



ICEPAY & SEPA

Direct Debit

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1. Purpose of this document

This document provides general information about the SEPA initiative and the SEPA Direct Debit products available from ICEPAY. It is intended for the ICEPAY client and potential client as additional information and is not conclusive¹, nor may any claims be made based on the information provided.

- *NB: This document does not include or cover your own national bank approval process. Each bank may apply their own criteria.*

1.1 Support

For assistance or questions about the SEPA Direct Debit products provided by ICEPAY, please contact us on our general email address info@icepay.com or see below.

NL	BE	FR	DE
info@icepay.nl	info@icepay.be	info@icepay.fr	info@icepay.de
+31 20 700 99 90	+32 3 500 92 29	+33 18 488 53 72	

2. SEPA - Introduction

The **Single Euro Payments Arena** (SEPA) is a European Union initiative allowing consumers and businesses to make and receive domestic or cross-border payments under the same basic rules, rights and obligations.

2.1 SEPA - Goals

- To improve the efficiency of cross-border payments.
- To turn the EU national markets into a single domestic one.

2.2 SEPA – Bank accounts, currencies and identifiers

Bank accounts may be held in euro or in a local currency, but SEPA transfers always take place in euro.

IBAN (International Bank Account Number) and **BIC** (Bank Identifier Code) are the only permissible account and bank identifiers for SEPA transactions. **IBAN** is an internationally agreed system of identifying bank accounts and in some countries is required in conjunction with a **BIC**.

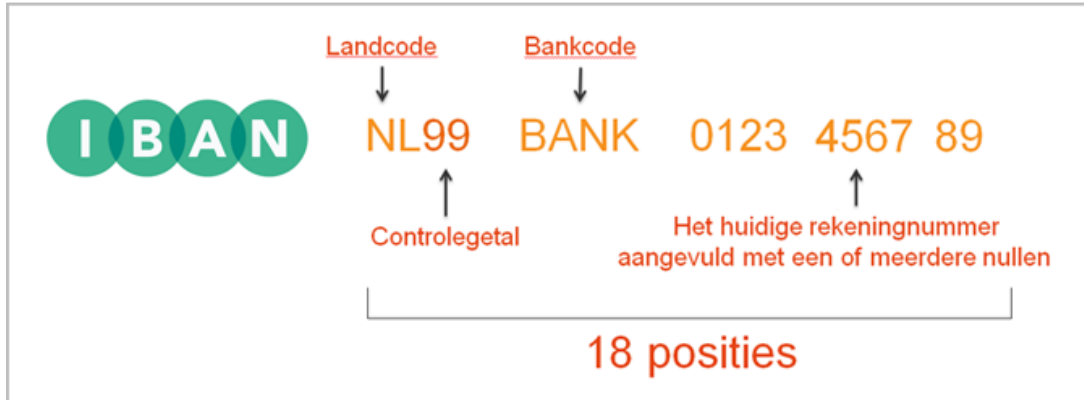
Only the IBAN is used in the Netherlands; the BIC can be derived from the IBAN

¹ The complete SEPA Core Direct Debit Scheme Rulebook is available from the EPC Website (www.europeanpaymentscouncil.eu). It is the user's responsibility to ensure they are referring to the correct and most up-to-date information.

2.2.1 IBAN

The IBAN is an international bank account number. Countries that have adopted the IBAN all use the same format:

- Two letters – the country code
- Two numbers – check digits
- Up to 30 numbers and/or letters – the basic bank account number



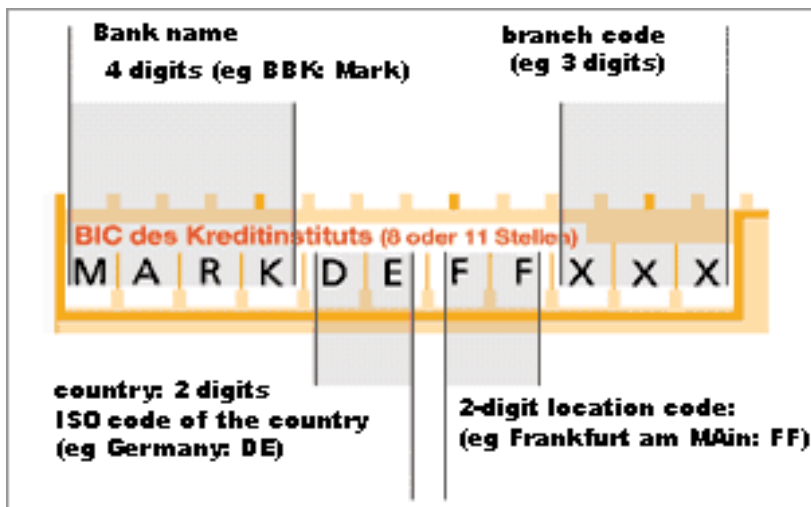
EXAMPLE OF A DUTCH IBAN (Overopiban.nl)

2.2.2 BIC

The BIC is a unique identification code for both financial and non-financial institutions. It is also known as a SWIFT code or SWIFT/BIC.

The BIC is either 8 or 11 characters long:

- 4 letters – the bank code
- 2 letters – the country code
- 2 letters or numbers – location code
- (Optional) 3 letters or digits – branch code



EXAMPLE OF A BIC

2.3 SEPA - Countries

The current geographical scope of SEPA covers the 28 EU member states plus Iceland, Liechtenstein, Norway, Switzerland and Monaco.

➤ *NB: ICEPAY currently processes SEPA Direct Debit in the following countries:*

Austria	Ireland	Slovakia
Belgium	Italy	Slovenia
Czech Republic	Liechtenstein	Spain (incl. Canary Islands, Ceuta and Melilla)
Estonia	Luxembourg	Sweden
Finland	Malta	Switzerland
France (incl. French Guyana, Guadeloupe, Martinique and Réunion)	Netherlands	United Kingdom (incl. Northern Ireland)
Germany	Poland	
Hungary	Portugal (incl. Azores and Madeira)	

3. SEPA Direct Debit Schemes - Introduction

SEPA Direct Debit allows consumers and businesses to make domestic and cross-border direct debit payments throughout the SEPA area. It is no longer necessary for debtors and creditors to hold accounts in various countries. SEPA Direct Debit is also possible for domestic direct debit payments. The SEPA schemes² consists of a set of rules that regulate the use of SEPA Direct Debit.

SEPA Direct Debit currently consists of two schemes:

1. SEPA Direct Debit Core
2. SEPA Business to Business Direct Debit

Both schemes are available with one-off or recurring mandates.

➤ *NB: ICEPAY currently offers the SEPA Direct Debit Core (one-off and recurring) products only.*

² Banks, PSP's and customers using the scheme must comply with these rules. Please refer to the SEPA Direct Debit Rulebooks on EPC's homepage to learn more: www.europeanpaymentscouncil.eu

3.1 Differences between the schemes in brief:

SEPA Direct Debit Core	SEPA Direct Debit B2B
Coverage: <ul style="list-style-type: none"> SEPA Area 	Coverage: <ul style="list-style-type: none"> SEPA Area
Collection from: <ul style="list-style-type: none"> Private and business bank account 	Collection from: <ul style="list-style-type: none"> Business bank account³
Mandates: <ul style="list-style-type: none"> Your customer must sign a new mandate each time (by one-off dd.) Mandate is not verified by debtor's bank Mandate has to comply with mandate requirements 	Mandates: <ul style="list-style-type: none"> Your customer must sign a new mandate each time (by one-off dd.) Mandate is registered and verified by the debtor's bank Mandate has to comply with mandate requirements
Timelines: <ul style="list-style-type: none"> Processing time - 5 business days Chargeback period - 5 business days (bank) and 8 weeks (consumer) Unauthorized debit – 13 months 	Timelines: <ul style="list-style-type: none"> Processing - 1 business day Chargeback period – 3 business days (bank) Unauthorized debit – 13 months
Pre-notification: <ul style="list-style-type: none"> Obligated, 14 days before receipt of direct debit, unless otherwise agreed upon 	Pre-notification: <ul style="list-style-type: none"> Obligated, 14 days before receipt of direct debit, unless otherwise agreed upon
Refund right: <ul style="list-style-type: none"> 8 weeks from day of debit 13 months by no valid mandate 	Refund right: <ul style="list-style-type: none"> Debtor has no option to obtain a refund of an authorized transaction

3.2 Advantages for Debtors

- A simple means of paying bills without the risk of late payment and consequences
- Straightforward reconciliation of debits on account statements
- The possibility to sign a mandate on paper (or in an electronic way once they become available)
- A no-questions-asked, fast and simple refund procedure

3.3 Advantages for Creditors

- A simple and cost-efficient way to collect payments
- The ability to determine the exact date of collection
- The certainty of payment completion within a pre-determined time-cycle
- Straightforward reconciliation of received payments

³ Not all banks participating in the SEPA area support the B2B Direct Debit scheme.

4. ICEPAY and SEPA – New and/or Changed products

ICEPAY currently offers the following SEPA Direct Debit Core products:

1. SEPA Direct Debit one-off - replaces the current Direct Debit payment method
2. SEPA Direct Debit recurring - replaces the current Direct Debit recurring payment method

4.1 SEPA Direct Debit one-off – General

One-off direct debits are those where the debtor grants authorization for a single payment to be collected. This authorization is only valid for the single transaction and cannot be used for any subsequent transactions. To reduce the risk of refunds, we recommend the use of a debtor mandate.

➤ Available in our Green, Blue and Black account

4.1.1 Debtor mandate one-off – Example

Your debtor should sign a mandate before you start sending collections. Presently only paper mandates are acceptable for the one-off direct debit, valid exclusively for that specific transaction.



The image shows a 'SEPA Enmalige machtiging' form. The creditor information is: Naam: Stichting DES, Adres: Stationsstraat 17, Postcode: 4336 XG, Plaats: Hoofdorp, Land: Nederland, Invoers ID: NL00ABC123456780000, Kenmerk machtiging: (blank), Rekening: Drenthe. The debtor information is: Naam: J. van den Bos, Adres: Beekhovenstraat 20, Postcode: 3921 RL, Plaats: Amstelveen, Land: Nederland, IBAN: NL93 0000 1234 5678 9010 11, BIC: RBLN NL21, Plaats en datum: Amstelveen, 14 September 2013. The form includes a signature and a date.

EXAMPLE OF A ONE-OFF MANDATE (Betaalvereniging Nederland)

4.1.2 Debtor Mandate one-off - Rules

The layout is up to you⁴, but you must include the following mandatory information:

General	Debtor	Creditor
SEPA as a header	Debtor's name	Creditor's company name
A unique Mandate reference	Debtor's address (number, street, postcode, city & country)	Creditor's address (number, street, postcode, city & country)
Type of payment	Debtor's IBAN	Creditor's ID
Signature place & time	Debtor's BIC	
Legal text		

⁴ Please refer to the EPC homepage for exact compliance rules – www.europeanpaymentscouncil.eu

4.2 Debtor Mandates - Important to know

- A mandate may be amended at any time, however if the debtor's bank details change, the next direct debit is considered the first.
- A mandate unused for 36 months must be cancelled and a new one issued.
- The original mandate, together with any amendments, cancellations or lapses must be stored according to national legislation but definitely for as long as the mandate is valid (for a minimum of 14 months after the last collection).

4.3 Pre-notification

Pre-notification of the amount and due date of the collection is another way to mitigate refunds. Unless otherwise agreed with your debtor, you should send the notification at least 14 calendar days before the due date.

You may send the pre-notification separately or together with or as part of other commercial documents, e.g. an invoice.

- *NB: If you choose not to send a pre-notification, the debtor may consider your collection unauthorized.*

The notification should include:

- The amount to be debited
- The date of the transaction
- The creditor's ID
- The unique mandate reference

The notification can also include:

- A list of repeating direct debits for an agreed period
- Advice about the collection

5. Exception handling (Revocations/Unauthorized transaction)

There are several scenarios whereby the collection of the direct debit cannot be processed normally; these include revocations and unauthorized direct debits.

➤ *NB: There are costs incurred for justified unauthorized transactions!*

Examples:

- Revocation:
 - A customer may revoke the transaction before the settlement date.
- Unauthorized direct debit:
 - No paper mandate exists (e-mandates are invalid!) or it does not meet requirements
 - No pre-notification has been sent

6. Costs of SEPA Direct Debit

Please refer to our websites for current pricing:

- icepay.com
- icepay.nl
- icepay.be
- icepay.fr