new SEPA file standards (SEPA XML) to a dedicated Bank of Ireland SEPA online channel.

To achieve SEPA compliance, you can make the system upgrades yourself or through your accounts software provider. If required, Bank of Ireland can refer you to our preferred conversion service provider, Sentenial, to assist you converting your files to the new SEPA standards. For more information on the referral process, download the 'SEPA Direct Debit - Sentenial Referral Form'. This is available for download on our SEPA website: http://bankofireland.com/SEPA

Direct debit originators will be significantly impacted by the SEPA Regulation and need to plan their implementation now.

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Bank of Ireland has a dedicated team of SEPA Migration Consultants who are available to support our business customers through their migration to SEPA.

Bank of Ireland has also published a 'SEPA Direct Debit Checklist' which details important steps you should consider in order to be ready for SEPA by 1st February 2014. This is available for download on our SEPA website: http://bankofireland.com/SEPA

What changes should I expect in the SEPA Direct Debit scheme?

If you are a direct debit originator, there are a number of changes that need to be addressed prior to 1st February 2014:

- ▶ The file format will change from STD-18 to SEPA XML and you will need to transmit the file to Bank of Ireland in this format
- ▶ A new SEPA Creditor ID will be issued by Bank of Ireland – this is equivalent to your OIN today
- ▶ Have business processes in place to support the types of rejections that can occur in the scheme
- ▶ You will need to send collections earlier (currently 1 day) – 6 days ahead of collection for the 1st time (or for one-off transactions) and 3 days ahead for recurring
- ▶ Create a unique mandate reference (UMR) for every SEPA mandate, mandate details will travel with every collection on the XML file
- ▶ Originators must now hold all new SEPA Direct Debit mandates for up to 14 months after the last collection and make them available for queries and dispute resolution

What will happen to existing Direct Debit Mandates after 1st February 2014?

Existing mandates will continue to be valid after 1st February 2014 but all new mandates from this date will need to meet SEPA standards and include the new SEPA information on them.

Who can I use as a third party conversion service provider?

You are free to use any company who provides this service. However, Bank of Ireland can refer you to our preferred conversion service provider, Sentenial, to assist you converting your files to the new SEPA standards. For more information on the referral process, download the Sentenial referral form. This is available for download on our SEPA website: http://bankofireland.com/SEPA

What is ISO XML?

ISO 20022 XML is a new enriched file format that will be the standard for transmitting electronic non-urgent euro transactions between banks and its customers within the current 33 SEPA countries. It is defined and maintained in the International Organisation for Standardisation (ISO) which is the world's developer of global standards.

As a direct debit originator, how do I submit my SEPA Direct Debit XML file to Bank of Ireland?

In order to receive these new SEPA Direct Debit XML files, Bank of Ireland will be launching a dedicated SEPA online channel - Business On Line Payments Plus (BOL PP).

Where can I find more details on the SEPA Direct Debit XML File Structure?

Bank of Ireland is implementing the industry PAIN formats as outlined by the Irish Payments Service Organisation (IPSO). Please visit the SEPA DD Originator Readiness section on the Bank of Ireland Group website where we have PDF versions of PAIN.008.001.02 and PAIN.002.001.03 available for download.

Do I need to do anything for my business in Northern Ireland or Great Britain?

SEPA impacts the movement of electronic non-urgent euro payments which can also come out of an account in Northern Ireland or Great Britain. If you are transacting in euro, the file formats will need to be SEPA XML. The deadline in countries where the domestic currency is not euro is 31st October 2016. Sterling transactions are not impacted by SEPA.

Will DD+ change?

DD+ will continue as an option for mandate sign-up in SEPA, so long as the mandate is for an Irish debtor only. DD+ sign-up scripts and confirmation letters will have to be updated to accommodate SEPA requirements. Note: a paper mandate is required for non-Irish debtors.

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We currently hold recorded calls as a paperless mandate for DD+. Will this process continue?

Yes, for Irish debtors, you will keep the call recording as proof of mandate. You must also keep the customer acknowledgement/confirmation which is sent to the debtor for their records. However, for European debtors, you must obtain a signed paper mandate.

Can I start to use new SEPA mandates now?

You should only move to the new SEPA mandate template when you are ready to migrate to the SEPA scheme. Your SEPA mandate template has to be approved by Bank of Ireland. It is recommended you engage with us now so we can help you get ready.

Will there be a window for those who are late in being SEPA compliant by 1st Feb 2014?

The deadline is set – on 1st February 2014 the Irish clearing system will close for domestic file processing. If you are not ready by this date, it will have a major impact on your business. It is recommended you engage with us now so we can help you get ready.

As a business, is there any support available to me to convert a file of NSC & Account Numbers to BIC & IBAN?

BIC/IBAN conversion is available centrally from the IPSO (Irish Payment Services Organisation) website – http://www.ipso.ie/section/ipsosepaservices.

This service can:

▶ Convert a single NSC & Account Number to BIC & IBAN - Irish accounts only

▶ Convert a file of NSCs and Account Numbers to a file of BIC & IBANs - Irish accounts only

▶ Confirm that any given IBAN for SEPA is valid

This will allow you to prepare for SEPA in terms of ensuring you have correct BICs & IBANs for your own accounts and also ensure that you have correct customer BIC/IBAN information.

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More information about Business On Line Payments Plus (BOL PP):

Further information is available in the Help & Support section of the Business On Line Payments Plus (BOL PP) website.

A short explanatory video about SEPA has also been produced and can be accessed via the following link:
http://www.bankofireland.com/business-on-line-payments-plus-about-sepa

In addition, a repository for all documentation relating to SEPA is hosted on the BOL PP website, accessible via the link below:
http://www.bankofireland.com/business-on-line-payments-plus-documentation

More information about SEPA Direct Debit Services:

Bank of Ireland SEPA Direct Debit Services:
http://personalbanking.bankofireland.com/bank/sepa/direct-debit-change-requests/

Bank of Ireland Direct Debit Debtor Services FAQs:
http://personalbanking.bankofireland.com/help-centre/product-queries/personal-banking/sepa-direct-debit-services/

Further External Information Sources:

Irish Payment Services Organisation (IPSO) SEPA Website:
http://www.ipso.ie/section/SEPA

IPSO BIC & IBAN Conversion Services:
http://www.ipso.ie/section/ipsosepaservices

IPSO BIC & IBAN Calculator:
https://ipsosepaservice.sentenial.com/ipso/

IPSO SEPA Customer File Formats:
http://www.ipso.ie/section/SepaCustomerFileFormats

European Payments Council SEPA Website:
http://www.europeanpaymentscouncil.eu/content.cfm?page=sepa_vision_and_goals

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