SEPA Direct Debit Initiation

Customer-to-Bank

Implementation Guidelines

for

The Netherlands

CORE and Business-to-Business Implementation Guidelines

Disclaimer

These guidelines may be subject to changes. Utmost care has been taken to ensure the information in this publication is accurate. However, the Dutch Payments Association (DPA) shall not be liable for any errors, inaccuracies or omissions in the contents of this publication.

Contents

Introduction

The purpose of this document is to provide guidance on the use of SEPA Direct Debit Initiation Message (Customer-to-Bank ISO20022 - "pain.008.001.02") sent to banks residing in The Netherlands.

This document is based on and contains additional information to:

a) the SEPA Direct Debit Core Scheme Customer-to-Bank Implementation Guidelines 2019 version 1.0 Approved, as issued on 17 December 2018 (EPC130-08).

   See: epc sepa-direct-debit-core-customer-to-bank-implementation-guidelines-2019 Version-1.0

b) the SEPA Direct Debit Business-to-Business Scheme Customer-to-Bank Implementation Guidelines, 2019 version 1.0 Approved, as issued on 17 December 2018 (EPC131-08).

   See: epc sepa-direct-debit-business-to-business-scheme-customer-to-bank-implementation-guidelines-2019-Version-1.0

c) the UNIFI (ISO 200022) XML message standards.

   See reference "pain.008.001.02" on

   www.iso20022.org/documents/general/Payments_Maintenance_2009.zip.

In addition to the EPC usage rules, as mentioned in the EPC Guidelines, this document contains specific Dutch (NL) usage rules which are added to some INDICES (see ANNEX A).

It is recommended to contact your bank for any bankspecific addenda or detailed information.

Note:

The ISO 20022 Payment messages use 'external code lists'. The listed code values can be used in specific elements of the payments messages. Unlike other ISO 20022 code lists, the code values are not included in the XML message schema with the message element they type. The purpose of externalising these code values is to be able to update the code lists (e.g. add new code values) without impacting the message themselves and, hence, without requiring the development of a new version of the messages that use these code lists. External code lists are published in a spreadsheet which is versioned at three levels: the spreadsheet itself has a publication date, each list within the spreadsheet has a publication date (see 'CodeInventory' sheet) and each individual code value has a date of last update ('status date').

Change History

New releases are published on a regular basis, based on new versions of the underlying standards or to provide clarification where required.

The following table provides an overview of the versions released to date.

Version	Date
2.0	October 2010
2.1	November 2010
2.2	February 2011
5.0	January 2012
5.0.1	February 2012
6.0	March 2012
7.0	February 2013
8.0	July 2015
8.0.1	January 2016
9.0	January 2016
2017 v1.0	March 2017
2019 v1.0	March 2019

Versions are numbered x.y(.z) and are based on the numbering of the EPC SDD Customer-to-Bank Implementation Guidelines.

In case a new version of this document is released (mainly as a result of clarifications or error corrections) before the EPC releases a new version of the implementation guidelines, an additional minor release indicator z will be added (e.g. 1.0.1 for an updated version of this document).

This document[1] replaces all previous versions of the NL XML SDD Implementation Guidelines and becomes effective as from November 17th 2019.

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[1] This document has been developed by the Dutch banks together with the Dutch Payments Association ('Betaalvereniging Nederland'). The utmost has been done to make sure the information in this publication is correct. However, the Dutch Payments Association can by no means be held responsible for any loss or damage incurred to any incorrect or incomplete information as described in this publication.

Coverage

The Customer Direct Debit Initiation message is sent by the initiating party to the creditor agent.

It is used to request bulk collections of funds from one or various debtor's accounts for a creditor.

The Customer Direct Debit Initiation message can contain one or more direct debit instructions.

The message can be used in a direct scenario, which means that the message is sent directly to the creditor agent.

The creditor agent is the account servicer of the creditor.

The message can also be used by an initiating party that has authority to send the message on behalf of the creditor. This caters for example for the scenario of a payments factory initiating all payments on behalf of a large corporate.

The Customer Direct Debit Initiation contains also mandate related information, i.e. extracts from a mandate, such as unique Mandate Identification and Date of Signature.

The Customer Direct Debit Initiation message must not be considered as a mandate.

Message Structure

The description of the ISO 20022 document models can be found in a number of schemes.

A specific description language (XSD) is used in those schemes.

The schemes make it possible to give a description of the tags in the document, the structure and sequence of those beacons (hierarchy of tags) as well as the codes which are allowed for some specific data, the number of possible cases, the obligatory or optional character of some of the data, etc.

The general XSD for pain.008.001.02 can be downloaded from:

www.iso20022.org, under "Catalogue of ISO 20022 messages", with "pain.008.001.02" as reference.

http://www.iso20022.org/documents/messages/pain/schemas/pain.008.001.02.zip

A file containing an XML- pain.008.001.02 message has the following structure:

```
<?xml version="1.0" encoding="UTF-8"?>
<Document xmlns="urn:iso:std:iso:20022:tech:xsd:pain.008.001.02" xmlns:xsi=http://www.w3.org/2001/XMLSchema-instance>
        <CstmrDrctDbtInitn>
                message content …
        </CstmrDrctDbtInitn>
</Document>
```
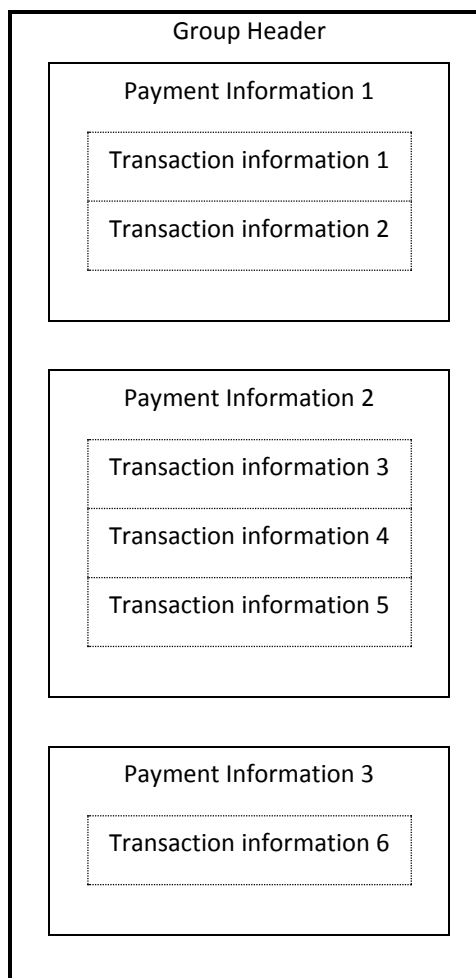
A file must contain one single Document (envelope), with one single XML message in it.

The support of multiple documents per file must be agreed bilaterally with your bank.

The Customer Direct Debit Initiation message is composed of 3 building blocks:

A. **Group Header:** This building block is mandatory and present once. It contains elements such as Message Identification, Creation Date And Time, Grouping indicator.

B. **Payment Information:** This building block is mandatory and repetitive. It contains, amongst others, elements related to the Credit side of the transaction, such as Creditor and Payment Type Information.

C. **Direct Debit Transaction Information:** This building block is mandatory and repetitive. It contains, amongst others, elements related to the debit side of the transaction, such as Debtor and Remittance Information Rules.

The number of occurrences of Payment Information Block and Transaction Information Block within a message is indicated by the Grouping field in the Group Header. Only the following combination can be used:

```
┌─────────────────────────────────────────────┐
│              Group Header                     │
│  ┌───────────────────────────────────────┐   │
│  │        Payment Information 1           │   │
│  │  ┌─────────────────────────────────┐  │   │
│  │  │  Transaction information 1       │  │   │
│  │  ├─────────────────────────────────┤  │   │
│  │  │  Transaction information 2       │  │   │
│  │  └─────────────────────────────────┘  │   │
│  └───────────────────────────────────────┘   │
│                                               │
│  ┌───────────────────────────────────────┐   │
│  │        Payment Information 2           │   │
│  │  ┌─────────────────────────────────┐  │   │
│  │  │  Transaction information 3       │  │   │
│  │  ├─────────────────────────────────┤  │   │
│  │  │  Transaction information 4       │  │   │
│  │  ├─────────────────────────────────┤  │   │
│  │  │  Transaction information 5       │  │   │
│  │  └─────────────────────────────────┘  │   │
│  └───────────────────────────────────────┘   │
│                                               │
│  ┌───────────────────────────────────────┐   │
│  │        Payment Information 3           │   │
│  │  ┌─────────────────────────────────┐  │   │
│  │  │  Transaction information 6       │  │   │
│  │  └─────────────────────────────────┘  │   │
│  └───────────────────────────────────────┘   │
└─────────────────────────────────────────────┘
```
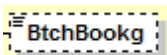
A detailed view on the structure of a Direct Debit Initiation Message is presented below.
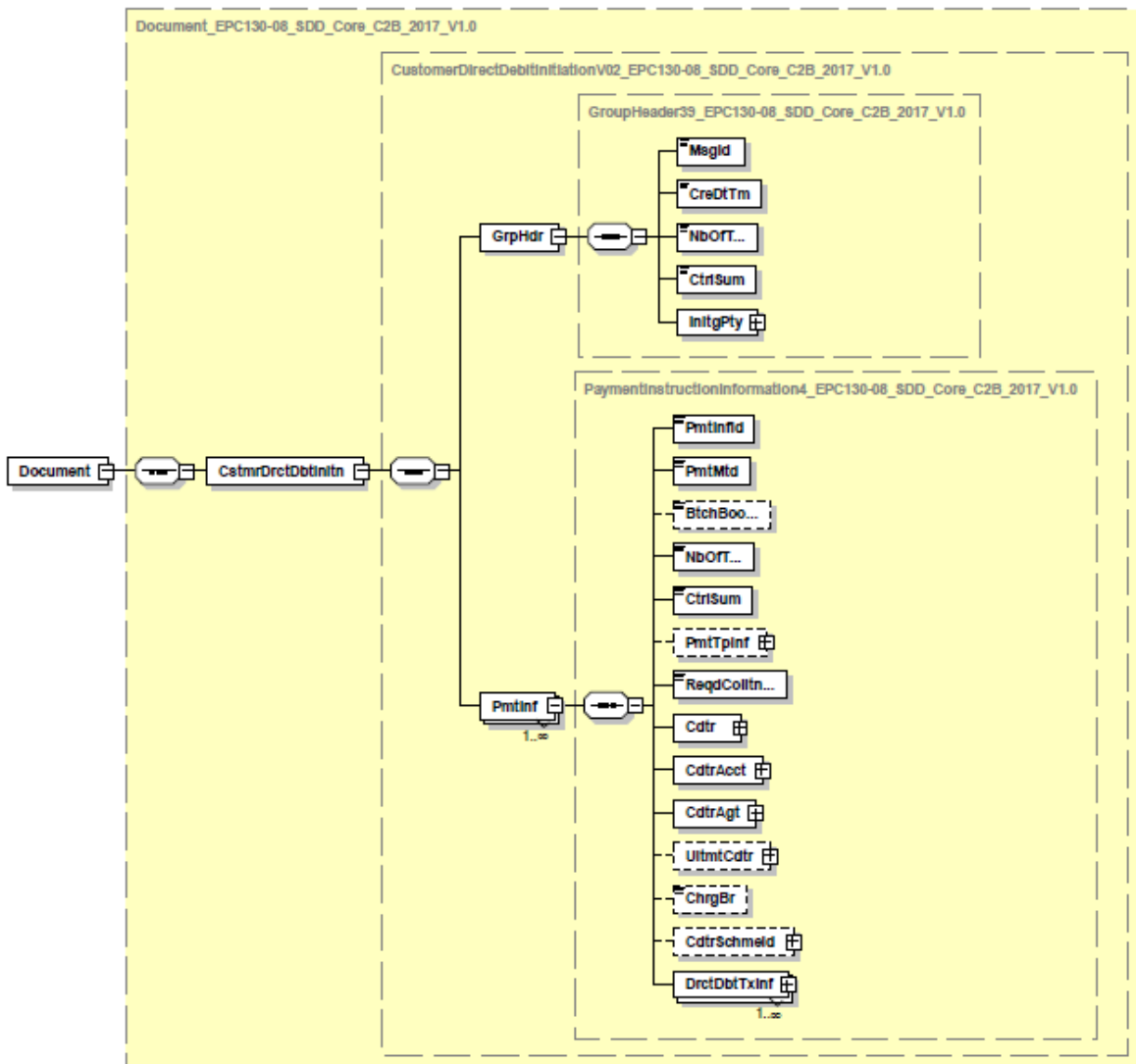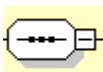

Legend:
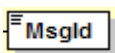
 Box with full-line is a **mandatory** Message Element

 Box with dotted line is an **optional** Message Element

 The Child Elements must appear in the **sequence** mentioned

 Only one of the possible Child Elements may be present (choice)

Changes compared to 2017 V1.0

A) In comparison with 2017 V1.0 there are no functional changes or modifications to INDICES with a specific NL Usage.

   Please do check ANNEX A for an overview of all INDICES with a NL usage rule.

B) All additions and modifications are prescribed in following documents of EPC:

   -   SDD Core C2B Implementation Guidelines 2019 version 1.0 on pages 67-69. SDD B2B C2B

       Implementation Guidelines 2019 version 1.0 on pages 67-69.

ANNEX A Overview of applicable NL usage rules (in addition to EPC usage Rules)

Index	Message Item	Applicable NL Usage Rules
2.61	*++CreditorSchemeIdentification*	For an overview of the NL Creditor Scheme Identification structure see: EPC262-08 Creditor Identifier Overview v6.0.pdf ATTENTION: Creditor Business Code (ZZZ) may not contain spaces.

ANNEX B Major differences SDD Core and SDD B2B

Subject	Core scheme	B2B scheme
Access to the scheme	Both retail and corporate	Only corporate
Debtor		Recommended to submit signed B2B mandate to the debtor bank for upfront registration

Checks by Debtor bank	Is SDD transaction allowed for the account/account type	Need authorisation from debtor
		
		Is obliged to keep track of authorisation of debtor for each mandate, including additional instrtuctions (if offered through AOS).
		
		Obliged to check for every transaction received whether for MRI included an authorisation of the debtor is obtained.
		
		At least check on the following mandate details:
		  Identification code of the scheme: B2B
		  Unique mandate reference
		  Creditor scheme Id
		  IBAN debtor
		  BIC debtor bank
		  Transaction type (one-off, recurring)
		  Check on additional details (if offered through AOS)
		Further more to check:
		  Has authorisation been cancelled/withdrawn
		  Has authorisation been changed
		  Is mandate dormant (due to 36 month of inactivity)
		
		Obligation to check if client is a corporate should be applied at the moment of lodging authorisation from debtor client.

Schemerule transaction timeline	D-1	D-1
Schemerule refusal timeline	pre-settlement	pre-settlement
Schemerule return timeline	D+5	D+3
Schemerule refund timeline	Bookdate + 8 weeks	Not allowed

Creditor mandate		The debtor must be able to recognise the mandate is about B2B.
		
		Specific text on the mandate should explain this e.g.
		  Only applicable to B2B transactions
		  No right for refunds