

PUBLIC CONSULTATION

NPC INSTANT CREDIT TRANSFER SCHEME RULEBOOK

2023 CHANGE REQUESTS

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Public

ABSTRACT

The Nordic Payments Council (“NPC”) is responsible for the development and maintenance of the NPC schemes. The NPC schemes is a set of rules, practices and standards to achieve interoperability for the provision and operation of a credit transfer agreed at inter-PSP (interbank) level for the currencies covered by the scheme (scheme currencies).

It is a key objective of the NPC that the NPC Instant Credit Transfer (NCT Inst) scheme is able to develop with an evolving payments market. To meet the demands of the scheme participants and stakeholders, the NCT Inst scheme is subject to a change management process that is structured, transparent and open, governed by the rules of the management and evolution function of NPC scheme management. This is done according to the NPC Scheme Management Internal Rules (SMIR).

This **NPC 2023 Change Request Public Consultation Document** (document NPC090-02) details change requests for possible modifications to be introduced into the next version of the NCT Inst rulebook. This public consultation document builds on change requests submitted by stakeholder representatives, banking communities and by NPC Working and Support Groups. The NCT Inst 2023 Change Request Public Consultation Document offers the analyses and recommendations by the NCT & NCT Inst Working Group (WG) on the way forward with regard to individual change requests. A summary overview of the change requests and related recommendations by the NCT & NCT Inst WG is provided in chapter 1 of this Change Request Public Consultation Document.

The NPC submits the NCT Inst 2023 Change Request Public Consultation Document for public consultation. The public consultation takes place between November 1st 2021 and February 1st 2022. All NPC participants and stakeholders are encouraged to provide feedback on the possible changes to be introduced into the next version of the NCT Inst rulebook by completing the response template NPC090-03 on the [following link](#) and **send it to info@npcouncil.org by February 1st 2022 at 17h00 CET at the latest.** The NPC will not consider any feedback received after this deadline.

Proposed changes detailed in this NCT Inst 2023 Change Request Public Consultation Document will be taken forward if they are:

- broadly accepted by all NPC participants and stakeholders
- technically and legally feasible
- approved by the Scheme Management Committee (also known as SMC and is the decision-making body in charge of the schemes’ evolution in the NPC).

Others will not be retained.

The updated version of the NCT Inst rulebook will be published in June 2022 and enter into effect in November 2023. In accordance with market best practice, payment service providers and their suppliers have at least one-year lead time to address rulebook updates prior to such updates entering into effect.

More information about the maintenance and the evolution of the NCT Inst scheme is available in Chapter 4 of the Scheme Management Internal Rules (The SMIR) being a binding Annex to the current applicable NCT Inst rulebook.

Please refer to Annex 1 for the original detailed change requests. This document contains only a summary of each individual change request.

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Version History

Version	Date	Edited by	Comments
0.1	2021-07-12	NPC Secretariat	First draft
0.2	2021-09-17	NPC Secretariat	Additions of change requests and formatting
0.3	2021-09-22	NCT & NCT Inst WG	Updates at meeting NCT & NCT Inst WG.
0.4	2021-10-07	NCT & NCT Inst WG	Updates from NCT & NCT Inst WG review.
0.9	2021-10-12	NCT & NCT Inst WG	Document agreed by NCT & NCT Inst WG.
1.0	2021-10-26	NPC Secretariat	Version approved by the SMC to start the public consultation November 1 st , 2021.

1 Executive Summary: Major Change Requests to the NCT Instant Rulebook

1.1 NPC Approach

The principles governing the evolution of the Nordic Payments Council (NPC) payment schemes as set out in the NPC Credit Transfer (NCT) and NPC Instant Credit Transfer (NCT Inst) rulebooks, are detailed in the 'NPC Scheme Management Internal Rules' (the SMIR). The SMIR are available for download on the Nordic Payments Councils (NPC) nordicpaymentscouncil.org. Chapters 5, 6 and 7 in this NCT Inst 2023 Change Request Public Consultation Document detail the application of the SMIR in the NPC scheme change management process.

This executive summary of the NCT Inst 2023 Change Request Public Consultation Document highlights change requests for major changes to the NCT Inst rulebook received in this scheme change management cycle. Change requests for minor changes to the NCT Inst rulebook are set out in chapter 4 of this Change Request Public Consultation Document.

All change requests to the NCT Inst rulebook are submitted for public consultation between November 1st 2021 and February 1st 2022. Information on how to share feedback with the NPC is included in the abstract of this Change Request Public Consultation Document and section 1.2.

The NPC received 4 change requests from the Nordic market for major changes suggested to be introduced into the NCT Inst rulebook. The change requests submitted to the NPC are included in Annex 1 to this document. NPC has also suggested to include all changes that European Payments Council (EPC) introduced in SEPA Instant Credit Transfer (SCT Inst) rulebook 2021 version and suggested for SCT Inst rulebook 2023 version. This is in line with NPC's vision to always align with EPC's SCT and SCT Inst scheme as much as possible.

The SMIR makes a difference between so called major and minor changes to the NPC rulebooks. A major change is a change that affects or proposes to alter the substance of the rulebooks and the schemes. Any change to chapters 5 and 6 of the rulebooks is always considered a major change. A minor change is a change of an uncontroversial and usually technical nature that facilitates the comprehension and use of the rulebooks.

All change requests have been categorised as follows:

- Minor change requests
- Major change requests

All major change requests include a detailed description, contributor and NCT & NCT Inst WG analysis and recommendation. The minor comments are detailed with decision in chapter 4.

All change requests to the NCT Inst rulebook were reviewed by the NPC NCT & NCT Inst WG. All change requests include a recommendation from the NCT & NCT Inst WG unless the NCT & NCT Inst

WG is not able to provide a recommendation for the public consultation. Each recommendation reflects one of the options detailed in items a) through f) below:

- a) The change request **is already provided for** in the scheme: no action is necessary for the NPC.
- b) The change request **should be incorporated into the scheme**: the change request would become part of the scheme and the rulebook would be amended accordingly.
- c) The change request **should be included in the scheme as an optional feature**:
 - The new feature is optional and the rulebook would be amended accordingly;
 - Each scheme participant¹ may decide to offer the feature to its customers, or not.
- d) The change request is not considered fit for NPC wide use and **could be handled as an additional optional service (AOS)** by interested communities:
 - The proposed new feature would not be included in the rulebook or in the implementation guidelines released by the NPC with regard to the rulebook;
 - The development of AOS is out of scope of the NPC. The NPC does however publish declared AOS arrangements on its website for information;
 - The NPC may consider the inclusion of AOS arrangements, if supported by a sufficient number of communities, in a future version of the rulebook.
- e) The change request **cannot be part** of the existing scheme for one of the following reasons:
 - It is technically impossible;
 - It is not feasible (explained on a case by case basis);
 - It is out of scope of the NPC;
 - It does not comply with the SEPA Regulation or any other relevant EU, Nordic or Swedish legislation.
- f) The change request may be considered for the development of a **new scheme**:
 - The change request reflects major changes which cannot be integrated into an existing scheme;
 - To develop the change request further, i.e. to develop a new scheme, the following requirements must be met:
 - The benefits of the new scheme for payment end users are demonstrated prior to the launch of the development phase;
 - It is demonstrated that a sufficient number of stakeholders will make use of the new scheme;
 - A cost-benefit analysis is provided;
 - It complies with the SEPA Regulation or any other relevant EU, Nordic or Swedish legislation.

¹ A scheme participant is a payment service provider which has formally adhered to an NPC payment scheme.

1.2 Overview of change requests and proposed way forward for consideration by respondents to the Public Consultation

The table below lists all incoming change requests which are submitted for public consultation. The table also includes the change requests that originates from EPC's public consultation and were incorporated in their 2021 as well as 2023 versions of the rulebooks respectively. The NCT & NCT Inst WG has issued a recommendation on the way forward for each change request. The final decision whether a change request will be incorporated into the rulebook is however subject to the outcome of the public consultation.

The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the NCT & NCT Inst WG on the way forward.

In case the contributors do not agree with the NCT & NCT Inst WG recommendation, they are requested to indicate in the comments section of the response template NPC090-03 on the [following link](#) their preferred way forward (e.g., support of the original change request, selecting another option).

Furthermore, any additional comments are welcome in the comments section.

For detailed information regarding the EPC change requests for SCT and SCT Inst 2021 version, see **EPC117-20** Change Proposal Submission 2020 document on the [following link](#). For detailed information regarding the EPC change requests for SCT and SCT Inst 2023 version, see EPC Public Consultation 2022 **EPC157-21** document on the [following link](#).

Change Request Item NPC	Change Request Item EPC (if applicable)	Topic/Comment title	Contributor	Recommendation from NCT & NCT Inst WG The final decision is subject to the outcome of this public consultation
External Change Requests				
#INST01	N/A	Mandatory C2B Implementation Guidelines	BITS	Should be incorporated into the scheme as of November 2023 - option b
#INST02	N/A	Frozen/reserved funds on Beneficiary's account in case of Recall request due to Fraud	Danske Bank	Cannot be part of the existing scheme - option e
#INST03	N/A	Usage of Nordic letters	Swedish Riksbank	Should be incorporated into the scheme as of November 2023 - option b
Internal Change Requests				
#INST05	N/A	Usage of hyperlink	NPC NCT & NCT Inst WG	Cannot be part of the existing scheme - option e
EPC 2021 version Change Requests				
#INST07	#16	Alignment of attribute numbers across all NPC payment schemes	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
#INST08	#10	Alignment of Recall and RFRO datasets	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
#INST09	#23	Inclusion of flowcharts for the RFRO procedure	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b

Change Request Item NPC	Change Request Item EPC (if applicable)	Topic/Comment title	Contributor	Recommendation from NCT & NCT Inst WG The final decision is subject to the outcome of this public consultation
#INST10	#27	Linking an NCT Inst transaction with a preceding Request-to-Pay message	EPC 2021 – EPC RTP MSG	Should be incorporated into the scheme as of November 2023 - option b
#INST11	#20	Migration to the 2019 version of the ISO 20022 messaging standard	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
#INST12	#43	Replacement of the term Bank with PSP and updated Customer definition	EPC 2021 – EPC LSG	Should be incorporated into the scheme as of November 2023 - option b
#INST13	#11	Use of 'Fraud' reason code up to 13 months under the Recall procedure	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
#INST14	#19	Possibility to provide a future execution date and time	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
#INST15	#21	Introduction of a credit notification message for the Beneficiary camt.054	EPC 2021 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
EPC 2023 version Change Requests				
#INST19	#03	Change of the term 'Customer'	EPC 2023 – EPC LSG	Should be incorporated into the scheme as of November 2023 - option b
#INST20	#06	Provision of structured addresses of the payment end user	EPC 2023 – EPC SEMWG	Should be incorporated into the scheme as of November 2023 - option b
#INST22	#08	Clarification on charges	EPC 2023 – EPC LSG	Should be incorporated into the scheme as of November 2023 - option b
#INST23	#11	Inclusion of Alias and Proxy as optional attributes	EPC 2023 - NPC	Should be incorporated into the scheme as of November 2023 - option b
Changes for Regulatory Reasons				
#Legal	#01	Reformulation (i.e. shortening) of the list of countries or jurisdictions from which applicants are deemed automatically to be eligible to participate to the scheme. The list of relevant articles of the national legislations in the concerned non-EEA countries to which the scheme has been extended, has been replaced by a reference to the document EPC409-09 ([13]).	EPC 2021	Should be incorporated into the scheme as of November 2023 - option b

2 Detailed analysis of Major Change Requests to the NCT Inst Scheme Rulebook

This chapter details all the major comments with the NCT & NCT Inst WG analysis and recommendation.

2.1 #INST01 Mandatory C2B Implementation Guidelines

2.1.1 Description

This change request was made by Bits AS on behalf of the Norwegian banking community.

The suggestion is to change the NPC Customer-to-PSP (bank) (C2B) implementation guidelines for NCT & NCT Inst WG from being recommended to be mandatory. This will only be valid for PSPs (banks) offering ISO 20022 format 2019 or newer file services to their customers. This means that all participants offering ISO 20022 (pain.001) must follow NPC regulations (rules and IGs) for file exchange between customer and PSP (bank).

There should not be a requirement for all participants PSPs (banks) to offer ISO 20022 messages from their customers.

A common market practice will give benefit for both PSPs (banks), customers, and ERP vendors.

2.1.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

The NCT & NCT Inst WG recommends that the writing regarding NPC Customer-to-PSP (bank) (C2B) implementation guidelines to be mandatory specifies the following condition.

Only when the Originator PSP offers to its Originators the service of accepting and processing files in ISO version 2019 or newer, the Originator PSP is obliged to accept at least but not exclusively Customer-to-PSP Credit Transfer Instructions which follow the implementation guidelines at the request of the Originator.

2.1.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.2 #INST02 Frozen/reserved funds on Beneficiary's account in case of Recall request due to Fraud

2.2.1 Description

This change request was made by Danske Bank A/S.

Funds from the original pacs.008 should be frozen/reserved automatically on the Beneficiary's account when the Request for Recall is received by the Beneficiary PSP (bank).

This will provide the Beneficiary PSP (bank) with the necessary time to investigate the case, without the risk of the funds being moved to a different PSP (bank), before the beneficiary PSP (bank) reach a conclusion on whether to return the funds.

Additionally, the change request proposes that it should be possible to make a partial accept, allowing whatever is lowest of balance of account or amount transferred at creditors account.

That would improve the process since the Beneficiary PSP (bank) today must reject the recall and make a new NCT Inst transaction (pacs.008) if they want to return the funds that are available.

2.2.2 NCT & NCT Inst WG analysis and recommendation

Cannot be part the scheme as of November 2023 - option e.

The NCT & NCT Inst WG has considered this CR as two different parts.

The first part of the CR is the request for funds from the original pacs.008, which should be frozen/reserved automatically on the Beneficiary's account when the Request for Recall is received by the Beneficiary PSP (bank). There is no legal ground within the Nordic countries to allow this. Therefore this part of the CR cannot be included in the scheme.

The second part of the CR is the possibility to make a partial accept, allowing whatever is lowest of balance of the account or amount transferred at creditors account. The NCT & NCT Inst WG's reasoning is that a positive response to a request for recall should always return the full amount of the original transaction. Hence this cannot be a part of the existing scheme.

A negative response to a request for recall could however result in a transfer back of a partial amount as a new transaction after bilateral agreements. The NCT & NCT Inst WG recommends that this process of partial amount being return, should be further detailed in a clarification paper.

2.2.3 Rulebook Impact

No impact since not supported.

2.3 #INST03 Usage of Nordic letters

2.3.1 Description

This change request was made by Sveriges Riksbank.

Regarding NCT Inst, one is allowed to use Nordic letters such as “å, ä, ö” in several fields, but RIX-INST will not manage Nordic letters in some fields because of more restricted validation in these fields.

This may be an issue because some payments will not be settled due to Nordic letters in fields where it is not supported by RIX-INST. The Riksbank see a risk if they have a stricter validation in those fields than NCT Inst then their participants cannot fully follow NCT Inst scheme for Settlement. The Riksbank should not have stricter interpretation than NCT Inst, therefore they suggest;

“A change in NCT Inst scheme in fields “GrpHd/Msgld”, “PmtId/Txld” and “PmtId/Instrld” to only support UTF-8 characters in the same way as in SCT Inst scheme, i.e. no Nordic letters.”

This restriction should not have any impact on the users.

2.3.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

After some investigation NCT & NCT Inst WG concluded that the recommendation concerning this change request is for both NCT & NCT Inst rulebooks.

All elements related to **references, identifications and identifiers** should **only** contain UTF-8 characters (Latin characters). Scandinavian characters should only be allowed for name, address and remittance information.

The recommendation is to change in NCT Inst rulebook to align fully with SEPA and **only** allow UTF-8 characters according to:

1. EPC230-15 – Clarification paper on the use of slashes in references, identifications and identifiers
2. EPC217-08 – SEPA Requirements for Extended character set (UNICODE Subset) Best practices

2.3.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.4 #INST05 Usage of hyperlink

2.4.1 Description

This change request was made by NPC NCT & NCT Inst WG.

It proposes to allow hyperlink or external sources to be referenced in an NCT Inst Credit Transfer.

The suggestion is to open for the usage of a hyperlink (URL) to be included in the remittance information, both in a single NCT or NCT Inst, but also in an NCT transaction including ERI-option.

The suggestion is to allow pointers/references to external sources. The current chosen standard in the rulebook does not support pointers/references to external sources of information. In the current version of the rulebook, the chosen model is to carry all information within the payment message which is not always sufficient.

2.4.2 NCT & NCT Inst WG analysis and recommendation

Cannot be part of the existing scheme as of November 2023 - option e.

EPC decided to not include this CR in SCT and SCT Inst rulebooks 2023 version. They did however agree on a plan to investigate this further. EPC SEMWG will request formal assessments from the Legal Support Group (LSG), the SEM Standards Task Force (SEMSTF), and the Payment Security Support Group (PSSG) on the legal, standards and technical feasibility of supporting hyperlinks in SCT/SCT Inst transactions.

NCT & NCT Inst WG recommendation is to follow EPCs recommendation and not include this change request in the NCT Inst scheme 2023 version but will closely follow EPCs work.

2.4.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.5 #INST07 Alignment of attribute numbers across all NPC payment schemes

2.5.1 Description

This change request was made by EPC SEMWG for introduction in SCT Inst rulebook 2021 version. The implementation will be done for SCT Inst rulebook 2023 version (EPC 2021 #16).

Each SEPA payment scheme rulebook describes a range of attributes (ATs) which compose a dataset to be used to execute a certain rulebook process. Under each rulebook, each AT has a unique sequence number. However, many AT descriptions are identical or similar in all four rulebooks but they all bear a different unique sequence number in each rulebook.

This is also relevant for NCT & NCT Inst schemes since there are deviation between NCT & NCT Inst schemes for attribute (ATs) numbers.

The proposal is to align the sequence number of these ATs between the NCT & NCT Inst rulebooks. This suggestion also includes the grouping of ATs and their subsequent sequence numbering into different AT sequence number categories. Each such category has its own sequence number structure.

As this change concerns a format change but not a change to any functional or business rules, this change will be included in the change request #INST11 Migration to the 2019 version of the ISO 20022 messaging standard.

2.5.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

The NCT & NCT Inst WG recommends going forward with this change request but to incorporate it in change request #INST11 Migration to the 2019 version of the ISO 20022 messaging standard.

2.5.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.6 #INST08 Alignment of Recall and RFRO datasets

2.6.1 Description

This change request was made by the EPC SEMWG and introduced in SCT Inst rulebook 2021 version (EPC 2021 #10).

A comparison has been done of the contents between the following datasets within the NCT Inst rulebook and between the two NPC rulebooks:

- The 'Recall' datasets (DS-05 in both rulebooks)
- The 'Answer to Recall' datasets (DS-06 in both rulebooks)
- The 'Request for Recall by the Originator' (RFRO) datasets (DS-07 in the NCT rulebook and DS-08 in the NCT Inst rulebook respectively)
- The 'Response to the RFRO' datasets (DS-08 in the NCT rulebook and DS-09 in the NCT Inst rulebook respectively)
- The 'Recall' and the 'RFRO' datasets *within* each NCT rulebook
- The 'Answer to Recall' and the 'Response to the RFRO' datasets *within* each NCT rulebook

The aim of this change request is to harmonise the attributes in the datasets as much as possible for the Recall and the RFRO processes within the NCT Inst rulebook and between the two NPC rulebooks.

2.6.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.6.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.7 #INST09 Inclusion of flowcharts for the RFRO procedure

2.7.1 Description

This change request was made by the EPC SEMWG and introduced in SCT Inst rulebook 2021 version (EPC 2021 #23).

The suggestion is to add flowcharts to explain in a schematic way the procedural steps to be followed by the Originator PSP (bank) and the Beneficiary PSP (bank) when they receive a Request for Recall by the Originator (RFRO). This change request does not cover any concrete changes to the procedural steps themselves.

2.7.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.7.3 Rulebook Impact

If this change request is supported, this will impact the rulebook.

2.8 #INST10 Linking an NCT Inst transaction with a preceding Request-to-Pay message

2.8.1 Description

This change request was made by the EPC Request-to-Pay Multi-stakeholder Group (RTP MSG) and introduced in SCT Inst rulebook 2021 version (EPC 2021 #27).

The change request aims to link an NCT Inst instruction and transaction with a preceding Request-To-Pay (RTP) message.

The intention is to base the RTP message under the RTP scheme on the ISO 20022 message pain.013.001.07 (CreditorPaymentActivationRequest). The Creditor sending party sends the RTP message to the Debtor receiving party. The successful transmission of the RTP message will trigger an NCT instruction from the Debtor (Originator under the NCT Inst scheme) to the Creditor (Beneficiary under the NCT Inst scheme).

The parties that create and further process the NCT Inst instruction need to make a distinction between an NCT Inst instruction resulting from the receipt and acceptance of an RTP message, and other NCT Inst “standalone” instructions:

- The Originator and the Originator PSP (bank) need to keep a trace of the preceding RTP message in the NCT Inst instruction to facilitate the retrieval of the commercial/purchase transaction for which the NCT Inst payment is done;
- The Beneficiary and the Beneficiary PSP (bank) need to reconcile the RTP message sent with the NCT Inst payment received. They can use a reference to the RTP message in the NCT Inst transaction to distinguish RTP-initiated NCT Inst transactions from other NCT Inst transactions. This would limit the lookup into RTP data stores to the ones already identified as resulting from RTP messages.

The change request introduces a few modifications to the attributes AT-44 ‘The purpose of the NCT Inst Instruction’, AT-41 ‘Originator reference of the NCT Inst instruction’ and AT-45 ‘Category purpose of the NCT Inst Instruction’.

2.8.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

The EPC has developed a Request-to-Pay (RTP) scheme rulebook for publication on the EPC website by November 2020 going in effect in April 2021 for version 1.0. This RTP rulebook will consist of a set of rules, practices and standards that makes it possible for PSP’s (banks) and non-PSP (non-banks) entities to join, participate and operate in the RTP scheme. The RTP scheme will be based on the ISO 20022 standard, separate from the EPC SEPA payment schemes, covering a set of basic functions. The RTP scheme rulebook will be subject to a public consultation for a 2.0 version that is expected to be published in November 2021. It is expected that EPC RTP rulebook will be currency agnostic for version 2.0 and will then be able to be used by the Nordics. It is therefore a need to introduce these changes and alignments for NCT & NCT Inst rulebook too.

2.8.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.9 #INST11 Migration to the 2019 version of the ISO 20022 messaging standard

2.9.1 Description

This change request was made by the EPC SEMWG for SCT Inst rulebook 2021 version, the implementation will be done in SCT Inst rulebook 2023 version (EPC 2021 #20)

For the launch of the various EPC SEPA payment schemes in January 2008, November 2009 and November 2017, the EPC selected the 2009 version of the ISO 20022 XML-based messaging standard. The EPC has noted new payment market developments for which the 2009 version of the ISO 20022 standard is not suitable to support.

Furthermore, throughout the years, the EPC SEPA payment schemes have already covered a variety of ISO 20022 versions for messages between these payment schemes. If the future rulebooks would include new business procedures or if existing procedures could be amended or extended, messages based on a more recent ISO 20022 version may have to be used, adding further variety.

When NPC developed the NCT & NCT Inst scheme during 2019 and 2020, they were based on SEPA payment schemes 2019 version and thereby also 2009 ISO 20022 message standard.

The NPC proposes to follow EPC and migrate the NCT & NCT Inst schemes to the 2019 version of the ISO 20022 standard as it is suitable to support new payment features and to align and base all current rulebook messages on one and the same ISO 20022 version.

The ISO version migration will be a big-bang migration, i.e. no transitional period will be foreseen. This means that both NCT & NCT Inst payment schemes participants offering ISO 20022 message-based payment services to their customers, must then support the 2019 version as of November 2023.

On the other hand, the (corporate) customers may still use another ISO version to exchange payment transactions in an XML format with their PSPs (banks) if so bilaterally agreed.

A high-level analysis between the 2009 and the 2019 pain, pacs and camt messages used in the 2 NPC payment scheme rulebooks can be found on the NPC website following on the [following link](#).

2.9.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.9.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.10 #INST12 Replacement of the term Bank with PSP and updated Customer definition

2.10.1 Description

This change request was made by the EPC Legal Support Group (LSG) and introduced in SCT Inst rulebook 2021 version (EPC 2021 #43).

The suggestion is to replace the term “Bank” with the term “PSP” in NCT & NCT Inst rulebooks to formally reflect the changes introduced by PSD2 to the categories of institutions that can offer payment services, and the variety in PSP categories that are eligible to adhere to the NPC payment schemes.

This proposal will lead to term changes in the rulebooks, the related Implementation Guidelines and the various rulebook annexes (scheme options, risk management, the SMIR). It also covers the inclusion of the definition “PSP” and the amendment of the term “Customer”.

2.10.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.10.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.11 #INST13 Use of 'Fraud' reason code up to 13 months under the Recall procedure

2.11.1 Description

This change request was made by the EPC SEMWG and introduced in SCT Inst rulebook 2021 version (EPC 2021 #11)

The NCT Inst rulebook prescribes that the originator PSP (bank) can initiate the Recall procedure in case of a fraudulent originated NCT instruction.

However, the use of the Recall procedure has a limited timespan i.e. the Originator PSP (bank) must send out the Recall within the period of ten banking business days following the execution date of the initial NCT Inst transaction subject to the Recall. It may well happen that the Originator only detects a fraudulent NCT Inst instruction and/or escalates this fraud to the Originator PSP (bank) after this first period of ten days has passed.

The suggestion is that a Recall request can be done up to 13 months following the execution date of the initial NCT Inst transaction. The extension of this timeline for a Recall request applies only for the reason code 'Fraud'; the current ten banking business days continue to apply for the reasons 'Technical reason' and 'Duplicate'.

2.11.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.11.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.12 #INST14 Possibility to provide a future execution date and time

2.12.1 Description

This change request was made by EPC SEMWG and introduced in SCT Inst rulebook 2021 version (EPC 2021 #19).

The dataset DS-01 'Customer-to-PSP (bank) Credit Transfer Information' of the NCT Inst rulebook gives the Originator the possibility to submit an NCT Inst instruction through a pain.001 message with a future execution date.

The attribute AT-07 'The Requested Execution Date of the SCT Inst Instruction' supports this feature in DS-01. However, the Originator may wish that the Originator PSP (bank) executes its NCT Inst instruction not only at a well-defined future date but also at a precise time (hh:mm:ss.sss) during that day. This may be suitable for various reasons.

This scenario will be possible with the 2019 ISO 20022 version of pain.001 that will be introduced for NCT Inst scheme 2023 version. 2019 ISO 20022 version will be implemented in CR #INST11.

2.12.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.12.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.13 #INST15 Introduction of a credit notification message for Beneficiary, camt.054

2.13.1 Description

This change request was made by EPC SEMWG and introduced in SCT Inst rulebook 2021 version (EPC 2021 #21).

The rulebook section 1.4 'Conceptual workflow of an SCT Inst' specifies that the Beneficiary PSP (bank) may inform the Beneficiary about the Funds Made Available to the Beneficiary. The information itself and the execution time for such information are not within the scope of the scheme (see Step II).

The corporate and merchant NCT Inst end users point out the need for a standardized way of notifying the Beneficiaries about the availability of the funds on their accounts. They would no longer have to regularly check the account balances or the statements to determine if the funds have been booked on the account before releasing the goods or starting with the services.

The suggestion is to introduce a positive credit notification message based on the ISO 20022 standard for a successfully executed NCT Inst transaction. This will be relevant for the Inst rulebook and in a to-be created 'PSP (bank)-to-Customer' chapter in the existing NCT Inst scheme Customer-to-PSP (bank) implementation guidelines (C2B IGs). For such notification the camt.054 will be used.

The implementation of this positive credit notification message will be **recommended only**. NCT Inst beneficiaries and their beneficiary PSP (bank) will be free to agree on the use of camt.054 or not.

2.13.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.13.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.14 #INST19 Change of the term ‘Customer’

2.14.1 Description

This change request was made by EPC SEMWG and is recommended to be introduced in SCT Inst rulebook 2023 version (EPC 2023 #03).

As of the SCT Inst 2021 rulebook, the term ‘Customer’ is currently defined as *“A physical or legal entity that is not active in the business of providing payment accounts used for the execution of payments and that is therefore not eligible for scheme participation”*.

The definition in the SCT Inst 2021 rulebook and its limitation does not make sufficiently clear that also an PSP is entitled and may act in the capacity of an Originator or Beneficiary. A good example are the payments an PSP (bank) makes with respect to salary payments, office rent etc.

Furthermore, reflections have been made whether the term ‘Customer’ is appropriate to cover use cases in which PSPs (banks) are making a payment as Originator and/or as Beneficiary on behalf of their ultimate customers.

The suggestion is to i) drop the notion of ‘Customer’ as a single defined term under the scheme and to replace it across the rulebook with ‘Originator’ or ‘Beneficiary’ where appropriate, ii) to amend the terms ‘Originator’ and ‘Beneficiary’, and iii) to introduce/amend the term ‘Payment Account’.

The NCT Inst Rulebook defines a customer as a ‘Non-bank Originator or Beneficiary’. The suggestion is to change this definition to *‘a natural or legal person making use of a payment service in the capacity of Originator or Beneficiary’* and align with the new suggested definition for the SCT Inst Rulebook.

2.14.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.14.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.15 #INST20 Provision of structured addresses of the payment end user

2.15.1 Description

This change request was made by EPC SEMWG and is recommended to be introduced in SCT Inst rulebook 2023 version (EPC 2023 #06).

The first part of the suggestion is to allow payment end users to send a structured address of

- The payer (i.e. the Originator in NCT and NCT Inst transactions and/or
- The payee (i.e. the Beneficiary in NCT and NCT Inst transactions

in electronic Customer-to-PSP files based on at least the relevant NPC Customer-to-PSP (bank) Implementation Guidelines for NCT and NCT Inst transactions as of November 2023. From that same date, also NPC payment scheme participants are allowed to provide structured addresses in their inter-PSP (bank) NPC payment messages and r-transactions.

In view of the above, the second part of the suggestion is that as of the November 2023 NPC payment scheme rulebooks, all scheme participants must be able to support the delivery of structured addresses when payment end users and scheme participants want a structured address in their outgoing and incoming NPC payment transactions. From November 2023 onwards, scheme participants cannot reject NPC payment transactions only due to the inclusion of a structured address.

The use of an unstructured address will still be possible and supported by the NPC payment schemes until November 2025.

The period between November 2023 and November 2025 should be used by payment end users to upgrade their payment-related systems/applications and to organise the migration from the use of unstructured to structured addresses in their databases to avoid a big bang migration in November 2025 and possible rejects of NPC payment transactions.

The third part of the suggestion is that as of the November 2025 entry-into-force date of all NPC payment scheme rulebooks, the use of the structured address will become mandatory for Inter-PSP (bank) payment messages where applicable, and for payment end users when they send electronic Customer-to-PSP (bank) files based at least on the relevant NPC Customer-to-PSP (bank) Implementation Guidelines. The use of an unstructured address will no longer be allowed and will hence lead to rejects.

With the exclusive use of structured addresses as of November 2025, the NPC payment schemes will be aligned with the deadline set for the use of the structured address under the CBPR+ specifications. These specifications define how ISO 20022 should be used for cross-border payments and cash reporting on the SWIFT network. The SWIFT community decided to move cross-border and correspondent banking from SWIFT MT messages to ISO 20022 standard-based XML messages by November 2025.

The use of structured addresses in NPC payment transactions, gives the potential to reduce errors in payment processing, regulatory screening, and reconciliation, thereby increasing the straight through-processing of NPC payment transactions.

2.15.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

2.15.3 Rulebook Impact

If this change request is supported, this will impact the rulebook as well as the implementation guidelines.

2.16 #INST22 Clarification on charges

2.16.1 Description

This change request was made by EPC SEMWG and is recommended to be introduced in SCT Inst rulebook 2023 version (EPC 2023 #08).

Charges are entirely out of the scope of the NPC payment scheme rulebooks. They are subject to the PSPs' commercial charging policies, which depending on where the PSP(s) involved in the transaction is/are located, are subject to applicable law.

For intra-EEA SEPA transactions and NPC transactions occurring between PSPs located in different EEA countries, these policies are subject to the Regulation (EC) 924/2009. Accordingly, charges within and to/from a non-EEA SEPA country remain only subject to applicable national law and the relevant transparency and information requirements between scheme participants and their customers under the SEPA payment scheme rulebooks.

This is not the case for transactions to/from a PSP located in a non-EEA SEPA country, which being third countries from the European law perspective are not subject to the provisions of the Regulation (EC) 924/2009. Accordingly, charges within and to/from a non-EEA SEPA country remain only subject to applicable national law and the relevant transparency and information requirements between scheme participants and their customers under the SEPA payment scheme rulebooks.

The suggestion is to make a few changes to the rulebook for transparency and clarification purposes.

2.16.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

The additions are only for transparency and clarification purposes.

2.16.3 Rulebook Impact

If this change request is supported, this will only impact the rulebook.

2.17 #INST23 Inclusion of Alias and Proxy as optional attributes

2.17.1 Description

This change request was made by NPC NCT & NCT Inst WG to be included in SCT Inst rulebook 2023 version (EPC 2023 #11).

The contributor suggests including an Alias and a Proxy as optional attributes in the SCT scheme in

- The Customer-to-PSP space via the dataset DS-01 Customer-to-PSP SEPA Credit Transfer Information;
- The inter-PSP space via the datasets DS-02 Inter-PSP Payment Dataset and DS-03 Reject or Return SEPA Credit Transfer;
- The PSP-to-Customer space via the dataset DS-04 PSP-to-Customer SEPA Credit Transfer Information.

The Alias and Proxy do not replace the IBAN but are an addition to the IBAN, at least for the inter-PSP payment dataset.

An Alias or Proxy can be used on the Originator side when the Originator uses an Alias or Proxy in relation to the Originator's account in the payment initiation, and on the Beneficiary's side using an Alias or Proxy to identify the Beneficiary's account instead of using an IBAN.

The change request describes in detail e.g., the current use of such Aliases and Proxies in the Nordic countries, the potential business benefits, and the impact for the Customer-to-PSP and the inter-PSP space.

Since Alias and Proxy already exists in NCT Rulebook this suggestion does not imply any changes in the NCT Inst Rulebook.

2.17.2 NCT & NCT Inst WG analysis and recommendation

Should be incorporated into the scheme as of November 2023 - option b.

Details on how this change request will be implemented will be outlined with CR #INST11 Migration to ISO2019 version, since the 2019 version of ISO includes new elements for Proxy.

2.17.3 Rulebook Impact

If this change request is supported, this will impact the implementation guidelines.

3 Changes for Regulatory Reasons

As the NPC is under the legal obligation to ensure compliance of the rulebooks with all legislation, proposed changes to the rulebooks under this section are not subject to public consultation. They are included in this document for information but the contributors to this public consultation can comment on these changes. This change is qualified as “*Change for Regulatory Reasons*” within the meaning of Section 4.2.9 of the SMIRs, due to legal amendments that “*necessitate the urgent alignment of the schemes with such rules and regulations*”.

In the EPC 2021 SCT and SCT Inst Scheme, the writing regarding eligibility criteria in section 5.4 has been updated for regulatory reasons. For detailed information regarding this change, see chapter 5 in the **EPC117-20** Change Proposal Submission 2020 document on the [following link](#).

The NPC Legal Support Group has assessed this EPC change and recommends that the NPC align the writing in section 5.4 with the writing in the SCT and SCT Inst Rulebooks. The updates do not have any material impact on the NPC eligibility criteria.

The proposed updated writing in section 5.4, second paragraph. List items 3-7 indicated in red will be replaced with a new writing for list item 3, as detailed below.

“ ... Applicants which fall within one of the following categories shall be deemed automatically to be eligible under this section:

1. A credit institution which is authorised in accordance with Article 8 (1) of Directive 2013/36/EU by a state which is a member of the European Economic Area;
2. The institutions referred to in points (2) to (23) of Article 2 (5) of Directive (EU) 2013/36/EU;
3. Institutions/entities/undertakings, incorporated in a non-EEA country to which the geographical scope of the SEPA payment schemes has been extended, that have been licensed by the relevant National Competent Authority in accordance with the applicable requirements, and are listed under the document [11].
- ~~3.— A bank which is authorised in accordance with Article 3 of the Federal Law on Banks and Savings Banks of 8 November 1934 by the Swiss Financial Market Supervisory Authority (FINMA);~~
- ~~4.— A bank which is authorised by the Central Bank of San Marino in accordance with Article 7, Part I, Title II, of the Sammarinese Law No. 165 (approved on November 17th 2005) and with Regulation No. 07 of 2007;~~
- ~~5.— An undertaking incorporated in Jersey and registered with the Jersey Financial Services Commission to conduct deposit-taking business under the Banking Business (Jersey) Law 1991;~~
- ~~6.— An undertaking incorporated in Guernsey and registered with the Guernsey Financial Services Commission to conduct deposit-taking business under the Banking Supervision (Bailiwick of Guernsey) Law 1994; or~~
- ~~7.— An undertaking incorporated in the Isle of Man and licensed by the Isle of Man Financial Services Authority to conduct deposit-taking business under the Isle of Man Financial Services Act 2008...~~

For information document [11] is referring to the EPC409-09 EPC list of countries and territories included in the SEPA Schemes’ geographical scope.

4 Detailed Analysis of Minor Changes to the NCT Inst Rulebook

NCT & NCT Inst WG recommends supporting the following minor change requests.

4.1 Change Requests

Change request no	Section	Description	Reason for change	Type of change
#INST24	General Annex II	Replacement of the term “SMIR” with Scheme Management Rules. Throughout the document: replacement of the term “Internal Rules” into “Rules”	For clarification purposes	CHAN
#INST25	1.7	Removal of bullet point due to redundancy: <ul style="list-style-type: none"> <i>"Participants which have adhered to the scheme may participate only through an EEA licensed branch unless they participate through their SEPA head office (which may be located in a SEPA country or territory outside the EEA)".</i> 	This bullet point is redundant. The section 3.2.3.1 of the SMIRs and the section 3.5 of the document EPC012-17 Guide to the SEPA schemes Adherence Process provide the complete adherence information.	CHAN
#INST26	1.7	Removal of bullet point due to redundancy: <ul style="list-style-type: none"> <i>"The rules ensure that responsibility for risk management is allocated to where the risk lies and that liability falls where the fault lies".</i> 	This bullet point is redundant. Chapter 5 of each rulebook clearly specifies aspects with respect to risk management and refers to the Risk Management Annex which is an integral part of the rulebook.	CHAN
#INST27	4.6.1	Additional information about Alias/Proxy for clarification	For clarification purposes	CHAN
#INST28	Annex	Alignment of the annex numbering for each NPC payment scheme rulebook, same as SEPA. <ul style="list-style-type: none"> Annex I – Adherence agreement Annex II – SMIR Annex III – Risk Management (previously Annex IV) Annex IV – RB amendments & changes (previously Annex III) This will also lead to changes in the Annex numbering references throughout each rulebook.	To apply the same numbering of the generic rulebook annexes in both rulebooks	CHAN

5 Principles governing the Change Management Cycle

5.1 Change Request Public Consultation Document

This Change Request Public Consultation Document is submitted by the NCT & NCT Inst WG in accordance with the procedures set out in the SMIR in respect of changes to the NCT Inst rulebook.

5.2 Structure of the Change Request Public Consultation document

Chapters 2, 3 and 4 describe the changes to the NCT Inst rulebook which are proposed in this Change Request Public Consultation Document. These change requests fall into three categories:

- Chapter 2 covers innovative change requests to technical operations in chapters 3 and 4 of the rulebook and other significant non-technical changes which fall within the definition of a major change;
- Chapter 3 covers change requests to align the NCT Inst rulebook with legislation;
- Chapter 4 proposes changes to correct typing errors and provide additional clarification to the NCT Inst rulebook. These changes consist of minor changes to the NCT rulebook which are uncontroversial in nature and do not affect technical operations.

**Annex 1 contains all received original change requests for the 2023
NCT Inst rulebook change management cycle**

6 Change Management Cycle in respect of Major Change Requests

6.1 Considerations of Change Requests

In accordance with section 4.1.4 of the SMIR, a number of change requests with respect to the rulebooks have been submitted for consideration to the NCT & NCT Inst WG. Following consideration of these change requests as required under section 4.1.6 of the SMIR, the NCT & NCT Inst WG has determined:

- a) that the change requests set out in chapter 2 meet the criteria for acceptance into the 2023 NCT Inst rulebook change management cycle; and
- b) that the change requests set out in chapter 4 constitute minor change requests invoking the procedures set out in section 4.3 of the SMIR.

6.2 Change Request Public Consultation Document

The NCT & NCT Inst WG is responsible for the preparation and development of a Change Request Public Consultation Document in respect of the major change requests referred to in chapter 2 above and guiding the change requests through the rulebook change management cycle. The NCT & NCT Inst WG has therefore formulated this Change Request Public Consultation Document under section 4.2 of the SMIR. This Change Request Public Consultation Document analyses the major changes which have been proposed and contains in Annex 1 the original change requests.

6.3 NCT & NCT Inst WG recommendations

The NCT & NCT Inst WG is required under chapter 4.2.1 of the SMIR to issue a recommendation on the way forward with regard to each change request. The reasons underlying each recommendation are detailed in chapter 2. The final decision whether a change request will be incorporated into the NCT rulebook is however subject to the outcome of the public consultation. The contributors to this public consultation are requested to indicate whether they agree with the recommendation of the NCT & NCT Inst WG on the way forward. In case the contributors do not agree with the NCT & NCT Inst WG recommendation, they are requested to indicate their preferred way forward.

6.4 Public Consultation on the Change Requests

The NPC encourages all Nordic stakeholders to provide feedback during the public consultation. Banking communities are asked to consult all their members who are involved in the NCT scheme to ensure that the views of the payment services constituency are considered in the public consultation process. The NCT & NCT Inst WG encourages the banking communities to consult as wide a range of stakeholders as possible, including NPC participants, future end users and service suppliers. All stakeholders should provide feedback to the NPC on the Change Request Public Consultation Document by February 1st 2022 at 17h00 CET at the latest.

The NPC will not consider any feedback received after this deadline.

6.5 Next steps

Considering the comments received during the public consultation, the NCT & NCT Inst WG will produce a Change Proposal Submission Document to the NPC Scheme Management Committee (SMC) for decision making purposes (in accordance with section 4.2.5 of the SMIR), and to the NPC Stakeholder Forum (in accordance with section 4.4 of the SMIR) for their positions on the NCT & NCT Inst WG Change Proposals.

Approved change requests will be incorporated into the version 1.0 of the 2023 NCT Inst rulebook and published in June 2022 with the intention that they will enter into effect in November 2023.

6.6 Further information

The above is a summary of the change management process. If you would like further information, please refer to the SMIR or contact the NPC Secretariat.

7 Change Management Cycle in respect of Minor Change Requests

7.1 Publication of list of Minor Change Requests

The NCT & NCT Inst WG has identified certain minor change requests which they consider necessary for the NCT Inst rulebook.

The NCT & NCT Inst WG is required under the SMIR to publish a list of minor change requests on the NPC website and to ensure that the list may be viewed by all stakeholders. This obligation shall be met by the publication of this Change Request Public Consultation Document, and in particular through the provision of chapter 4 noting certain change requests as 'minor'.

7.2 Comments on the Minor Change Requests

All stakeholders may submit comments on the list of minor change requests in this Change Request Public Consultation Document.

7.3 Submission of the list of Minor Change Requests to the SMC

The list of minor change requests shall be submitted to the SMC via the Change Proposal Submission Document in accordance with section 4.2.5 of the SMIR.

8 Annex 1 – Original Change Requests for NCT Inst Rulebooks

For detailed information about EPCs Change Requests please go to:

Change Proposal Submission Document– [2020 Change Requests SCT Inst Rulebook EPC117-20](#)

And

Public Consultation – [2022 Change Requests SCT Inst Rulebook EPC157-21](#)

8.1 #INST01 Mandatory C2B IG - Bits AS

Responses by e-mail to: info@npcouncil.org by 30 June 2021

Name of contributor:	Terje Sletbak
Organisation:	Bits AS on behalf of the Norwegian banking community
Address:	Hansteens gt 2, N-0253 Oslo, Norway
Contact details:	Terje.sletbak@bits.no
Your reference:	TS
Scheme and document and version number:	<u>Highlight which NPC Scheme Rulebook(s) this change request relates to:</u> <input checked="" type="checkbox"/> NPC001-01 2020 NCT Rulebook <input checked="" type="checkbox"/> NPC010-01 2021 NCT Instant Rulebook
Request Date:	22.06.2021
For information:	This template is provided by NPC to allow any person or organisation to submit a change request for making a change to the NPC payment schemes in accordance with the rules set out in the document 'NPC900-01 scheme Management Internal Rules' which can be found in the Annex II in the NCT or NCT Instant rulebooks.

General description of the change request

Suggested launch date (if any):

To be included in 2023 version of NPC CT rulebooks.

Description of the change request:

Change the NPC Credit Transfer C2B IG for NCT & NCT Inst from being recommended to be Mandatory.

Will only be valid for PSP/banks offering ISO 20022 format 2019 or newer file services to their customers. This means that all participants offering ISO 20022 (pain.001) must follow NPC regulations (rules and Igs) for file exchange between customer and bank. There should not be a requirement for all participants (banks and PSPs) to offer ISO 20022 messages from their customers.

A common market practice will give benefit for both banks, customers and ERP vendors.

Wherever possible please indicate:

1. Impact on the scheme in general: Both NCT & NCT Inst
2. Impact on the interbank space: No
3. Impact on the message standards (NPC scheme Implementation Guidelines and other standards): Yes
4. Impact on the legal rules as defined in chapter 5 of the NPC payment scheme rulebooks: Yes
5. The nature of the change request, please choose one of option a or b:
 - a) A change (deleting or replacing an existing rulebook element by a new one), please add explanation.
This CR does not have to entail technical changes, but it will change roles of the scheme participants.
 - b) A variant (adding an alternative – optional – rule alongside an existing rulebook element), please add explanation.

Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the NPC to make an evaluation of the change request submitted.

Is the change request a case for NPC wide acceptance?	Yes
Is the change request underpinned by a cost-benefit analysis?	No
Does the change fit into the strategic objectives for NPC?	Yes
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes
Do you consider that the change request does not impede NPC-wide interoperability?	Yes
Do you consider that the change request is in the scope of the scheme involved?	Yes

8.2 #INST02 Frozen/reserved funds on Beneficiary's account in case of Recall request due to Fraud – Danske Bank

**Responses by e-mail to: info@npcouncil.org
by 30 June 2021**

Name of contributor:	Thomas Bo Christensen
Organisation:	Danske Bank A/S
Address:	Holmens Kanal 2-12; DK-1092 Copenhagen K
Contact details:	thomc@danskebank.dk
Your reference:	NPC-CT Inst CR 2021-001
Scheme and document and version number:	<p><u>Highlight which NPC rules rulebook(s) this change request relates to:</u></p> <p><input checked="" type="checkbox"/> NPC001-01 2020 NCT Rulebook</p> <p><input checked="" type="checkbox"/> NPC010-01 2021 NCT Instant Rulebook</p>
Request Date:	2 June, 2021
For information:	This template is provided by NPC to allow any person or organisation to submit a change request for making a change to the NPC payment schemes in accordance with the rules set out in the document 'NPC900-01 Scheme Management Internal Rules' which can be found in the Annex II in the NCT or NCT Instant rulebooks.

General description of the change request

Suggested launch date (if any):

As soon as possible

Description of the change request:

Please find the following input to the current NPC CT & NPC CT Inst. process on behalf of Danske Bank on Recall processing.

The standard process for recall is that we need to contact the beneficiary, in order to get an approval for returning the funds to the originator. The current SEPA process is as follows:

Step 1: Bank A (initiating bank) transfers funds to Bank B (receiving bank) on behalf of customer (payer)

Step 2: Fraud identified by Bank A or Payer

Step 3: Recall of transferred funds initiated by Bank A to Bank B using a CAMT.056

Step 4: Bank B manually determines if recall is accepted or not

Step 5: If recall is accepted by Bank B then

- a. transaction is cancelled and full amount returned if full amount is available.
- b. if full amount is not available then recall is rejected.

Pro's and con's related to current SEPA process:

- pro: full amount returned if available
- con: no funds returned if only partial amount is available
- con: long process time due to manual handling. Risk of full amount not available increases with time spent on investigation at Bank B and if recall is waiting for processing during a weekend

In Denmark and Finland the following domestic recall process is:

Step 1: Bank A (initiating bank) transfers funds to Bank B (receiving bank) on behalf of customer (payer)

Step 2: Fraud identified by Bank A or Payer

Step 3: Recall of transferred funds initiated by Bank A to Bank B using a CAMT.056

Step 4: Full STP processing at Bank B, returning the full amount immediately after recall, disregarding balance on beneficiary account.

Pro's and con's related to current DK/FI process:

- pro: full amount returned no matter what
- con: Reimbursement from Bank A to Bank B if full amount not available on beneficiary account when return of funds is executed by Bank B based on recall initiated by Bank A. This process is cumbersome.
- con: Not used as much as potential as recalling full amount can cause issues/long processes between involved banks.

In relation to reducing number and severity of successful FRAUD cases and reducing loss for involved banks, speed is in our view the key to success, addressing step 4 in SEPA process described above. To improve the success rate of getting the funds back, reducing bank loss and increase end-customer experience, we suggest that for FRAUD cases:

- Funds from the original PACS.008 are frozen/reserved automatically on the beneficiary account, when Request for Recall (CAMT.056) is received by the beneficiary bank.

That will provide the Beneficiary bank the necessary time to investigate the case, without the risk of the funds being moved to a different bank, before the beneficiary bank reach a conclusion on whether to return the funds.

Even though we introduce this improvement, there is a risk that some of the funds are transferred in the time space between the beneficiary bank has received the original NPC CT / CT INST (PACS.008) and receives Request for Recall (CAMT.056). That leaves an issue for beneficiary bank not wanting to make a full accept of the CAMT.056 due to missing funds on the beneficiary account. The current solution only makes it possible to either get the full amount or nothing returned. To mitigate this, and ensuring that we receive as much as possible of the funds transferred returned (reducing the con's mentioned under the domestic DK/FI and the SEPA process) from the creditor account, we suggest that for FRAUD cases:

- It should be possible to make a partial accept of Request for Recall allowing whatever is lowest of balance of account or amount transferred at creditors account.

That would improve the process, because today beneficiary bank must reject the recall, and if they want the return the funds which are available, they have to make a new NPC CT / CT INST (PACS.008).

[A similar change request has been forwarded to European Payments Council regarding SCT Inst.](#)

Wherever possible please indicate:

1. Impact on the scheme in general:
2. Impact on the interbank space:
3. Impact on the message standards (NPC scheme Implementation Guidelines and other standards):
4. Impact on the legal rules as defined in chapter 5 of the NPC payment scheme rulebooks:
5. The nature of the change request, please choose one of option a or b:
 - a) A change (deleting or replacing an existing rulebook element by a new one), please add explanation.
 - b) A variant (adding an alternative – optional – rule alongside an existing rulebook element), please add explanation.

Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the NPC to make an evaluation of the change request submitted.

Is the change request a case for NPC wide acceptance?	Yes
Is the change request underpinned by a cost-benefit analysis?	No
Does the change fit into the strategic objectives for NPC?	n.a.
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	yes
Do you consider that the change request does not impede NPC-wide interoperability?	yes
Do you consider that the change request is in the scope of the scheme involved?	yes

8.3 #INST03 Usage of Nordic letters – Sveriges Riksbank

**Responses by e-mail to: info@npcouncil.org
by 30 June 2021**

Name of contributor:	Adam Löfgren
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Address:	Brunkebergstorg 11
Contact details:	Adam.lofgren@riksbank.se
Your reference:	
Scheme and document and version number:	<u>Highlight which NPC Scheme Rulebook(s) this change request relates to:</u> <input checked="" type="checkbox"/> NPC001-01 2020 NCT Rulebook <input checked="" type="checkbox"/> NPC010-01 2021 NCT Instant Rulebook
Request Date:	2021-06-22
For information:	This template is provided by NPC to allow any person or organisation to submit a change request for making a change to the NPC payment schemes in accordance with the rules set out in the document 'NPC900-01 Scheme Management Internal Rules' which can be found in the Annex II in the NCT or NCT Instant rulebooks.

General description of the change request

Suggested launch date (if any):

As soonest as possible, especially before 2022-05-23 for Instant scheme because RIX-INST Go-live.

Description of the change request:

Regarding to NCT-Inst you can use Nordic letters such as “å, ä, ö” in several fields, but in RIX-INST will not manage Nordic letters in some fields because of more restricted validation in some fields.

This may be an issue because some payments will not be settled due Nordic letters in fields there it is not supported by RIX-INST. The Riksbank see a risk if we have a stricter validation in those fields than NCT-Inst then our participants cannot fully follow NCT-Inst scheme for Settlement. The Riksbank should not have stricter interpretation than NCT-Inst, therefore we;

Suggest a change in NCT Inst scheme in fields “GrpHd/Msgld”, “PmtId/Txld” and “PmtId/Instrld” to only support UTF-8 characters in the same way such SCT-Inst scheme, i.e no Nordic letters.

This restriction should not have any impact on the users.

Field	Type	Comments
GrpHd/Msgld	Max35Text	RIX-INST will not support Nordic letters in this field.
PmtId/Txld	Max35Text	RIX-INST will not support Nordic letters in this field.
PmtId/Instrld	Max35Text	RIX-INST will not support Nordic letters in this field.

Wherever possible please indicate:

1. Impact on the scheme in general:

A smaller change in the implementation guidelines.

2. Impact on the interbank space:

Yes, change in interbank IG

3. Impact on the message standards (NPC scheme Implementation Guidelines and other standards):

More aligned with SCT-Inst

4. Impact on the legal rules as defined in chapter 5 of the NPC payment scheme rulebooks:

N/A

5. The nature of the change request, please choose one of option a or b:

a) A change (deleting or replacing an existing rulebook element by a new one), please add explanation.

b) A variant (adding an alternative – optional – rule alongside an existing rulebook element), please add explanation.

Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the NPC to make an evaluation of the change request submitted.

Is the change request a case for NPC wide acceptance?	Yes
Is the change request underpinned by a cost-benefit analysis?	No need, small change
Does the change fit into the strategic objectives for NPC?	Yes
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes
Do you consider that the change request does not impede NPC-wide interoperability?	No
Do you consider that the change request is in the scope of the scheme involved?	Yes

8.4 #INST05 Usage of hyperlink – NCT & NCT Inst WG

Responses by e-mail to: info@npcouncil.org by 30 June 2021	
Name of contributor:	NPC NCT & NCT Inst WG
Organisation:	NPC
Address:	Blasieholmsgatan 4B, Stockholm, Sweden
Contact details:	Maria Brogren, maria.brogren@npcouncil.org
Your reference:	N/A
Scheme and document and version number:	<u>Highlight which NPC Scheme Rulebook(s) this change request relates to:</u> <input checked="" type="checkbox"/> NPC001-01 2020 NCT Rulebook <input checked="" type="checkbox"/> NPC010-01 2021 NCT Instant Rulebook
Request Date:	
For information:	This template is provided by NPC to allow any person or organisation to submit a change request for making a change to the NPC payment schemes in accordance with the rules set out in the document 'NPC900-01 Scheme Management Internal Rules' which can be found in the Annex II in the NCT or NCT Instant Rulebooks.

General description of the change request

Suggested launch date (if any):

Description of the change request:

Allowing for a hyperlink or external sources to be referenced in a SCT and SCT Inst Credit Transfer.

The suggestion is to open for the usage of a hyperlink (URL) to be included in the remittance information, both on a single SCT or SCT Inst but also in a SCT including ERI-option.

The suggestion is to allow pointers/references to external sources. The current chosen standard in the Rulebook does not support pointers/references to external sources of information. In the current version of the Rulebook, the chosen model is to carry all information within the payment message which is not always sufficient.

Wherever possible please indicate:

1. Impact on the Scheme in general: No
2. Impact on the interbank space: Yes
3. Impact on the message standards (NPC Scheme Implementation Guidelines and other standards): Yes
4. Impact on the legal rules as defined in chapter 5 of the NPC payment scheme Rulebooks: No
5. The nature of the change request, please choose one of option a or b:
 - a) A change (deleting or replacing an existing Rulebook element by a new one), please add explanation.
 - b) A variant (adding an alternative – optional – rule alongside an existing Rulebook element), please add explanation.

Elements of evaluation

The submitting party is requested to give an appropriate answer to each of these questions with sufficient detail to allow the NPC to make an evaluation of the change request submitted.

Is the change request a case for NPC wide acceptance?	Yes
Is the change request underpinned by a cost-benefit analysis?	No
Does the change fit into the strategic objectives for NPC?	Yes
Do you consider that the implementation of the change resulting from the acceptance of the change request is feasible?	Yes
Do you consider that the change request does not impede NPC-wide interoperability?	Yes
Do you consider that the change request is in the scope of the scheme involved?	Yes