

# **SEPA Card Clearing Framework Operational Rules**

Version 2.0 Release Note 2014

30/06/2014

## Notice

This Specification has been prepared by the Participants of the Berlin Group. Permission is hereby granted to use the document solely for the purpose of implementing the Specification subject to the following conditions: (i) that none of the participants of the Berlin Group nor any contributor to the Specification shall have any responsibility or liability whatsoever to any other party from the use or publication of the Specification; (ii) that one cannot rely on the accuracy or finality of the Specification; and (iii) that the willingness of the participants of the Berlin Group to provide the Specification does not in any way convey or imply any responsibility for any product or service developed in accordance with the Specification and the participants of the Berlin Group as well as the contributors to the Specification specifically disclaim any such responsibility to any party.

Implementation of certain elements of this Specification may require licenses under third party intellectual property rights, including without limitation, patent rights. The Participants of the Berlin Group and any other contributors to the Specification are not, and shall not be held responsible in any manner for identifying or failing to identify any or all such third party intellectual property rights. **This Specification is provided "AS IS", "WHERE IS" and "WITH ALL FAULTS", and no participant in the Berlin Group makes any warranty of any kind, express or implied, including any implied warranties of merchantability, non-infringement of third party intellectual property rights (whether or not the Participants of the Berlin Group have been advised, have reason to know, or are otherwise in fact aware of any information), and fitness for a particular purpose (including any errors and omissions in the Specification).**

To the extent permitted by applicable law, neither the Participants of the Berlin Group nor any contributor to the Specification shall be liable to any user of the Specification for any damages (other than direct actual out-of-pocket damages) under any theory of law, including, without limitation, any special, consequential, incidental, or punitive damages, nor any damages for loss of business profits, business interruption, loss of business information, or other monetary loss, nor any damages arising out of third party claims (including claims of intellectual property infringement) arising out of the use of or inability to use the Specification, even if advised of the possibility of such damages.

Details of the Participants of the Berlin Group can be found at [www.berlin-group.org](http://www.berlin-group.org).

Participation in the Berlin Group does not imply either endorsement of any of the solutions identified in the Feasibility Study, carried out by the Berlin Group, or a commitment to implement them.

The Specification, including technical data, may be subject to export or import regulations in different countries. Any user of the Specification agrees to comply strictly with all such regulations and acknowledges that it has the responsibility to obtain licenses to export, re-export, or import the Specification.

**Contents**

1	Introduction.....	1
2	Card Services Definition and Support.....	4
3	Roles of the Framework Actors.....	9
3.1	The Actors.....	9
3.2	Settlement Account .....	10
3.3	The Four Corner Model .....	11
4	Operational Rules for Clearing.....	13
4.1	Nature of the Framework.....	13
4.2	Euro Currency .....	13
4.3	Transactions Types for Collections.....	14
4.4	Time Cycle for Collections.....	14
4.5	Due Date .....	15
4.5.1	Standard Relation between Key Dates.....	15
4.5.2	Non-Standard Relation between Key Dates .....	15
4.6	Calculations of Charging and Conversion.....	16
4.7	Rules for Exception Handling .....	16
4.8	Return Rules for Collections.....	17
4.9	Issuer Refund Rules (Charge Back Rules) .....	18
4.9.1	Issuer Refund Reasons.....	19
4.9.2	EMV Refund (Charge Back) Reasons .....	20
4.9.3	PIN Refund (Charge Back) Reason .....	21
4.9.4	Reasons for Second Presentments of Collections.....	21
4.9.5	Refund Fees .....	22
4.10	Reversal Rules .....	22
4.11	Non Euro Transactions.....	22
5	Clearing Data Model.....	23
5.1	Product Type .....	23
5.2	Amounts .....	23
5.3	Fees .....	24
5.4	Card and Issuer Data .....	24
5.5	Card Acceptor and Acquirer Data.....	25

---

5.6	Technical Acquiring Information.....	26
5.7	Message Reasons.....	26
6	Process Description.....	27
6.1	Collection of the Card Transaction (PR -01) .....	27
6.2	Payment of a Reversal (PR-02).....	39
7	References.....	42

## 1 Introduction

The SEPA Card Clearing (SCC) Framework as defined by the Berlin Group is a framework for the European area for the clearing and settlement of card based transactions. This framework is independent of the card brand used for the acceptance of the transaction, but describes a general mechanism to clear and settle card based transactions between banks.

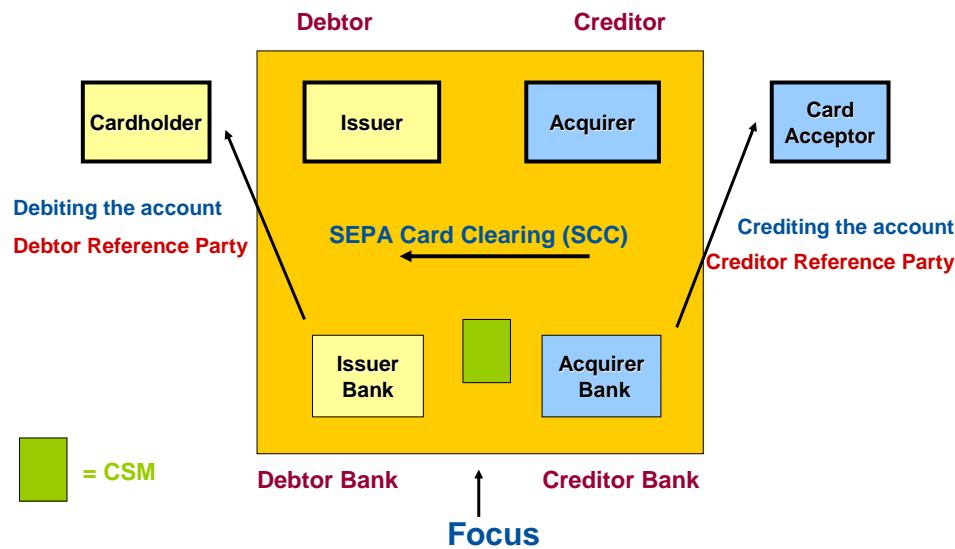
The European Payment Council (EPC) has defined the means of a Clearing and Settlement Mechanism (CSM) between banks for the SEPA Direct Debit (SDD) and SEPA Credit Transfer (SCT) Schemes. The SCC Framework is aimed to enable the European banks and clearing infrastructure as built up through CSMs to clear and settle also card based transactions. It is supporting all different CSM models (multilateral, bilateral, PE-ACH etc).

The SCC Framework recognises that a card authorisation process normally has taken place between acquirer of the card transaction and the issuer of the card before the clearing is initiated, following the rules of the underlying card payment scheme. This card authorisation might have been performed offline as defined within the EMV standard, or even might not be performed under certain circumstances, as defined by the underlying card payment scheme.

The SCC Framework considers all card clearing mechanisms necessary for the card based business processes as defined by EPC in [EPC Vol].

The modeling of the SCC Framework is assuming that the acquirer of the card based transaction is the Creditor, where the issuer is the Debtor of the transaction, since the issuer is the business counterpart of the acquirer. The card acceptor and the cardholder are modeled as reference parties in the messages, since information about them is needed for the end-to-end clearing of the card based transaction and downstream dispute processes. Anyhow, specific requirements on the interfaces in the acquiring sphere as between card acceptor and acquirer, or in the issuer sphere as between issuer and cardholder are not defined.

An overview on this infrastructure is given in the following diagram.



**Figure 1: Overview on the SCC Modeling**

The focus of this document is on the definition of operational rules for the processing of the clearing messages basing on the ISO 20022 norm exchanged between Acquirer Bank and Issuer Bank. The operational rules describe the flow and exception processing. Moreover, an abstract data model is defined giving details about the modeling above.

The relevant currency for clearing and settlement as defined in this document always is euro. Nevertheless, the transaction can be processed locally in other currencies, without impact on this framework.

### Document History

Version	Change/Note	Approved
1.0	First published version	Berlin Group Plenary January 2011
1.1	References on Implementation Guide updated to Version 1.1	Berlin Group Plenary October 2011
2.0	Version 2.0	Berlin Group

		Plenary, 30/11/2012
2.0 Rel. Note 2013	<p>Adaption to Implementation Guide 2.0 Release Note 2013</p> <p>Additional Changes:</p> <p>Reversal Rules: Rejections of Returns on a transaction after having submitted a Collection Reversal not allowed by Creditor (can be filtered by CSM).</p> <p>Reversal Rules: Submitting Period extended to 120 Days.</p> <p>Return Period extended to 2 Target days till Creditor Bank as receiver.</p>	Berlin Group Plenary June 2013
2.0 Rel. Note 2014	Adaption to Implementation Guide 2.0 Release Note 2014	Berlin Group Plenary June 2014

## 2 Card Services Definition and Support

The EPC has defined card payment services within its standardising efforts for cards issued in [EPC Vol]. The services defined in [EPC Vol] are supported by this framework as described in the following table. The message usage to support the services are specified in detail in [BG IG].

Card Service Name and Description	Support
<p><b>ATM Cash Withdrawal:</b> A service which allows the cardholder to withdraw cash at an unattended cash dispensing Also called "ATM Cash Disbursement"</p>	Collection with a specific Purpose Code and Card Acceptor Business Code. This transaction shall always be authorised on-line.
<p><b>Cancellation:</b> A service which allows the card acceptor to cancel a previously approved transaction. Cancellation should only occur before the transaction is cleared to the issuer. It is sometimes called "Manual Reversal".</p>	No impact on clearing.
<p><b>Cash Advance (attended):</b> A service that allows the cardholder to withdraw cash in an attended environment, e.g. at a POS terminal or a bank counter. Also called Cash Disbursement.</p>	Collection with a specific Purpose Code and Card Acceptor Business Code. This transaction shall always be authorised on-line.
<p><b>Combined Funds Request/Top-up</b> This service allows a Card Acceptor to offer top-up services for Cardholders whose Issuer has a top-up contract/connection with the cardholder's mobile phone operator. The Card Acceptor in this case provides just the terminal for the entry of mobile phone data and initiates the fund request/top-up. The transaction management of the two subservices fund request and top up is performed by the Issuer/Issuer Gateway.</p>	The clearing is not performed between Acquiring and Issuing Bank, but within the Issuer sphere. The Acquirer can collect Service Fees for offering the service at its terminals from the Issuer by using bilatally defined fee processes. Fee collections for this type of services are not defined yet in SCC. Fee collections for not successful transactions are not permitted.
<p><b>Deferred Payment:</b> A combined service which enables the card acceptor to perform an authorisation for a temporary amount and a completion for the final amount within a limited time frame. Deferred Payment is only available in the unattended environment. Examples where this service is widely used are unattended petrol pumps and phone booths. This is also called "Outdoor Petrol" when used in the specific petrol sector.</p>	A Collection with a specific Purpose Code will be submitted based on either the online completion advice or partial reversal used within the authorisation process.



Card Service Name and Description	Support
<p><b>Funds Request for Top-up</b> A service requesting funds for loading of a prepaid mobile top-up account. The top-up of the account itself is not directly addressed. In contrast to a payment transaction for Services, this service transports additionally mobile phone data.</p>	<p>The presentment is using a specific Processing Code. The mobile phone data is transported in the clearing message.</p>
<p><b>Issuer initiated referral:</b> A referral occurs when the initial authorisation request is first responded to with an appropriate Referral. Authorisation Response Code and the transaction is completed with a voice conversation (out of scope) to seek an approval for the transaction to proceed.</p>	<p>After a referral, the authorisation code given by the issuer via phone has to be used as Authorisation Code.</p>
<p><b>No Show:</b> A service which allows the card acceptor to charge the cardholder's account due to the fact that the cardholder has not arrived within the specified time and has not cancelled the guaranteed reservation within the specified period. It is used e.g. for hotel trade.</p>	<p>For clearing a Collection will be submitted. This transaction may have been preceded with a pre-authorisation and a subsequent completion or partial reversal. If not pre-authorized, the collection shall contain the local date and time of the date on which the cardholder failed to use the reserved service.</p>
<p><b>Payment:</b> The basic service which allows the cardholder to pay for the purchase of goods and services from a card acceptor using their card.</p>	<p>Clearing of an accurate amount using a presentment</p>
<p><b>Payment with Cashback:</b> A service which allows the cardholder to obtain cash from the card acceptor in conjunction with a payment. Also called a Cashback transaction. The cardholder customer receives the extra amount in cash along with the goods/services.</p>	<p>Clearing of an accurate amount with a specific Purpose Code and an additional amount field using a presentment</p>
<p><b>Payment with deferred Clearing:</b> A feature where the acquirer postpones the clearing of the transaction. It is used for example for the payment of health expenses.</p>	<p>Collection after a Pre-Authorisation indicating an extended validity period and a Completion Advice.</p>

Card Service Name and Description	Support
<p><b>Payment with Increased Amount:</b> A feature which allows the cardholder to increase the amount to pay by adding an extra amount, for example where a gratuity (tip) is added. There are two different cases:</p> <ul style="list-style-type: none"> <li>• The customer increases the amount of a payment prior to authorisation</li> <li>• The authorisation is processed prior to increasing the payment amount, e.g. adding a gratuity on the receipt.</li> </ul>	<p>The Collection shall contain the gratuity amount information, whether or not the gratuity was authorised.</p>
<p><b>Remote Payments:</b> e-Payment: A Remote Payment where goods, services, etc. are purchased over electronic systems such as the Internet and other computer networks. The cardholder may be authenticated by the issuer.</p> <p>MOTO: A Remote Payment following a mail order or telephone order</p>	<p>A Collection with specific attributes in the additional card transaction data. E-commerce authentication data from the authorisation process (e.g. as transported in BMP 62 of the ISO 8583 based Berlin Group authorisation message) is <i>not</i> transported in clearing.</p>

Card Service Name and Description	Support
<p><b>Pre-Authorisation Services (also called Multi Step Payment):</b> A service composed of the 3 steps</p> <ul style="list-style-type: none"> <li>• <b>Pre-Authorisation,</b></li> <li>• <b>Update Pre-Authorisation</b> (optional and potentially with several occurrences), and</li> <li>• <b>Payment Completion</b></li> </ul> <p>A <b>Pre-Authorisation</b> allows the card acceptor to reserve an amount for a specified period of time to ensure that sufficient funds are available to complete a subsequent payment. The pre-authorization is used only to reserve the amount since neither the final amount nor the final date and time of the actual payment are known (e.g. car rental, hotel, video rental, etc.). Pre-Authorisation is also called "Reservation".</p> <p>The <b>Update Pre-Authorisation</b> is used to update the estimated amount and/or the validity period of the previous Pre-Authorisation or the previous Update Pre-Authorisation.</p> <p>The <b>Payment Completion</b> is used to complete a transaction following a Pre-Authorisation or Update Pre-Authorisation Request.</p>	<p>A Collection will be submitted based on either the online completion advice or partial reversal used within the authorisation process.</p>
<p><b>Quasi Cash Payment:</b> A service which allows the cardholder to obtain items which are directly convertible to cash. For example these can be gaming chips.</p>	<p>Collection with a specific Purpose Code</p>
<p><b>Recurring Payment:</b> A service where the cardholder authorises an acceptor to charge the cardholder's account on a recurring basis.</p>	<p>Collection with a flag indicating recurring payments.</p>
<p><b>Unsolicited Balance Information (Unsolicited Available Funds):</b> A feature which allows the card issuer to provide account balance information in the authorisation response message.</p>	<p>No impact.</p>

The following services and additional features defined in [EPC Vol] are not supported by the SCC Framework yet:

- Balance Inquiry and respective Fee Collection
- Card Funds Transfer,
- Cash Deposit,
- Card Validity Check and respective Fee Collection,
- e-purse - Loading/Unloading,
- Installment Payment,
- Merchant Refund,
- Original Credit,
- Payment or cash withdrawal with explicit dynamic currency conversion,
- Payment with cumulative amount,
- Payment with Loyalty information
- Payment with Purchase/Corporate Card.

### 3 Roles of the Framework Actors

This chapter describes the roles of the actors in the SCC Framework.

#### 3.1 The Actors

The execution of a SEPA Card Clearing involves four main actors<sup>1</sup>:

- The **Creditor (Acquirer)**: is mandated by the Debtor to initiate Collections, which are instructions to receive Funds from the Debtor Bank by debiting the account of the Debtor.
- The **Creditor Bank**: is the bank where the Creditor's account is held and which has concluded an agreement with the Creditor about the rules and conditions of a product based on the Scheme. On the basis of this agreement it receives and executes instructions from the Creditor to initiate the card clearing transaction by forwarding the Collection to the Debtor Bank in accordance with the SCC Framework.
- The **Debtor Bank**: is the bank where the account to be debited is held and which has concluded an agreement with the Debtor about the rules and conditions of a product based on the Framework. On the basis of this agreement, it executes each Collection of the card clearing originated by the Creditor by debiting the Debtor's account, in accordance with the SCC Framework.
- **The Debtor (Issuer)**: mandates the Creditor to initiate Collections. The Debtor's Bank account is debited in accordance with the Collections initiated by the Creditor.

The clearing of a card transaction is preceded by a card based interaction between Cardholder and Card Acceptor, in an attended or un-attended, a physical or remote environment, to sell goods or services or to withdraw cash. This gives rise to two more roles in the Framework, matched with the corresponding roles, which the SEPA payments are offering:

- The **Debtor Reference Party** is a person in relation to whom a Debtor makes a payment. For card transactions, this person is the Cardholder.
- **Creditor Reference Party** is an entity in relation to whom a Creditor sends a collection. For card transactions, this entity is the Card Acceptor.<sup>2</sup>

---

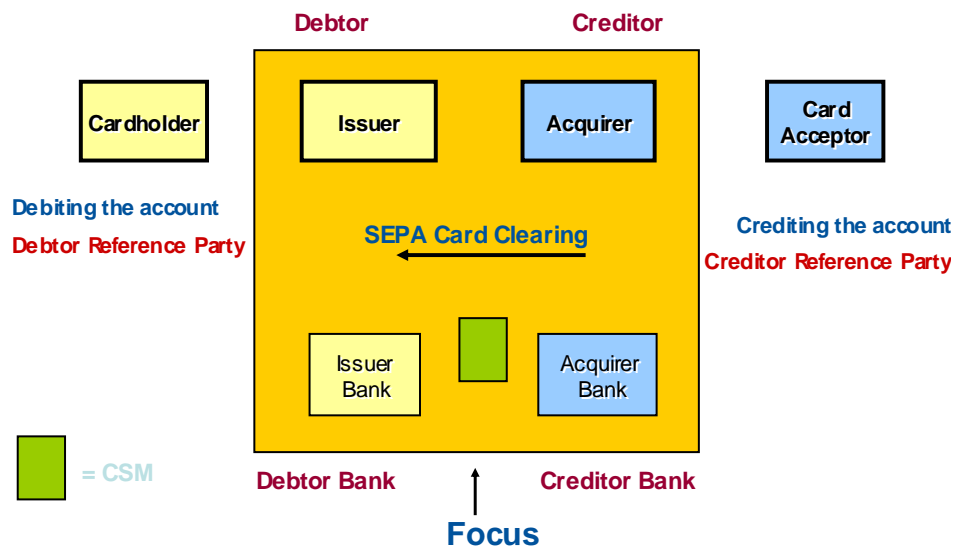
<sup>1</sup> Note that for example Creditor and Debtor are roles defined for this document. Creditor and Creditor's Bank and/or Debtor and Debtor's Bank may coincide if Issuer and/or Acquiring Parties are banks.

<sup>2</sup> Note that Creditor and Creditor Reference Parties are roles defined for this Framework. Creditor and Creditor Reference Party may coincide, e.g. if the underlying card scheme has not defined the extra

Creditor Banks and Debtor Banks are Participants of the Framework. The operation of the Framework also involves other parties indirectly:

- **CSMs:** Clearing and Settlement Mechanisms such as an automated clearing house or other mechanisms such as intra-bank and intra-group arrangements and bilateral or multilateral agreements between Participants.
- **Intermediary Banks:** Banks offering intermediary services to Debtor Banks and/or Creditor Banks, for example in cases where they are not themselves direct participants in a CSM.

The actors are illustrated in the following diagram:



Only the diagram in the middle is in focus of this framework. The acquiring sphere between Acquirer and Card Acceptor and the issuing sphere between Issuer and Cardholder are out of scope.

### 3.2 Settlement Account

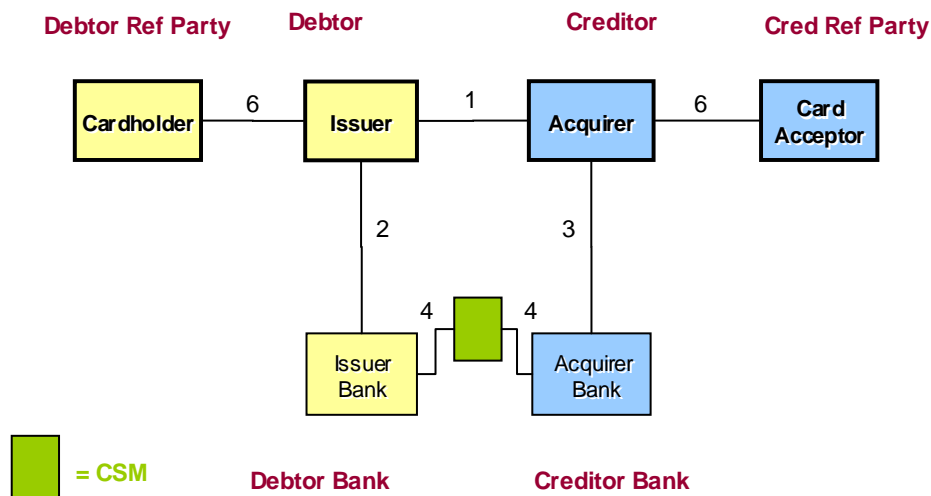
IBAN and BIC of the Debtor's Account must be known to the Creditor for initiating the collection of card based transaction. This account is also referred to as "Settlement Account"

role of an Acquirer. In such a case, a Card Acceptor would be a Creditor within the clearing model of this Framework. Anyhow, the Card Acceptor data will always be transmitted within the Creditor Reference Party field to unify the processing of different business models.

within this document. It is not defined in the SCC Framework model, how the creditor is determining the Settlement Account for a given card accepted at a POS or an ATM. The related systematic is either defined by the corresponding card scheme or agreed bilaterally/multilaterally by Debtors (Issuers) and Creditors (Acquirers). It is especially not defined in this model, whether the settlement account is for example one settlement account for every Debtor (Issuer) or a different settlement account for every card, since these definitions have no impact on the clearing interface between Creditor Bank and Debtor Bank.

### 3.3 The Four Corner Model

The following diagram gives an overview of the contractual relationships and interaction between the main actors.



**Figure 2: 4-Corner Model - Contractual**

The actors will be bound together by a number of relationships, identified on the diagram by numbers:

- (1) Between the Creditor and the Debtor, regarding the requirement to make a payment. The organisation mandating a Collection is managed by a card scheme entity or bilaterally/multilaterally agreed between Creditor and Debtor.

- (2) Between the Debtor Bank and the Debtor concerning the card clearing service to be provided and related Terms and Conditions. Provisions for this relationship are not governed by the framework, but will, as a minimum, cover elements relevant to the execution of a SEPA Card Clearing as required by the SCC Framework.
- (3) Between the Creditor Bank and the Creditor concerning the card clearing service to be provided and the related Terms and Conditions. Provisions for this relationship are not governed by the Framework, but will, as a minimum, cover elements relevant to the execution of a SEPA Card Clearing as required by the SCC Framework.
- (4) Between the Creditor Bank and the Debtor Bank and the selected CSM concerning the Terms and Conditions of the services delivered. Provisions for these relationships are not governed by the SCC Framework, but will, as a minimum, cover elements relevant to the execution of a SEPA Card Clearing. Principles for the operation of such CSMs in relation to SEPA payment instruments are set out within the PE-ACH/CSM Framework of EPC.
- (5) As applicable, between the Creditor Bank and/or the Debtor Bank and any Intermediary Bank. Provisions for these relationships are not addressed by the Framework. This relationship is not illustrated above.
- (6) Relations between Creditor (Card Acquirer) and Creditor Reference Party (e.g. Merchant) and between Debtor (Card Issuer) and Debtor Reference Party (Cardholder) are not addressed by the Framework.



## 4 Operational Rules for Clearing

In the following, days and the periods of days mean calendar days, if not otherwise said. Calendar days are defined by CET or CEST, where applicable.

Inter-bank Business Days are defined as days, on which banks generally are open for inter-bank business. The TARGET days calendar is used to identify inter-bank business days.

Inter-bank Business Days might be defined otherwise bilaterally or multilaterally.

### 4.1 Nature of the Framework

A SEPA Card Clearing transaction is an **inter-bank** payment governed by the SCC Framework for making Collections in euro, based on card transactions throughout SEPA. This framework is not touching the business rights and liabilities between the Creditor and Debtor, i.e. between Acquirer and Issuer.

Transactions for the Collection of card's funds from a Debtor's account with a Debtor Bank are initiated by a Creditor via its bank (the Creditor Bank) as agreed between Debtor and Creditor. The Creditor (Acquirer) is mandated by the Debtor (Issuer) as defined within the card scheme or by bilateral/multilateral agreements between Debtors and Creditors. The Debtor and Creditor must each hold an account with a participant to this framework located within SEPA.

The Collections executed in accordance with the Framework are separate transactions from the underlying contract on which they are based. The underlying contract is agreed on between the Debtor and the Creditor or is part of a multilateral contract e.g. as organised within a card payment scheme. The Creditor Bank and the Debtor Bank are not concerned with or bound by such contract. They are only involved in the agreement with their respective Customers on the Terms and Conditions of the delivery of card clearing related services.

The following key elements are included within the scope of the Framework: A set of inter-bank operational rules, practices and standards for the execution of card clearing payments in euro within SEPA by banks.

### 4.2 Euro Currency

The SCC Framework operates in euro in the inter-bank space, independently of the currency of the card transaction e.g. locally at a POS terminal or ATM, or the cardholder's account currency.

All SCC transactions will be in euro at the inter-bank level in all process stages, including all exception handling, covering Rejects, Returns, Reversals, Refunds and Revocations.

The accounts of the Debtor and of the Creditor may be in euro or any other currency. Any currency conversion is executed in the Debtor Bank or Creditor Bank. Any such currency conversion, including the related risks for banks, is not governed by the SCC Framework.

### 4.3 Transactions Types for Collections

The following transaction types for Collections governed by business rules of the underlying card scheme are distinguished on the inter-bank level:

- Card Clearing Collection

The normal collection for the Creditor Bank (Acquirer Bank) to present a transaction to the Debtor Bank (Issuer Bank). The Debtor Bank is asked hereby to transfer the total settlement amount named in the Collection to the Creditor Bank.

- Refund by Card Issuer (Charge Back)

The Debtor (Issuer) can initiate an Issuer Refund transaction (charge back) for a transaction, for example if the customer denies a transaction since the service was not delivered. The amount of the transactions then will be resettled, including the interchange fees.

- Second Presentments for Card Clearing Collection Messages

Under certain circumstances, the Creditor (Acquirer) is allowed to re-present the transaction after an issuer refund (charge back) of a transaction within a second presentment of the collection.

### 4.4 Time Cycle for Collections

#### Default Presentment Period

Collections for SCC shall be submitted by the Creditor Bank in a period of 7 days to ensure full payment guarantee, if not defined differently by the corresponding card scheme or bilaterally between issuer and acquirer, i.e. the collection must be submitted by the end of the 7<sup>th</sup> day with the day after the card transaction day being the 1<sup>st</sup> day.

A settlement of a collection shall be executed at the earliest possible moment.

The card transaction day of a Multi Step Payment is the day of the partial reversal or completion advice finalizing the payment. If no partial reversal or completion advice is used in a Multi Step Payment, the collection shall be submitted before the validity period expires.

## Maximum Presentment Period

Collections for SCC shall be submitted by the Creditor Bank within a period of 120 days, to ensure relevant parties can compare the collection data with card transaction data. Later collections are not allowed.

This maximum period does not include the second presentment of a collection after an Issuer Refund.

## 4.5 Due Date

### 4.5.1 Standard Relation between Key Dates

The day on which Settlement takes place is called the Settlement Date.

The day on which the Debtor's account is debited is called the debit date.

The **Due Date** (referred to as day 'D' in this document) of the Collection is the day when the payment of the Debtor is due to the Creditor. The appointment of the Due Date is specified in the card scheme. In absence of such rule the Due Date equals the Inter-bank Settlement Date (D+0).

The general rule is that the key dates:

Due Date, Settlement Date, and debit date are the same date.

The general rule is achieved when the following assumptions are true:

- The Collection contains a Due Date in accordance with the Framework rules.
- The Debtor Bank and the Creditor Bank are able to settle on Due Date.
- The CSM is open for Settlement on Due Date.
- The Debtor Bank is willing to debit the Debtor's account by the amount of the Collection on Due Date.

### 4.5.2 Non-Standard Relation between Key Dates

There are several conditions under which the standard relation between key dates cannot be respected, as follows:

- If for any reason, the Collection is delayed and has a Due Date that does not allow the Collection to be received by the Debtor Bank according to the rule described in Section 4.3.4, then this Due Date must be replaced by the earliest possible new Due Date by the Creditor or the Creditor Bank as agreed between them. At inter-bank level, a given Due Date may never be changed.

- If the Due Date falls on a day which is not an Inter-Bank Business Day, then the Settlement Date will be the next Inter-Bank Business Day.
- If the Settlement Date falls on a day which is not a Customer Banking Business Day in the country of the Debtor Bank, then the debit date will be the next Customer Banking Business Day. The Debtor Bank may debit the Debtor's account with the value date = Settlement Date.
- If the Debtor Bank cannot debit the Debtor's account on the Due Date the debit can be executed later. The Debtor Bank must always carry out the Return in the agreed time frame.

## 4.6 Calculations of Charging and Conversion

### Conversion Rate

If the card transaction was not performed in euro, the Creditor (Acquirer) has to convert the transaction amount with the conversion rate, which is defined via card scheme rules or agreed on bilaterally between Creditor and Debtor.

### Rules for fees

Rules for the applicable card fees are outside of this Framework and are defined by the underlying card schemes or agreed bilaterally/multilaterally by Creditors and Debtors. Nevertheless, the Framework enables the relevant parties to transmit fee related information in the collection.

## 4.7 Rules for Exception Handling

The following transaction types are used for exception handling in the inter-bank processing.

- Reversals

When the Creditor (Acquirer) or the Creditor Bank (Acquirer Bank) concludes that a Collection should not have been processed, a Reversal may be used after the Clearing and Settlement by the Creditor/Creditor Bank to reimburse the Debtor with the full amount of the erroneous Collection.

- Rejections

These transactions are Collections that are diverted from normal execution, prior to inter-bank Settlement, for technical reasons detected by the Creditor Bank or the CSM, such as invalid format, wrong IBAN check digit etc. Rejections are not defined in SCC on the inter-bank level as such, but covered by specifications of CSMs.

- Returns (Rejections after Settlement)

These transactions are Collections that are diverted from normal execution after inter - bank Settlement and are initiated by the Debtor Bank (Issuer Bank).

Further exception handling features, but without financial impact on the inter-bank space, are the following:

- Revocations

This is an request by the Creditor to recall the instruction for a Collection prior to the acceptance by the Creditor Bank. This forms part of the bilateral agreement between Creditor and Creditor Bank and is not covered by these rules.

- Requests for cancellation

This is a request by the Creditor Bank to recall the instruction for a Collection prior to acceptance by the CSM. This forms part of the bilateral agreement between Creditor Bank and CSM and is not covered by these rules.

Returns, Requests of Cancellation, Reversals and Refunds of Collections must be cleared and settled via the same CSM used for the Clearing and Settlement of the initial Collection, unless otherwise agreed between banks. A process for Reject, Return and Refund must be offered by any CSM which is to offer services relating to this Framework.

All Returns, Reversals, Refunds and Revocations must be based on the exact euro amount of the original card clearing collection.

#### **4.8 Return Rules for Collections**

Reasons for returns of collections are:

- Card transaction not allowed following card scheme rules.
- The presentment of the collection is not submitted in a period of 120 days.
- Format error in the collection (field missing or not correctly coded).
- Conversion rate not correct.
- Duplicate message.
- The clearing collection is sent to the wrong partner.

- A collection of a Multi-Step Payment may be returned, if the payment was not completed on the online interface by a partial reversal or a completion advice according to card scheme rules.
- Second presentments of a collection may be returned, if they are received more than 45 days after the corresponding Refund.
- Clearing Account is not known or not used for this type of transaction.
- Card Transactions were performed without payment guarantee following card scheme rules and cardholder accounts are not covering the transaction amount or card account does not exist any more.

Returns shall be submitted such that it is received by the original Creditor bank 2 TARGET days after the settlement of the original collection at the latest, if not defined otherwise bilaterally.

**Note:** There are no Rejection Messages defined for SCC on interbank level, since whole files will be settled: Returns in SCC coincide with Rejections in ISO8583 based Berlin Group clearing.

#### 4.9 Issuer Refund Rules (Charge Back Rules)

Issuer Refunds are not applicable on second presentments of collections.

The amount (settlement amount) of the Issuer Refund (charge back) is the settlement amount of the related first presentment.

A second presentment of a collection may be submitted only after a Issuer Refund of the original transaction.

The settlement amount of the second presentment may differ from the settlement amount of the corresponding collection only, if the charge back reason was "transaction not authorised" because of an incorrect transaction/settlement amount in the collection.

The second presentment of a collection must contain the same conversion rate in euro as the original collection, if the transaction was not performed in euro, unless the conversion rate has been disputed.

If an Issuer Refund was generated on a collection, then a full new collection should be generated if the reason was that some technical data was incorrect in the collection itself.

#### 4.9.1 Issuer Refund Reasons

The following core Issuer Refund Reasons are defined in the system:

- Service not rendered
  - ATM: cash amount rendered was not correct
  - POS: Services or Goods not rendered (e.g. with e-commerce transactions)
- Transaction not authorised
  - For card transaction with online authorisation request:
    - Transaction not authorised by issuer, or
    - Transaction reversed, or
    - Amount not correct.
  - For card transactions which were handled offline since an online authorisation request was not started or a request response was not received.:
    - Chip data for the computation of the TC is missing
    - TC is not correct or missing
    - Transaction above the floor limit
- No cardholder authorisation
  - Card authorisation request without any proof of cardholder authentication, or
  - Proof of cardholder authentication incorrect (e.g. manual signature)
- Duplicate processing
- EMV liability shift
  - see Section 4.9.2
- PIN liability shift
  - See Section 4.9.3
- E-Payment

- no special reason for an Issuer Refund (charge back), if the issuer authorised the card transaction and the transaction was flagged as e-payment transaction.
- A charge back may be generated if the transaction was not authorised by the customer, or services were not rendered with the corresponding reason code.
- Late presentment  

If the collection is not submitted in a 7 day period, as described in Section 4.4, then the Debtor (issuer) may initiate an Issuer Refund (charge back) with reason “late presentment” if the card account is closed or the transaction amount is not covered by the account, or if the card is lost and stolen.
- Validity period expired
- Card Scheme specific reason (not defined).

A payment scheme using this interface for processing might define additional charge back reasons or might also limit itself to a subset of these charge back reasons.

Remark: There are no transaction limits defined for clearing. Thus, authorised transactions cannot be charged back out of limit reasons.

#### **4.9.2 EMV Refund (Charge Back) Reasons**

An EMV Issuer Refund may be generated in general only if the cardholder states that neither he nor any person known to him has performed the disputed transaction with his card or if the card is lost or stolen, and if the following conditions apply.

An Issuer Refund (charge back) may be generated, if the card used in the transaction is EMV capable, the transaction is a fraudulent transaction and if at least one the following conditions is fulfilled:

- The terminal is not EMV capable and the fraud is counterfeit fraud.
- The terminal is not EMV capable, the transaction was signature based and the fraud is lost and stolen fraud.
- The terminal is EMV capable, the fraud is counterfeit fraud and the transaction is processed as fall back, but the fall back indicator is missing in the online authorisation request.
- The terminal is EMV capable, the transaction was signature based, the fraud is lost and stolen fraud and the transaction is processed as fall back, but the fall back indicator is missing in the online authorisation request.



### 4.9.3 PIN Refund (Charge Back) Reason

A PIN related Issuer Refund (charge back) may be generated in general only

- if the cardholder states that neither he nor any person known to him has performed the disputed transaction with his card or
- if the card is lost or stolen

and if the following conditions apply.

The card transaction was processed as EMV transaction without PIN verification, and the first CVM in the card's CVM list was a PIN Verification Method, but the terminal had no running PED device or does not support the PIN Verification Method indicated by the card.

### 4.9.4 Reasons for Second Presentments of Collections

Second presentments may be performed for the following reasons according to Issuer Refund (charge back) reasons:

- Service not rendered: only if proof of card transaction is present
- Transaction not authorised: only
  - if transaction was already reversed automatically or
  - if an amount had been corrected
- Duplicate processing: only if clearing transaction was already reversed automatically
- EMV liability shift: only if the Creditor (acquirer) can prove that the liability shift rules of the Debtor (issuer) were not correct
- PIN liability shift: only if the Creditor (acquirer) can prove that the liability shift rules of the Debtor (issuer) were not correct
- No cardholder authorisation: only if proof of origin of transaction is present

Second presentments are not permitted for the following Issuer Refund (charge back) reasons given:

- Late presentment
- Validity period expired

A new presentment of a collection already presented once may be marked as a first presentment if the corresponding first presentment of the collection or the corresponding clearing file, was rejected/returned by the CSM or by the Debtor Bank(Issuer Bank).

#### **4.9.5 Refund Fees**

No Issuer Refund (charge back) fees are defined between Creditor and Debtor.

#### **4.10 Reversal Rules**

A Creditor (Acquirer) should not send a Reversal after having received an Issuer Refund (Charge Back) of a transaction.

Reversals shall be submitted within 120 calendar days if not agreed otherwise.

Partial reversals are not permitted.

#### **4.11 Non Euro Transactions**

If transactions are rejected, returned, refunded or reversed, which have been processed in a non euro currency, then the reconciliation amount in euro of these transactions including fees is resettled.

## 5 Clearing Data Model

In this section the abstract data model for SCC clearing processes are defined. The clearing data of every transaction is transported in a so called clearing message.

Note: In the following the "payment wording" for roles like Creditor, Creditor Bank, Debtor, Debtor Bank are used instead of Acquirer, Acquirer Bank, Issuer and Issuer Bank. Nevertheless, the "card wording" is sometimes added in brackets to make the text more readable for people from the cards departments in banks or other institutions.

### 5.1 Product Type

The product type is an ID of the card product which is accepted at the POS or ATM in processing the transaction. The product ID can be given in the messages implicitly by the definition of clearing partners or explicitly within the card data structure of the messages.

### 5.2 Amounts

- Original Amount
  - Transaction Amount used at the terminal. This amount is confirmed by the customer and printed on receipts. The amount includes additional amounts if applicable.
  - The currency of the amount is defined by the transaction currency code. The original amount is given in transaction currency only.
- Instructed Amount
  - Transaction Amount in Euro.
  - The conversion rate of the transaction amount is defined in the original amount field, if the transaction currency was different from euro. This conversion rate is defined by scheme rules of the card payment schemes using this interface or bilaterally/multilaterally by Issuers and Acquirers.
- Additional Amounts
  - If the message type is a presentment with cash back, then the additional amounts define the cash amount which is delivered to the customer.
  - If the message carries a gratuity, then the additional amounts contains the gratuity amount (Payment with Increased Amount).
  - If the message carries a surcharge, then the additional amounts may contain the surcharge amount.

- Settlement Amount
  - The settlement amount is the amount which is settled for the corresponding transaction, including fees.
  -

### 5.3 Fees

Collection messages or R-Transactions can contain fees. All fees are interchange/service fees paid to or paid by the issuer, not including processing fees.

The fees in R-Transactions equal the fees of the corresponding reversed or refunded messages.

The fees are always given or converted in euro currency. The definition of the fees is out of scope of this framework.

Note: Service fees related to a service other than any Payment or Cash Withdrawal which would have to be collected by specific Fee Collection messages are not part of this framework yet.

### 5.4 Card and Issuer Data

The card data is divided in static and dynamic data. The dynamic data is applicable only for chip based transactions processed via the EMV standard.

The card used at the ATM or POS is characterised by

- Primary Account Number (PAN)<sup>3</sup>
  - The PAN consists of a BIN identifying the issuer and of an account information, identifying the account of the customer, to which the card is linked.
- Expiration Date of the Card
  - Date till when the card is valid for transactions. Nevertheless, the decision on the validity of the card for on-line authorised transactions is up to the issuer.
- Card Sequence Number

---

<sup>3</sup> The PAN here is a Card Account Number.

- Several cards can be related to one customer account. These cards then are characterised via the card sequence number.

For EMV based transactions:

- Dynamical Card Data (EMV cryptogram data)

## 5.5 Card Acceptor and Acquirer Data

This data is used for card processing features only. It is not used for the interbank clearing itself.

The Acquirer ID is used by the involved parties for dispute processes. It also might be used by acquirer and issuers to allow bilaterally defined business conditions internally.

The Card Acceptor data is used by the cardholder to understand his account balance statement for card transactions and is used by the Issuer to control the fees processed within the transactions. Furthermore, this data is used for downstream dispute processes.

- Card Acceptor Business Code

Defines the business area of the Card Acceptor. The following information must be transported in this data at least:

- ATM and manual cash delivery
- POS delivery of goods or services
- POS gas station

- Card Acceptor Identification Code

Code identifying the card acceptor or Payment Service Provider (PSP) assigned by the acquirer. If the Card Acceptor Terminal Identification is assigned by the acquirer and identifies the terminal uniquely in the acquirer network, this information may be left out.

- Card Acceptor Terminal Identification

Unique code,

- either assigned by the Card Acceptor, identifying a terminal at the Card Acceptor's location
- or assigned by the Acquirer, identifying a terminal in the Acquirer network.

- Card Acceptor Name and Location

This data defines the name and the location of the Card Acceptor.

## 5.6 Technical Acquiring Information

The technical acquiring infrastructure used at the front end for accepting the cards is transported in clearing messages and can have an impact on reclamation procedures, e.g. for issuer refunds (charge backs) in case of an EMV liability shift.

The following data is transported:

- Card data input capability: Indicates the primary means of getting the information of the card into the terminal. This data characterises the following cases:
  - manual entry/no terminal (only for card not present transactions)
  - magnetic stripe reader
  - key entered at a terminal
  - ICC reader for EMV transaction present
  - Contactless reader
- Cardholder authentication capability: Indicates the primary means of authenticating the cardholder at this terminal. Here, for POS transaction it is defined whether the terminal can process PIN. For e-Payment transaction a secure authentication method capability is indicated.

Further, the means of Authentication and Card Data entry which have been used within a transaction is transported in the clearing messages.

## 5.7 Message Reasons

R-Transactions may be initiated if certain standard reasons are valid, cp. Section 4.8 to Section 4.10. These reasons then are transmitted in the messages.

Second Presentments may be initiated if certain standard reasons are valid, cp. 4.9.4. A reason code then is transported in the message.

## 6 Process Description

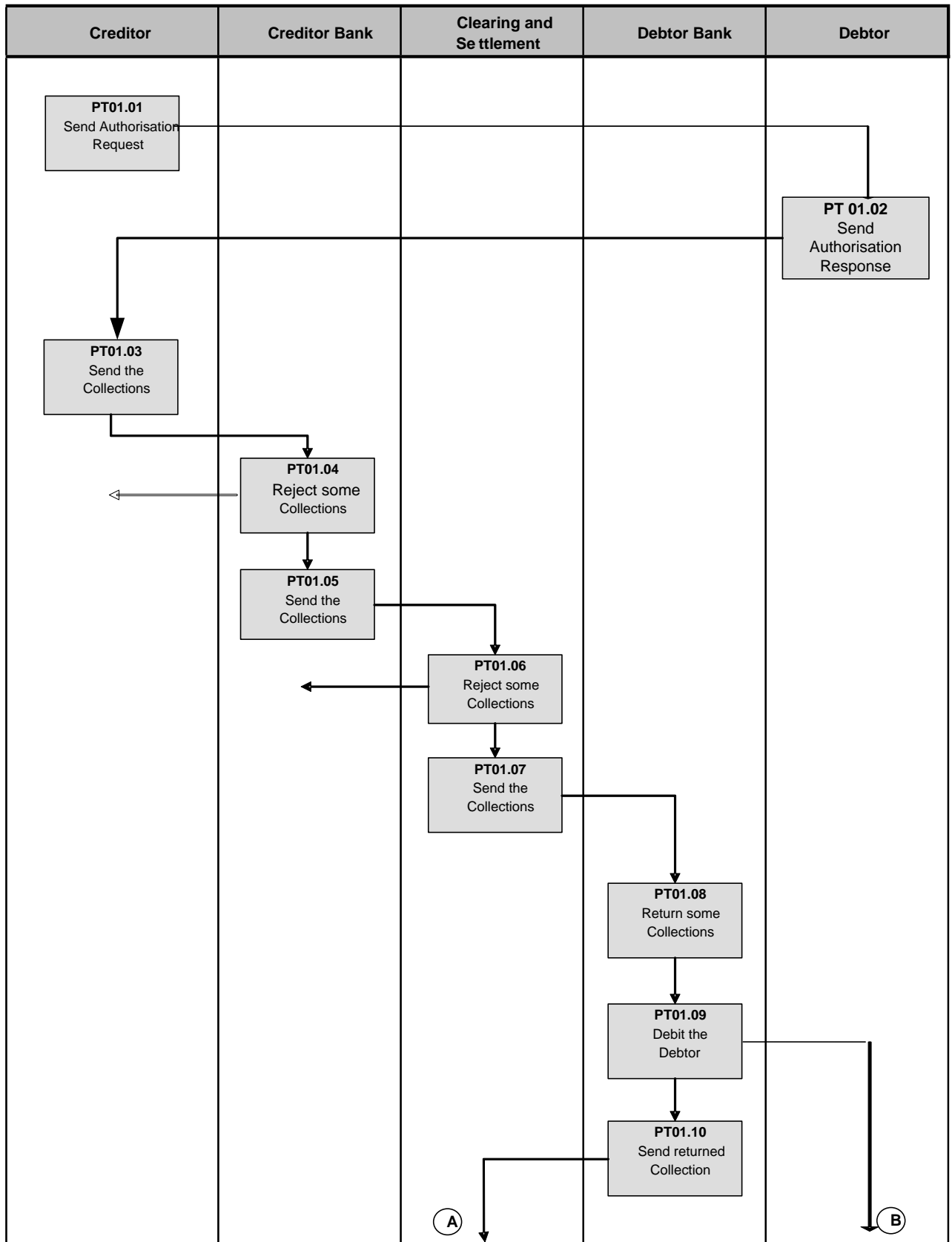
This process covers both correct transactions and R-transactions arising from the processing of a Collection.

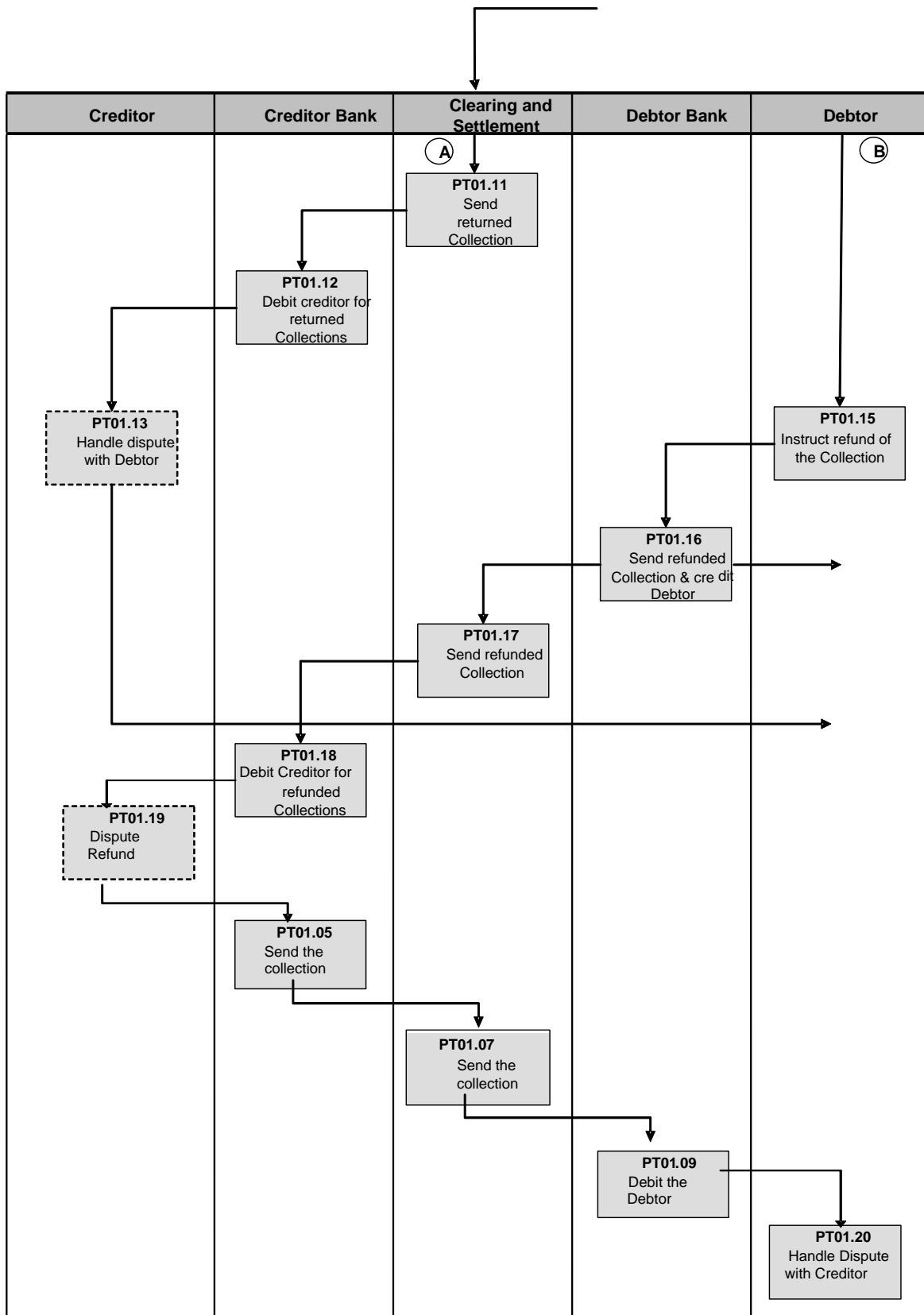
### 6.1 Collection of the Card Transaction (PR -01)

- PT-01.01** Send Authorisation Request
- PT-01.02** Send Authorisation Response
- PT-01.03** The Creditor sends the Collections to the Creditor Bank.
- PT-01.04** The Creditor Bank Rejects some Collections received from Creditors.
- PT-01.05** The Creditor Bank sends the Collections to the CSM.
- PT-01.06** The CSM Rejects some Collections received from the Creditor Bank
- PT-01.07** The CSM sends the Collections to the Debtor Bank in accordance with the Settlement Cycle.
- PT-01.08** The Debtor Bank Rejects some Collections before Settlement.
- Note: This process step is not supported by SCC on transaction level between banks, only CSM might support this within their specifications.
- PT-01.09** The Debtor Bank debits the Debtor's account with the amount of the transaction. The Debtor will further debit the Debtor's Reference Party.
- PT-01.10** The Debtor Bank sends the returned Collection back to the CSM after Settlement.
- PT-01.11** The CSM sends the returned Collection back to the Creditor Bank.
- PT-01.12** The Creditor Bank debits the Creditor with the amount of the returned Collection.
- PT-01.13** The Creditor must handle the disputed Collection according to the rules of the corresponding Card Scheme.

- PT-01.15** If a transaction is disputed, the Debtor may instruct his bank to reimburse the debited amount for a Refund.
- PT-01.16** The Debtor Bank credits the Debtor's account and sends the Refund messages to the CSM.
- PT-01.17** The CSM sends the Collection Refunds to the Creditor Bank.
- PT-01.18** The Creditor Bank debits the Creditor with the amount of the Refunded Collections.
- PT-01.19** The Creditor must handle the disputed Collection according to the rules of the Card Scheme.







### PT-01.01 – Send Authorisation Request

**Description** The Creditor (Acquirer) sends the authorisation request to the Debtor (Issuer) for approval of the card transaction. This process can be either performed in one or several steps, or even not be performed for unauthorised or offline authorised transactions.

This process step is not in scope of the SCC Operational rules.

### PT-01.02 – Send Authorisation Response

**Description** The Debtor (Issuer) sends an authorisation response to the Creditor (Acquirer) containing the approval or disapproval of the authorisation request for the card transaction. This process can be either performed in one or several steps, or even not be performed for unauthorised transactions.

This process step is not in scope of the SCC operational rules.

### PT-01.03 – Creditor Sends Collection Data to Creditor Bank

**Description** For every authorisation given by the issuer of the card the Acquirer Gateway creates a collection. These transactions are collected in a message and then send to the creditor's bank.

For multi step payment, the collection is sent following the completion advice or partial reversal finalizing the payment in the authorisation interface. The collection might also be sent without completion advice or partial reversal depending on card scheme rules, so long as the validity period of the last (Pre-)Authorisation has not expired.

The Creditor prepares one or more Collections to send to its bank, according to their bilateral agreement. The Creditor Bank is responsible towards all actors for the good organisation of this process with Creditors.

The Creditor must transmit the mandatory set of information for every, as will be detailed in the Implementation Guidelines [BG IG].

**Starting and Closing day/time** Presentment Periods have to be recognized, cp Section 4.4.

The Creditor Bank must inform the Creditor about the Cut-off Time and time-cycles to be respected for the Collections.

**Information Input** The results of the authorisation, if applicable

**Information Output** The instruction for Collection

**PT-01.04 Reject of Collections Containing Errors by Creditor Bank to Creditor**

<b>Description</b>	The Creditor Bank must check the syntax of the instructions on receipt of the File. If the Creditor Bank detects syntax errors in the instructions received, the instructions involved will be sent back to the Creditor for correction. The Creditor can make the necessary corrections and inject the same instructions in another File.
<b>Starting day/time</b>	The day of receipt of the instructions from the Creditor, or in the following days as agreed between the Creditor Bank and the Creditor.
<b>Information Input</b>	The instruction for Collection.
<b>Information Output</b>	The message for rejection of a Collection.

**PT-01.05 – Creditor Bank Sends Collections to the CSM**

<b>Description</b>	Based on the Collections received from the Creditor, the Creditor Bank must send the Collections containing the mandatory information to the CSM. The processing between Creditor Bank and CSM is part of a service level agreement between Creditor Bank and CSM, which is out of scope of this document.
<b>Starting day/time</b>	After process step PT-01.03.
<b>Closing day/time</b>	D in order to allow the CSM used by the Creditor Bank to forward the Collection to the Debtor Bank on D at the latest.  In the case of late presentment by the Creditor, the Creditor Bank must replace, in agreement with the Creditor, the outdated Due Date by a new Due Date in order to respect the time-cycle requirements.
<b>Information Input</b>	The instruction for Collection as received from Creditor
<b>Information Output</b>	The instruction for Collection

**PT-01.06 – Rejection of Instructions by CSM to Creditor Bank**

<b>Description</b>	The CSM uses the rule on the unique Framework format for inter-bank Collections for the control of the instructions received from the Creditor Bank. It will Reject instructions containing errors, returning such instructions to the Creditor Bank.
<b>Starting Day/time</b>	Date of the reception of the instructions from the Creditor Bank, or in the following days as agreed in the rules of the CSM.
<b>Information Input</b>	The instruction for Collection.
<b>Information Output</b>	The message for rejection of a Collection.

**PT-01.07 – Collection Data is sent from CSM to the Debtor Bank**

<b>Description</b>	<p>The CSM, after having checked and accepted the Files containing the Collections, sends the Collections received from all the Creditor Banks to the Debtor Bank. The Settlement resulting from these Collections is executed on day D by crediting the Creditor Bank and debiting the Debtor Bank.</p> <p>The processing between Debtor Bank and CSM is part of a service level agreement between Debtor Bank and CSM and out of scope of this Framework. The timing for crediting the Creditor for the Collections is outside of the scope of the Framework.</p>
<b>Starting day/time</b>	Day of reception
<b>Closing day/time</b>	Same day
<b>Information Input</b>	The instruction for Collection as received from Creditor Bank
<b>Information Output</b>	The instruction for Collection

**PT-01.08 – Debtor Bank Sends Rejected Collections back to the CSM**

<b>Description</b>	See Section 4.8 for the description of the reasons for Reject Note: Not supported by SCC on interbank level for single transactions.
<b>Starting day/time</b>	Day of reception.
<b>Closing day/time</b>	Before inter-bank Settlement.
<b>Information Input</b>	The instruction for Collection as received by CSM/Creditor Bank..
<b>Information Output</b>	The message for rejection of a Collection.

**PT-01.09 – Debtor Bank Debits the Debtor/Debtor Reference Party**

<b>Description</b>	The Debtor Bank debits the account of the Debtor for the amount of the instruction on the Due Date specified and makes the information on the card clearing executed available to the Debtor as agreed.  The Debtor then initiates the debiting of the Debtor Reference Party (Cardholder), following the standards used by the corresponding Debtor. This process step is not in scope of the Berlin Group specifications.
<b>Starting day/time</b>	Day D
<b>Duration</b>	Same day.
<b>Closing day/time</b>	Day D, in order to respect the time-cycle, where the Settlement of the Returns must take place at the latest on D+2 Inter-Bank Business Days.
<b>Information Input</b>	The instruction for Collection
<b>Information Output</b>	The information to the Debtor.

### PT-01.10 – Debtor Bank Sends Returned Collection Back to the CSM

**Description** If for any reason which is likely to be reasonably acceptable to all Participants, the Debtor Bank cannot debit the account, the instruction must be returned to the CSM with the reasons for the Return, cp Section 4.8.

The Debtor Bank sends the returned Collection back to the CSM.

The Framework does not impose any obligations on the Debtor Banks to verify or otherwise check Collections received in respect of a Debtor's account,. Debtor Banks may agree such obligations with Debtors outside the scope of the Framework.

**Starting day/time** Day D

**Duration** 2 Inter-Bank Business Days

**Closing day/time** Day D + 2 Inter-Bank Business Days at the latest in order to respect the time cycle where the Settlement of the Returns must take place at the latest on D + 2 Inter-Bank Business Days.

**Information Input** The instruction for Collection.

**Information Output** The message for Return of a Collection.

### PT-01.11 – CSM Sends Returned Collection Back to Creditor Banks

**Description** The CSM sends the returned Collection back to the Creditor Bank. The Settlement takes place by debiting the Creditor Bank and crediting the Debtor Bank.

**Information Input** The message for Return of a Collection as received by Creditor Bank

**Information Output** The message for Return of a Collection

**PT-01.12 – Creditor Bank Debits Creditor with Returned Collection**

**Description** The Creditor Bank must debit the rejected and returned Collections to the Creditor only if the Creditor's account has already been credited. If the account of the Creditor for whatever reason could not be debited, the unpaid Reject/Return becomes a credit risk for the Creditor Bank to be recovered from the Creditor, or the Creditor Bank must take the loss, as the Creditor Bank is not allowed to debit the Debtor Bank for the unpaid Reject/Return.

**Information Input** The message for Reject/Return of a Collection

**Information Output** The information to the Creditor.

**PT-01.13 – Creditor/Debtor Dispute Handling**

This process step is out of scope of the SCC Framework, but organised by card schemes or bilaterally/multilaterally by Issuers/Acquirers.

**PT-01.15 – Debtor Requests Refund of Debited Amount**

**Description** The Debtor must instruct the Debtor Bank, stating one of the reasons included in the list in Section 4.9, to refund the Collection by making a credit transaction on the Debtor's account for the amount of the Collection. The Debtor Bank is fully authorised as described by the rules of this Framework and the Card Scheme to obtain a Refund from the Creditor Bank. This Refund does not relieve the Debtor of its responsibility to seek a resolution with the Creditor, nor does the payment of a Refund prejudice the outcome of the resolution.

**Starting day/time** After the Debtor Bank has debited the Debtor's account.

**Duration** defined by Card Scheme, default is 120 calendar days

**Information Input** The information to the Debtor / Debtor Reference Party (Cardholder) regarding the refund reasons



**PT-01.16 – Debtor Bank Sends Collection Refund Instructions to the CSM**

<b>Description</b>	The Debtor Bank must credit the Debtor's account with the Original Amount of the initial Collection. The Debtor Bank sends the Collection Refund instruction to the CSM.
<b>Starting day/time</b>	Debit date.
<b>Duration</b>	defined by Card Scheme
<b>Closing day/time</b>	defined by Card Scheme
<b>Information Input</b>	The reasons for a refund
<b>Information Output</b>	The message for Refund of a Collection

**PT-01.17 – CSM Sends Collection Refund Instructions to Creditor Bank**

<b>Description</b>	The CSM sends the Collection Refund instructions to the Creditor Bank. The Settlement is executed by crediting the Debtor Bank and debiting the Creditor Bank for the initial amount of the Collection.
<b>Starting day/time</b>	After PT-01.16
<b>Duration</b>	defined by Card Scheme
<b>Closing day/time</b>	defined by Card Scheme
<b>Information Input</b>	The message for Refund of a Collection as received by Debtor Bank
<b>Information Output</b>	The message for Refund of a Collection

### **PT-01.18 – Creditor Bank Debits Creditor with Amount of Refunded Collections**

**Description** The Creditor Bank must debit the account of the Creditor for the amount of the instructions received for Refund. The date for this debit is the next Inter-Bank Business Day.

This implies that a Creditor may be obliged by the Creditor Bank to maintain his account in the Creditor's Bank after the termination of the relevant business relationship, for a certain period, in order to be able to honour these Refund transactions.

If the account of the Creditor for whatever reason could not be debited, the unpaid Refund becomes a credit risk for the Creditor Bank to be recovered from the Creditor, or the Creditor Bank must take the loss, as the Creditor Bank is not allowed to debit the Debtor Bank for the unpaid Reject/Return.

**Starting day/time** After PT01.17.

### **PT-01.19 – Creditor sends Collection after Refund (Second Presentment)**

**Description** The Creditor may resend the original transaction after a refund of the original collection.

The reasons allowing for resending these transactions are defined by the card scheme, cp. Section 4.9.4 for core reasons. A corresponding reason code must be inserted into the message. Further, the creditor might be obliged by the card scheme to provide the Debtor with additional information. The rules for that are out of scope of this Framework Rulebook.

**Starting day/time** After PT-01.18

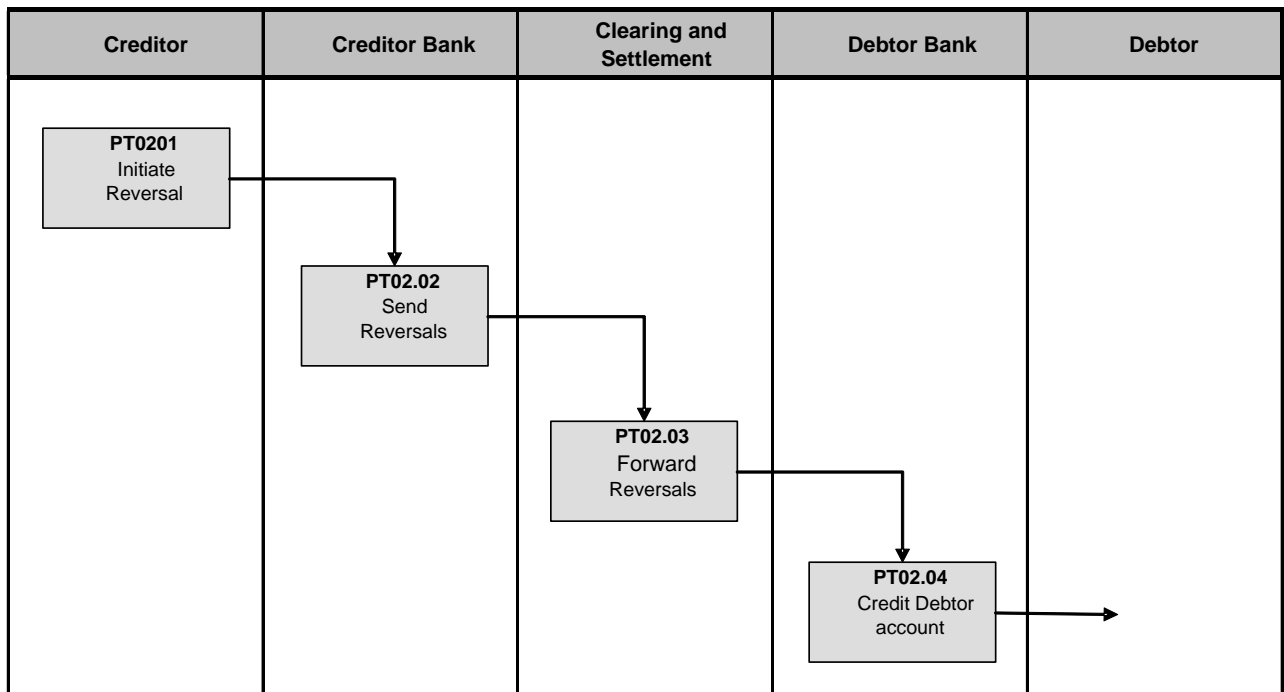
**Information Input** The message for a Collection added by a reason code

### **PT-01.20 – Creditor/Debtor Dispute Handling**

This process step is out of scope of the SCC Framework, but organised by card schemes or bilaterally/multilaterally by Issuers/Acquirers.

**6.2 Payment of a Reversal (PR-02)**

- PT-02.01** The Creditor initiates Reversal transactions of settled Collections.
- PT-02.02** The Creditor Bank submits Reversal transactions to the CSM for transactions that were collected by the Creditor by mistake.
- PT-02.03** The CSM forwards Reversal transactions of settled Collections to the Debtor Bank.
- PT-02.04** The Debtor Bank prevents the debiting of the Debtor or credits the Debtor with the amount of the Reversal transaction of a settled Collection, without any obligation to check if the original Collection has been debited from the Debtor’s account or has been rejected, returned or refunded.



**PT-02.01 – Creditor Initiates Reversal Transactions of Settled Transactions**

<b>Description</b>	Reversals are instructions initiated by the Creditor after Settlement of the original collection instruction, when the Creditor notices that the instructions should not have been presented
<b>Starting day/time</b>	Date D = Due Date=Settlement date.
<b>Closing day/time</b>	Date D +21 Inter-Bank Business Days (to be counted end-to-end from PT-02.01 to PT-02.03 )
<b>Information Output</b>	The Reversal instructions for the payment by the Creditor in order to allow the Creditor Bank to populate a Reversal transaction The Reversal instruction contains the reference of the original Collection to allow the Debtor to make the reconciliation between the Reversal and the original Collection.

**PT-02.02 – Creditor Bank Submits Reversal Transactions to the CSM and Debits the Creditor's Account**

<b>Description</b>	The Creditor Bank forwards Reversal transactions to the CSM. As the Reversal process is based on an exception handling and should stay an exceptional process, Creditor Banks should carefully monitor the use of this process by the Creditors, in order to avoid abuse of the exception handling system by the Creditor for non permitted reasons
<b>Starting day/time</b>	Date D, after PT-02.01
<b>Closing day/time</b>	Date D+120 Inter-Bank Business Days (to be counted end-to-end from PT-02.01 to PT-02.03 inclusive)
<b>Information Input</b>	The Reversal instructions for the payment by the Creditor.
<b>Information Output</b>	The Reversal instructions for the payment by the Creditor..

**PT-02.03 – CSM Forwards Reversal Transactions to Debtor Bank**

<b>Description</b>	The CSM settles the Reversals (by debiting the Creditor Bank and crediting the Debtor Bank) and forwards Reversal transactions to the Debtor Bank.
<b>Starting day/time</b>	Date D, after PT-02.02
<b>Closing day/time</b>	Date D+21 Inter-Bank Business Days + the time needed for the CSM to handle (forward and settle) the Reversals (counted end-to-end from PT-02.01 to PT-02.03 inclusive).
<b>Information Input</b>	The Reversal instructions for the payment by the Creditor.
<b>Information Output</b>	The Reversal instructions for the payment by the Creditor.

**PT-02.04 – Debtor Bank Credits Debtor for Reversal Transaction**

<b>Description</b>	The Debtor Bank credits the account of the Debtor. The Framework does not oblige the Debtor Bank to check whether the original Collection has been debited to the Debtor's account or has been rejected, returned or refunded. A Return of a Reversal is not possible, except for syntax errors that make the normal execution of the Reversal technically impossible.
<b>Starting day/time</b>	Date D, after PT02.03.
<b>Closing day/time</b>	Date D+21
<b>Information Input</b>	The Reversal instructions for the payment by the Creditor
<b>Information Output</b>	The information to the Debtor.

## 7 References

- [EPC Vol] SEPA Cards Standardisation, "Volume", Book of Requirements, Version 6, 23/01/2012, European Payment Council
- [BG IG] Berlin Group, SEPA Card Clearing Framework, Implementation Guidelines, Version 2.0 Release Note 2014, 30/06/2014