

NPC CONFIRMATION OF PAYEE SCHEME RULEBOOK

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0 Document Information

0.1 References

This section lists documents referred to in the Rulebook. The convention used throughout is to provide the reference number only, in square brackets. Use of square brackets throughout is exclusively for this purpose.

| | Document Number | Title | Issued by: |
|-----|-----------------|--|------------|
| [1] | NPC051-01 | NPC Confirmation of Payee Scheme Implementation Guidelines | NPC |
| [2] | EPC409-09 | EPC List of SEPA Scheme Countries | EPC |
| [3] | ISO 20022 | Financial services – Universal Financial Industry message scheme | ISO |
| [4] | ISO 13616 | Financial services - International bank account number (IBAN) -- Part 1: Structure of the IBAN | ISO |
| [5] | ISO 9362 | Business Identifier Codes (BIC) | ISO |

0.1.1 Defined Terms

This Rulebook makes references to various defined terms which have a specific meaning in the context of this Rulebook. In this Rulebook, a defined term is indicated with a capital letter. A full list of defined terms can be found in Chapter 6 of this Rulebook. The Rulebook may make references to terms that are also used in the Payment Services Directive. The terms used in this Rulebook may not in all cases correspond in meaning with the same or similar terms used in the Payment Services Directive.

0.2 Change History

| Issue number | Dated | Reason for revision |
|--------------|------------|--|
| 0.9 | 2022-03-17 | Final draft agreed in NPC Confirmation of Payee Working Group to be sent for decision to start public consultation to the NPC Scheme Management Committee. |
| 2022 v0.9 | 2022-04-25 | NPC Scheme Management Committee decision April 7 th , 2022 to start public consultation of this version 0.9. |

0.3 Purpose of the document

The NPC Confirmation of Payee Scheme (“Scheme”) is a set of rules, practices and standards to achieve interoperability for the provision and operation of confirming Payee Payment Accounts between Participants of the Scheme prior to making a payment. A Participant is any PSP as defined in Payment Services Directive that is eligible to participate in the Scheme in accordance with Rulebook section 4.4.

The objectives of the Rulebook are:

- To be the primary source for the definition of the rules and obligations of the Scheme
- To provide authoritative information to Participants and other relevant parties as to how the Scheme functions

This Rulebook is written on a conceptual level. In addition to the Rulebook, there can be local market practices, additional agreements and documentation from other relevant parties.

0.4 About the NPC

The purpose of the Nordic Payments Council (“NPC”) is to create, own and manage the NPC payment schemes based upon, but not limited to, the Single Euro Payments Area (“SEPA”) payment schemes as well as to develop and manage additional schemes and rules in close dialogue with the Participants, the national communities and regulating authorities. This should be done to contribute to safe, efficient, economically balanced and sustainable, convenient domestic and cross border multicurrency payments in communities using the schemes. The NPC shall ensure competitiveness and innovation as well as meet the users’ needs.

0.5 Other Related Documents

The Rulebook is primarily focused on stating the business requirements and inter-PSP rules for the operation of the Scheme. In addition to the Rulebook there are a number of key documents which support the Scheme operationally.

0.5.1 NPC Confirmation of Payee Scheme Implementation Guidelines

The complete data requirements for the operation of the Scheme are classifiable according to the following data model layers:

- The business process layer in which the business rules and requirements are defined, and the related data elements specified
- The logical data layer which specifies the detailed datasets and attributes and their inter-relationships
- The physical data layer which specifies the representation of data in electronic document formats and messages

This Rulebook focuses on the business process layer and appropriate elements of the logical layer.

The NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]) are available as a complementary document.

The NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]), which set out the rules for implementing the Identification Verification Request and the Identification Verification Report in the ISO 20022 XML standard (reference [3]), constitute a **binding** supplement to the Rulebook.

0.5.2 NPC Confirmation of Payee Adherence Agreement

The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is available in Annex I. It will be possible for a Participant to adhere to the Rulebook for Bulk Requests and/or Single request in real-time. The Rulebook and the Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the NPC. The rules and procedures for applying to join the Scheme are set out in the NPC Scheme Management Internal Rules (the “NPC SMIR”) in Annex II.

1 VISION, OBJECTIVES & SCOPE OF THE SCHEME

This chapter provides an introduction to the Scheme, setting out the background to the Scheme as well as its aims and objectives.

1.1 Vision & scope

This Scheme provides a set of rules, practices and standards to be complied with by Participants who adhere to the Scheme. This Scheme specifies a minimum set of data elements to be collected by the Payer PSP from the Payer and the rules that the Payer PSP must follow. The Scheme also includes specific rules and obligations for the Payee PSP in their mandatory Response to Requests.

The general purpose of a Request is to be used prior to a payment to confirm the correctness of the Payee and by that contribute to a higher quality and more efficient payment process. It can prevent some part of both misdirected and fraudulent payments as well as reduce the number of rejected and returned payments. In the end this can contribute to a better Customer experience since the Payer is able to ensure the correctness of the Payee.

A Request can be used to confirm that the Payee's Payment Account exists and matches the name of the Payee. It could also be used to confirm that the Payee's Payment Account matches the Identification Code of the Payee.

The Scheme provides a messaging functionality. It is not a payment means or a payment instrument, but a way to confirm Payment Account details prior to initiating a payment.

Based on the Scheme, Participants are able to offer new and innovative payment services. Participants will be able to ensure interoperability and move towards open standards which are expected to improve financial integration and act as a catalyst for a richer set of products and services.

The Scheme includes both a real-time and bulk possibility for confirming the Payee. The Participants will choose to participate in both real-time and bulk or either of the two.

1.2 Objectives

- The processing of Requests will be automated, based on the use of open standards and the best practices of straight through processing ("STP") without manual intervention;
- To provide a framework for the harmonisation of standards and practices and the removal of inhibitors;
- To support the achievement of high standards of security, low risk and cost efficiency for all actors;
- To allow the further development of a healthy and competitive market in support to payment services and create conditions for the improvement of services provided to Customers.

1.3 Commercial Context for Users and Providers of Confirmation of Payee

This section provides the general context and background in which the Scheme exists. The messaging functionality provided by the Scheme should be considered as a pre-step of initiating a payment. Before the payment is initiated, a Payer will be able to confirm the Payment Account details of a Payee.

The following steps are involved in this process:

- The demand of making a payment arises from a Payer who wishes to transfer funds for whatever reason to a Payee. (The payment process is not regulated by this Scheme).

- Before making the payment, the Payer wants to confirm the Payment Account of the Payee. The Payer initiates the Request to the Payer PSP. The Payer PSP will create and submit a Request to the Payee PSP. The Payer PSP can also be the Payer.
- The Payee PSP provides a Response if the Payment Account is confirmed correctly or not.
- The payment process follows, starting with the selection of the payment instrument, followed by the execution of the payment. (The payment process is not regulated by this Scheme).



1.4 Binding Nature of the Rulebook

Becoming a Participant in the Scheme involves signing the Adherence Agreement. In order to become a Participant, it is required to be an NPC Scheme Member, or to have been approved by the NPC's Board of Directors as meeting the eligibility requirements in the NPC Bylaws for an NPC Non-Member Participant. By signing the Adherence Agreement, Participants agree to comply with the Rulebook and such other related documents as described in section 4.2.

Participants are free to choose between operating processes themselves or using intermediaries or outsourcing (partially or completely) to third parties. However, outsourcing or the use of intermediaries does not relieve Participants of the responsibilities defined in the Rulebook.

The Rulebook covers in depth the main aspects of the inter-PSP relationships linked to the Scheme. For the relationships between a Participant and its Customer, the Rulebook specifies the minimum requirements imposed by the Scheme. For the relationships between a **Payer** and a **Payee**, the Rulebook also specifies the minimum requirements of the Scheme.

1.5 Separation between the NPC Confirmation of Payee Scheme and payment processing

The Scheme is limited to the confirmation of a Payee Payment Account. The payment processing is not part of the Scheme.

1.6 Separation of the Scheme from Infrastructure

It is a key feature of the Scheme that it provides a single set of rules, practices and standards which are then operated by individual Participants and potentially multiple Infrastructure Providers. Infrastructure Providers include the technology platforms and networks that support them. Infrastructure is an area where market forces operate based on the decisions of Participants. The separation of the Scheme from infrastructure permits the operation of the Scheme by multiple Infrastructure Providers.

The result is that the Scheme based on a single set of rules, practices and standards is operated on a fully consistent basis by Infrastructure Providers chosen by individual Participants as the most appropriate for their needs.

1.7 Other Features of the Scheme

Additional features of the Scheme include the following principles:

- The rights and obligations of Participants, and as appropriate their Customers, are clear and unambiguous;
- Requests and Responses use open, industry recognised standards (i.e. ISO 20022 reference [3]);
- Compliance with the Scheme ensures interoperability between Participants;
- Individual Participants are free to innovate and satisfy Customers' needs in a competitive marketplace, as long as these innovations do not conflict with the Rulebook.

1.8 Business benefits of the Scheme

The Scheme provides potential benefits in terms of confirmation of a Payee's Payment Account prior to initiating a payment. Besides preventing some part of both misdirected and fraudulent payments and reduce the number of rejected and returned payments, the Scheme can, in the end, contribute to a better Customer experience and more efficient payment process when being able to ensure the correctness of the Payee. Any quantitative cost/benefit analyses are left for the adhering Participants.

The Scheme can also contribute to higher quality and a better Customer experience when making payments and to achieve all these possible benefits, reachability for the Scheme requests is crucial.

The Scheme is used for two types of Requests; one to confirm a Payment Account number and one to confirm both Payment Account number in combination with the Payee name or Identification Code.

The two types of requests are named (see section 3.2 for detailed description):

- Confirmation of Account Request (CAR)
- Confirmation of Payee Request (CPR)

Both Request types can be sent as Single Requests in real-time or as Bulk Requests.

Bulk Requests can only be initiated by Payers not being private individuals.

1.9 Additional Optional Services

The Scheme recognises that individual Participants and communities of Participants can provide complementary services based on the Scheme so as to meet further specific Customer expectations. These are described as Additional Optional Services ("AOS").

The following two types of AOS are identified:

1. AOS provided by PSPs to their Customers as value-added services which are nevertheless based on the core payment schemes. These AOS are purely a matter for PSPs and their Customers in the competitive space;
2. AOS provided by local, national and communities of PSPs, such as the use of additional data elements in the ISO 20022 XML standards. Any community usage rules for the use of the NPC core mandatory subset of the ISO 20022 XML standards should also be mentioned in this context, although they are not *per se* AOS. Other AOS may be defined, for example relating to community provided delivery channels for Customers.

Participants may only offer AOS in accordance with the following principles:

1. All AOS must not compromise interoperability of the Scheme nor create barriers to competition. The Function for Compliance and Adherence should deal with any complaints

or issues concerning these requirements brought to its attention in relation to compliance with the Rulebook as part of its normal procedures, as set out in the NPC SMIR.

2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the NPC may incorporate commonly used AOS features into the Scheme through the change management processes set out in the NPC SMIR.
3. There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 XML payment standards (including any community usage rules for the NPC core mandatory subset) should be disclosed on a publicly available website (in both local language(s) **and English**).

These AOS are not further described in the Rulebook as they are to be generally considered as competitive offerings provided by both individual Participants and communities of Participants and are therefore out of scope.

1.10 Currency

It will be assessed in a future release whether the Scheme will include currencies in the Requests.

1.11 Common legal framework

Participants in the Scheme need to ensure that they at all times comply with EU and national rules and regulations related to the Scheme. The rules of the Rulebook seek to always be compatible with EU and national rules and regulations which are directly or indirectly relevant to the Scheme. Furthermore, the Rulebook seeks to avoid creating any difficulties for Participants who are bound to comply with the above-mentioned EU and national rules and regulations.

The further details as to the requirements for a common legal framework for this Scheme are spelled out in Chapter 4 of the Rulebook.

2 ROLES OF THE SCHEME ACTORS

This chapter describes the roles of the actors in the Scheme.

2.1 Actors

The Scheme involves four main actors.

- **The Payer:** The Customer of the Payer PSP who initiates the Request to the Payer PSP. A Payer PSP can also be the Payer and initiate a Request.
- **The Payer PSP:** The Participant that receives information from the Payer and sends a Request to the Payee PSP according to the information provided by the Payer and in accordance with the provisions of this Scheme.
- **The Payee PSP:** The Participant that receives the Request from the Payer PSP and provides a Response in accordance with the provisions of this Scheme.
- **The Payee:** The Customer of the Payee PSP, who holds the Payment Account that is to be confirmed. The Payee is only directly involved in some of the Request types but will benefit from all types of Requests since transactions in favour of the Payee will have less rejected and/or returned payments. The Payee PSP can also be the Payee.

The Payer PSP and Payee PSP may be one and the same Participant.

The operation of the Scheme also involves other parties indirectly:

- **Infrastructure Providers:** Infrastructure Providers could be included such as an automated one-point of entry which is connected directly to all Participants or including connection(s) through other existing Infrastructure Providers that are connected to other Participants.
- **Intermediary PSPs:** PSPs offering intermediary services to Payer PSPs and/or Payee PSPs, for example in cases where they are not themselves direct Participants with an Infrastructure Provider.

2.2 The Model

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

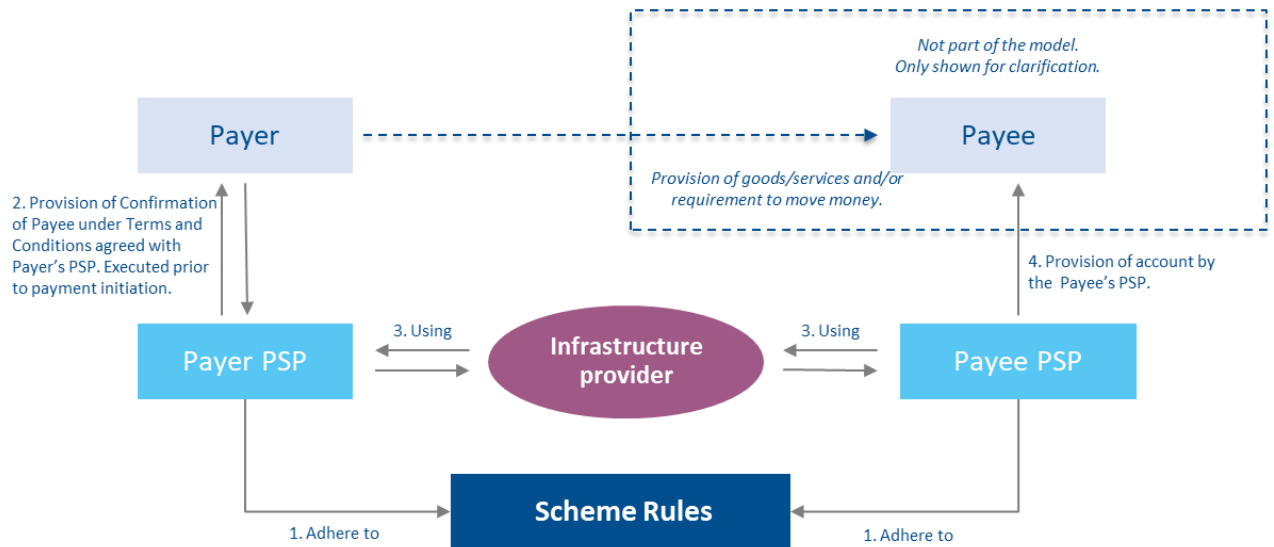


Figure 1: Model over actors - Illustrative

The actors are bound together by several relationships, identified in the diagram by numbers:

1. The contractual relationships underlying the Scheme to which all Participants are bound.
2. Between the Payer and the Payer PSP concerning the products and services to be provided by the Payer PSP to the Payer relating to the Scheme and the related Terms and Conditions. Provisions for this relationship are not governed by this Scheme. The Terms and Conditions shall however, as a minimum, cover elements relevant to the initiation and execution of a Request as required by this Scheme.
3. As applicable, between the Payer PSP and the Payee PSP and the selected Infrastructure Providers concerning the terms and conditions of the services delivered. Provisions for these relationships are not governed by this Scheme. The terms and conditions entered into regarding these relationships shall however, as a minimum, cover elements relevant to the execution of a Request and a Response.
4. Between the Payee and the Payee PSP concerning provision of a Payment Account. Provisions for this relationship are not governed by this Scheme.

As applicable, between the Payer PSP and/or the Payee PSP and any Intermediary PSP. Provisions for these relationships and their functioning are not governed by this Scheme. This relationship is not illustrated above.

2.3 Connection mechanism and services – Infrastructure Providers

Infrastructure Providers are responsible to the Payer PSPs and Payee PSPs that use their services. As a matter of normal practice, these mechanisms:

- Receive Requests from the Payer PSP which participates in the relevant Infrastructure Provider;
- Forward the Request to the Payee PSP which participates in the relevant Infrastructure Provider, in full and without alteration;
- Receive Responses to Requests from the Payee PSP and forward the Response(s) to the Payer PSP in full and without alteration;
- Provide any required risk management procedures and other related services.

2.4 Intermediary PSPs

If any actor uses the services of an Intermediary PSP to perform any function in relation to a Request, this should:

- Be transparent to other Participants and in no way affect or modify the obligations of the Participants;
- Be the subject of a separate agreement or similar arrangement between the intermediary and its customer (i.e. the Payer PSP or Payee PSP).

3 BUSINESS AND OPERATIONAL RULES

This chapter describes the business and operational rules of the Scheme which must be observed by Participants and by Infrastructure Providers or Intermediary PSPs as necessary such that the Scheme can function properly. It also describes the datasets used in the Scheme, and the specific data attributes within these datasets.

Datasets and attributes will be represented and transmitted using generally accepted, open, interoperable standards wherever accepted by the NPC (see Section 0.5).

3.1 Naming Conventions

This section describes the naming conventions used in this chapter.

The descriptions are based on the concepts of Process, Process-step, Attribute and Dataset.

For facilitating the reading and the use of this Scheme, structured identification-numbers are used as follows:

| | |
|----------------------|--|
| Process steps | PS-xx-yy, where xx-yy is the unique sequence number in this Scheme |
| Datasets | DS-xx, where xx represents the unique sequence number in this Scheme |
| Attributes | AT-xx, where xx represents the unique sequence number in this Scheme |

3.2 Overview of Request Types

This section describes the two different Request types used in the Scheme.

3.2.1 Common for all Request Types

It is mandatory for the Payer PSP, for each Request to specify which type of Request that the Payee PSP should process based on information from the Payer.

Payer PSP are obliged to ensure that all data in the Request follows the format rules as defined in the Implementation Guidelines.

A Payee PSP is obliged to respond to all Requests with an accurate reason code on each Payment Account in the Request when there is an incorrectness.

3.2.2 Confirmation of Account Request (CAR)

The Request type CAR is to be used when the purpose only is to check correctness and reachability of a Payment Account.

The following parameters regarding the Payment Account are to be provided by Payer PSP based on information from the Payer (the list below is not exhaustive, for an exhaustive list of parameters see the NPC Confirmation of Payee Scheme Implementation Guidelines, reference [1]), all parameters are mandatory unless otherwise stated:

- Payee PSP – BIC
- Account to be confirmed – IBAN

The Request type CAR can be sent as a Single Request in real-time or as a Bulk Request. For Time Cycle and Cut-off Times see section 3.3.

The Payee PSP shall send a Response to the Request with a TRUE (correct and reachable) or a FALSE value together with the relevant reason code.

3.2.3 Confirmation of Payee Request (CPR)

The Request type CPR is used when confirming that the Payee's Payment Account is correct and open for deposits in combination with confirming that Payee name or Payee Id matches the specific Payment Account. Use of Id for matching is not available for private individuals.

The following parameters regarding the Payment Account are to be provided by the Payer and/or Payer PSP (the list of parameters is not exhaustive, for an exhaustive list see the NPC Confirmation of Payee Scheme Implementation Guidelines, reference [1]), all parameters are mandatory unless otherwise stated:

- Payee PSP – BIC
- Account to be confirmed – IBAN
- Name of the Payee OR Id of the Payee

The Request type CPR can be sent as a Single Request in real-time or as a Bulk Request.

The request will be responded to the Payer PSP by the Payee PSP with a TRUE (correct and reachable AND Payee Id is matching or Payee name is matching) or a FALSE value together with the relevant reason code (the reason codes are stated in section 3.6.1).

For name matching a FALSE value with a specific reason code Payee Name close match ("close match") indicates that there is only a minor deviation, according to agreed algorithm, between the name given by Payer and the name registered by the Payee PSP. The reason code close match will make it possible for the Payer PSP to inform and communicate with the Payer in an effective and user-friendly way to avoid too many unnecessary no match.

Name match could be implemented as a centralised solution for several PSPs to use or as a decentralised solution where individual PSP have their own solution for name matching. A centralised solution is beneficial for the Payer since the matching will be consistent at the different Payee PSPs. It will always be each individual PSP who chooses what solution to be used. More details regarding name matching are stated in NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]).

3.3 Overview of the Scheme Process & Time Cycle

This section describes the terms used to define the Execution Time Cycle for Bulk Requests and Single Requests. Section 3.4 below provides a more detailed explanation of the process.

3.3.1 Commencement of the Execution Time Cycle for Bulk Requests

The Execution Time Cycle for Bulk Requests always starts when the Payer initiates the Requests and ends when the Payer has received the Response. The Execution Time Cycle will be subject to agreements between the Infrastructure Providers and the Payer PSP and Payee PSP. This Scheme does not further regulate Execution Time Cycles for Bulk Requests.

The Bulk Request Execution Time Cycle, may be interrupted, stopped or otherwise affected by the application of laws.

3.3.2 Cut-off Times for Bulk Requests

Cut-off Times of the Bulk Requests must be advised by the Payer PSP to the Payer. Cut-off Times are also agreed between an Infrastructure Provider and both Payer PSP and Payee PSP. This Scheme does not further regulate Cut-off Times for Bulk Requests.

3.3.3 Maximum time for providing Responses to Bulk Requests

Maximum time for providing a Response to Bulk requests will be subject to agreements between the Infrastructure Providers and the Payer PSP and Payee PSP. This Scheme does not further regulate maximum times for providing a Response to Bulk Requests.

3.3.4 Commencement of the Execution Time Cycle for Single Requests in real-time

The Execution Time Cycle for Single Requests in real-time always starts when the Payer initiates the Request and ends when the Payer has received the Response.

The Execution Time Cycle for all kinds of Single Requests and Responses in this Scheme should be processed 24/7/365. The Execution Time Cycle will be subject to agreements between the Infrastructure Providers and both the Payer PSP and Payee PSP. This Scheme does not further regulate Execution Time Cycles for Single Requests.

The Execution Time Cycle for Single Requests, may be interrupted, stopped or otherwise affected by the application of laws.

3.3.5 Maximum time for providing Response to Single Requests in real-time

Maximum time for providing a Response to Single Requests will be subject to agreements between the Infrastructure Providers and the Payer PSP and Payee PSP. This Scheme does not further regulate maximum times for providing a Response to Single Requests.

3.4 Request Processing Flow

3.4.1 Request Processing Flow

The following diagram identifies a number of process steps, which are described below.

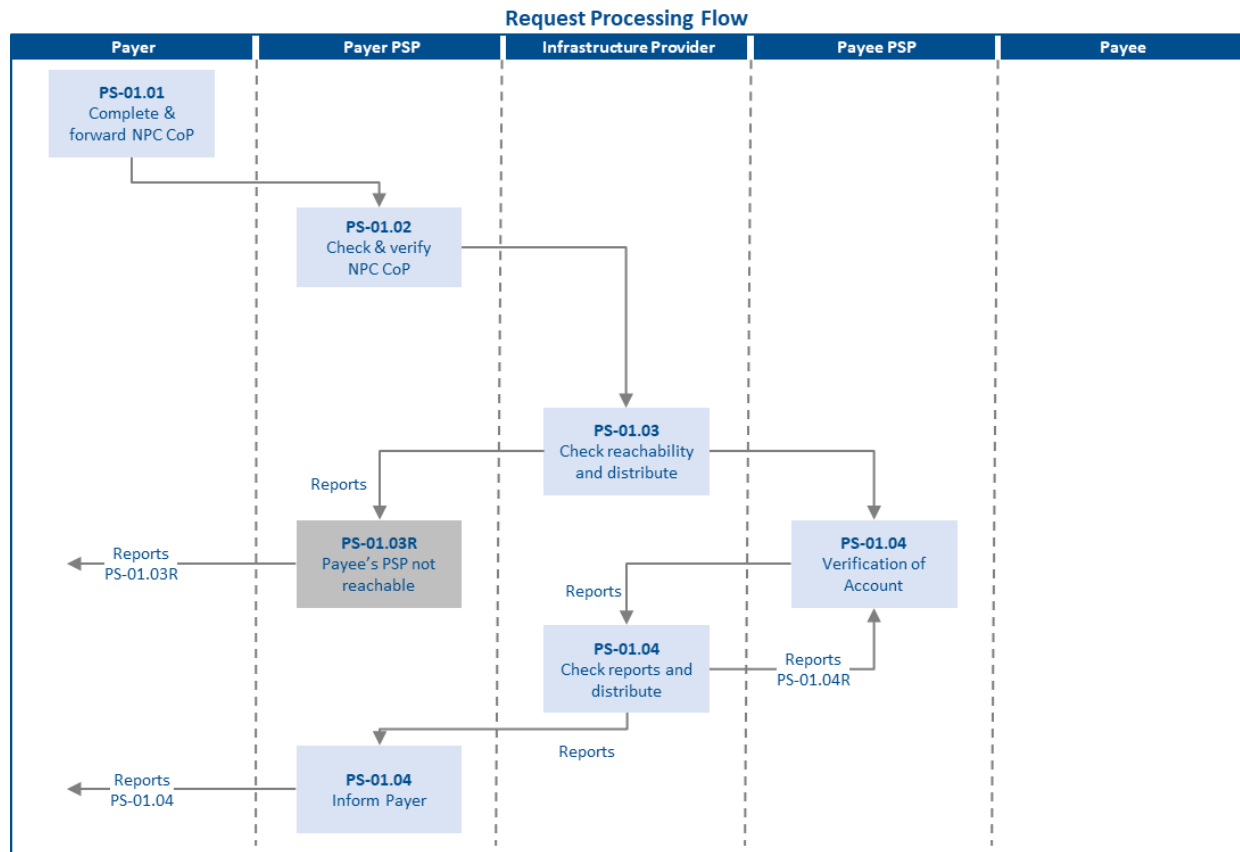


Figure 2: Request Process

- PS-01.01** The Payer initiates the Request by providing information to the Payer PSP. The information will be submitted by any means agreed between the Payer and the Payer PSP. The data elements to be provided in the Request are defined in dataset DS-01 or DS-03 below.
- PS-01.02** The Payer PSP receives and checks if it has sufficient information to execute the Request and that the information provided by the Payer fulfils the conditions required by the Payer PSPs procedures. This includes the authenticity of the information and checking the format and plausibility of the IBAN.
- PS-01.03** The Payer PSP will send the Request to ensure receipt by the Payee PSP via the selected Infrastructure Provider in accordance with the rules of this Scheme. The data elements to be provided are defined in dataset DS 01 or DS-03 below.

Rejected Requests for the Infrastructure Provider are covered by the Response procedure PS-01.03R described below.

- PS-01.04** The Payee PSP shall, send a Response within agreed time frames after having controlled and confirmed each Payment Account in the Request. This Scheme does not further regulate time frames for providing a Response. The Payee PSP sends the Response via the Infrastructure Provider and shall include a TRUE or FALSE value on each Payment Account in the Request. Any FALSE value shall have an appropriate reason code as specified in the DS-02 or DS-04.
- PS-01.03R** The Infrastructure Provider should respond to the Payer PSP if any incorrectness is found in the format or if the Payee PSP is not reachable. This shall be done with a Response stating appropriate reason code(s) as specified in the DS-02 or DS-04.

3.5 Business Requirements for Datasets

The datasets are the following:

- DS-01** Confirmation of Account Request Dataset
- DS-02** Confirmation of Account Response Dataset
- DS-03** Confirmation of Payee Request Dataset
- DS-04** Confirmation of Payee Response Dataset

3.5.1 DS-01 Confirmation of Account Request Dataset

| | |
|----------------------------------|---|
| Identification: | DS-01 |
| Name: | Confirmation of Account Request Dataset |
| Description: | This dataset describes the full range of data which may be provided by the Payer and sent under this Scheme rules via Dataset DS-01. |
| Attributes contained | <ul style="list-style-type: none"> • 06 The BIC code of the Payer PSP (Mandatory) • 20 The IBAN of the Payment Account of the Payee (Mandatory) • 23 The BIC code of the Payee PSP (Mandatory) • 94 The Payer reference of the Confirmation of Account Request (Mandatory, including the three starting characters that defines the Request type and the Scheme name). |
| Technical characteristics | From a business perspective, Confirmation of Account Requests may be executed as Single or Bulk Requests. A Single Request relates one Payer who wishes to confirm one Payment Account by one Payee PSP. A Bulk Request relates to one Payer who wishes to confirm more than one Payment Account by one or more Payee PSPs. |
| Rules applied: | <p>The Confirmation of Account Request from the Payer PSP shall be based on:</p> <ul style="list-style-type: none"> • the ISO 20022 Verification Identification message standards in the NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]). Used for the request type CAR. <p>Where any of the above attributes are provided by the Payer within a Confirmation of Account Request, they must be sent by the Payer PSP to the Payee PSP in accordance with DS-01.</p> |
| Remarks | These attributes reflect business requirements and do not prescribe fields in the NPC Confirmation of Payee Implementation Guidelines as defined this Scheme. |

3.5.2 DS-02 Confirmation of Account Response Dataset

| | |
|----------------------------------|--|
| Identification: | DS-02 |
| Name: | Confirmation of Account Response Dataset |
| Description: | <p>This dataset describes the content of the Confirmation of Account Response (mandatory unless otherwise indicated) sent by the Payee PSP or any intermediary party.</p> <p>This dataset also caters for any rejects/returns of a Confirmation of Account Request (CAR), i.e. DS-02 to be used if Bulk Request file format is incorrect, or Payee PSP is not reachable by using AT-95 and the adequate reason code.</p> |
| Attributes contained | <ul style="list-style-type: none"> • 06 The BIC code of the Payer PSP (Mandatory) • 20 The IBAN of the account of the Payee (Mandatory) • 23 The BIC code of the Payee PSP (Mandatory) • 94 The Payer reference of the Confirmation of Account Request (Mandatory, including the three starting characters that defines the Request type.) • 95 The reason code when format is wrong or compliant attributes are missing or wrong (Mandatory) • 96 The reason code when the Value of a confirmation of an account is FALSE (Mandatory) |
| Technical characteristics | <p>From a business perspective, Confirmation of Account Responses are always considered to be single confirmation Responses also in cases of Bulk Requests, each containing one Payee Payment Account and one TRUE or FALSE value (FALSE value responses shall always include a reason code). The use of term "bulk confirmations" in the Inter-PSP Space refers to the physical layer of the NPC Confirmation of Payee Implementation Guidelines.</p> |
| Rules applied: | <p>Where a Payer has provided information in a specific Confirmation of Account Request instruction relating to an optional DS-01 field, this field will be populated in the Confirmation of Account Response message, subject to any overriding legal/regulatory requirements.</p> |
| Remarks | <p>These attributes reflect business requirements and do not prescribe fields in the NPC Confirmation of Payee Response Dataset Implementation Guidelines as defined in this Scheme.</p> |

3.5.3 DS-03 Confirmation of Payee Request Dataset

| | |
|----------------------------------|--|
| Identification: | DS-03 |
| Name: | Confirmation of Payee Request Dataset |
| Description: | The following list of attributes represents the full range of data which may be provided by the Payer and transported under this Scheme rules via Dataset DS-03. |
| Attributes contained | <ul style="list-style-type: none"> • 06 The BIC code of the Payer PSP (Mandatory) • 20 The IBAN of the account of the Payee (Mandatory) • 21 The name of the Payee (Mandatory and only be present if not AT-24 is used) • 23 The BIC code of the Payee PSP (Mandatory) • 24 The Payee Identification Code (Mandatory and only be present if not AT-21 is used) • 94 The Payer reference of the Confirmation of Payee Request (Mandatory, including the three starting characters that defines the Request type). |
| Technical characteristics | From a business perspective, Confirmation of Payee Request instructions may be initiated as single or bulk confirmations. A single confirmation relates one Payer who wishes to confirm one Payee account in combination with the name or Identification Code by one Payee PSP. A Bulk confirmation relates to one Payer who wishes to confirm more than one Payee account in combination with the name or Identification Code by one or more Payee PSPs. |
| Rules applied: | <p>The Confirmation of Payee Request from the Payer PSP shall be based on:</p> <ul style="list-style-type: none"> • the ISO 20022 Verification Identification message standards in the NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]). Used for the request type CPR. <p>Where any of the above attributes are provided by the Payer within a Confirmation of Payee Request, they must be sent by the Payer PSP to the Payee PSP in accordance with DS-03.</p> |
| Remarks | These attributes reflect business requirements and do not prescribe fields in the NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]). |

3.5.4 DS-04 Confirmation of Payee Response Dataset

| | |
|----------------------------------|--|
| Identification: | DS-04 |
| Name: | Confirmation of Payee Response Dataset |
| Description: | <p>This dataset describes the content of the Confirmation of Payee Response (mandatory unless otherwise indicated) sent by the Payee PSP or any intermediary party.</p> <p>This dataset also caters for any rejects/returns of a Confirmation of Payee Request (CPR), i.e. DS-04 to be used if Bulk Request file format is incorrect, or Payee PSP is not reachable by using AT-95 and the adequate reason code.</p> |
| Attributes contained | <ul style="list-style-type: none"> • 06 The BIC code of the Payer PSP (Mandatory) • 20 The IBAN of the account of the Payee (Mandatory) • 21 The name of the Payee (Mandatory and only be present if not AT-24 is used) • 23 The BIC code of the Payee PSP (Mandatory) • 24 The Payee Identification Code (Mandatory and only be present if not AT-21 is used) • 94 The Payer reference of the Confirmation of Payee Request (Mandatory, including the six starting characters that defines the Request type and the Scheme name.) • 95 The reason code when format is wrong or compliant attributes are missing or wrong (Mandatory) • 96 The reason code when the Value of a confirmation of an account is FALSE (Mandatory) |
| Technical characteristics | <p>From a business perspective, Confirmation of Payee Responses are always considered to be single confirmation Responses also in cases of Bulk Requests, each containing one Payee account in combination with the name or Identification Code and one TRUE or FALSE value (FALSE value responses shall always include a reason code). The use of term “bulk confirmations” in the Inter-PSP Space refers to the physical layer of the NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]).</p> |
| Rules applied: | <p>Where a Payer has provided information in a specific Confirmation of Payee Request instruction relating to an optional DS-03 field, this field will be populated in the Confirmation of Payee Response message, subject to any overriding legal/regulatory requirements.</p> <p>For a name confirmation of a Confirmation of Payee Response, special rules will apply since close match responses will be allowed. More details provided in the NPC Confirmation of Payee Scheme Implementation Guidelines (reference [1]).</p> |
| Remarks | <p>These attributes reflect business requirements and do not prescribe fields in the NPC Confirmation of Payee Response Dataset Implementation Guidelines as defined in this Scheme.</p> |

3.6 Business Requirements for Attributes

This section defines the business requirements for the attributes used by the Scheme. The attributes used in the Confirmation of Payee Datasets are described below. Attribute numbering is as follows:

- 06 for attribute pertaining to the Payer;
- 20 – 24 for attributes pertaining to the Payee (the Payment Account in the Request);
- 94 – 96 for other attributes of a compliant Confirmation of Payee Request.

This numbering is only for cross referencing purposes within this Scheme.

| | |
|-------|---|
| AT-06 | The BIC code of the Payer PSP |
| AT-20 | The IBAN of the Payment Account of the Payee |
| AT-21 | The name of the Payee |
| AT-23 | The BIC code of the Payee PSP |
| AT-24 | The Payee Identification Code (Id) |
| AT-94 | The Payer reference of a Request |
| AT-95 | The reason code when format is wrong or compliant attributes are missing or wrong |
| AT-96 | The reason code when the Value of a confirmation of a Payment Account or a Payee is FALSE |

3.6.1 Attribute Details

| | |
|------------------------|--------------------------------------|
| Identification: | AT-06 |
| Name: | The BIC code of the Payer PSP |
| Description: | See Chapter 6 |

| | |
|------------------------|---|
| Identification: | AT-20 |
| Name: | The IBAN of the Payment Account of the Payee |
| Description: | The International Bank Account Number used to uniquely identify the account of a Customer at a financial institution. The ISO standard 13616 applies, reference [4]. |

| | |
|------------------------|--|
| Identification: | AT-21 |
| Name: | The name of the Payee |
| Description: | The name of the Payee as supplied by the Payer |

| | |
|------------------------|--------------------------------------|
| Identification: | AT-23 |
| Name: | The BIC code of the Payee PSP |
| Description: | See Chapter 6 |

| | |
|------------------------|---|
| Identification: | AT-24 |
| Name: | The Payee Identification Code (Id) |
| Description: | A code supplied by the Payer that is unique for the Payee |

| | |
|------------------------|--|
| Identification: | AT-94 |
| Name: | The Payer reference of a Request |
| Description: | <p>Unique reference number defined by the Payer and transported in both the Confirmation of Account Request or Confirmation of Payee Request and the Confirmation of Account Response or Confirmation of Payee Response, allowing each party to identify each unique Request.</p> <p>The reference must contain specific characters (specified in the Implementation Guidelines) that distinguish the Request type. The Request type identifies which type of confirmation that is requested from the Payer PSP and which type of confirmation that the Payee PSP should perform:</p> <ul style="list-style-type: none"> • Confirmation of Account Request (CAR) • Confirmation of Payee Request (CPR) |

| | |
|------------------------|---|
| Identification: | AT-95 |
| Name: | The reason code when format is wrong or compliant attributes are missing or incorrect (False) |
| Description: | This code explains the reason for a Response containing a FALSE value in a Request. It is defined by the Payee PSP which responds to a Request. |
| Value range: | <p>Codes are:</p> <ul style="list-style-type: none"> • File format incomplete or invalid • No response on request within timeframe • Debtor (Payer PSP) BIC identifier is invalid or missing • Creditor (Payee PSP) BIC identifier is invalid or missing • Associated message was received after agreed processing cut-off time • PSP is not registered under this Scheme • Reason has not been specified by agent (Payee PSP) |

| | |
|------------------------|---|
| Identification: | AT-96 |
| Name: | The reason code when the value in a Response is incorrect (False) |
| Description: | This code explains the reason for a Response containing a False value in a Request. It is defined by the Payee PSP which responds to a Request. |
| Value range: | <p>Codes are:</p> <ul style="list-style-type: none"> • Account identifier invalid (i.e. invalid IBAN or Payment Account number does not exist) • Payment cannot be made to this account (e.g. not open for deposits, blocked, closed) • Payee Identification and Payment Account number do not match • Payee name and Payment Account number do not match • Payee name and Payment Account number is a close match • No answer/response from Payee PSP within timeframe • Associated message was received after agreed processing Cut-off Time • PSP not able to confirm details and no reason is stated. Used when not able to confirm Payee (e.g. hidden identity, payee has chosen not to be revealed etc.). |

4 RIGHTS AND OBLIGATIONS OF PARTICIPANTS

(Subject to further legal review by the NPC Legal Support Group)

4.1 The Scheme

Participation in the Scheme is on the basis of compliance with the following guiding principles:

- Participants from all countries in the EPC list of countries and territories included in the SEPA Schemes' geographical scope, see reference [2], from Greenland or from the Faroe Islands participate on the basis that the level playing field principle is respected;
- All adhering Participants shall comply with the Scheme on the same basis;

4.2 Compliance with the Rulebook

A Participant shall comply with:

- The Rulebook, including amendments as and when they are made and properly communicated to Participants;
- The NPC Confirmation of Payee Scheme Implementation Guidelines, reference [1];
- The SMIR, as set out in Annex II to this Rulebook;
- Any validly made order or notice issued as part of the NPC Scheme Management processes under the Rulebook and the NPC SMIR.

The parties to the Rulebook are the NPC and each Participant.

The Rulebook is a multilateral agreement comprising contracts between:

- The NPC and each Participant; and
- Each Participant and every other Participant.

A Participant shall procure that its employees, its agents and the employees of its agents comply with all applicable obligations under the Rulebook.

However, a Participant shall never be bound by any rules and/or obligations under this Rulebook in case such rules and/or obligations are in conflict with any national law and/or EU regulation.

4.3 Reachability

Each Participant shall offer services relating to the Scheme in the capacity of at least Payee PSP by receiving Requests under the Scheme and to processing them according to the rules of the Scheme. Each Participant needs to determine how to achieve full reachability for the Scheme. There are several ways for Participants to send and receive Requests and Responses to and from other Participants.

A Participant can use the services of Infrastructure Providers to assist in the provision of its services to Payers.

A Participant can use the services of an Intermediary PSP to perform any functions in relation to an obligation arising under the Scheme. The Participant shall ensure that its arrangements with such Intermediary PSP are consistent with, and do not detract from, the requirements of the Scheme and the other documents listed at section 4.2.

Participants can choose any solution or a combination of solutions, as long as reachability and compliance with the Scheme is effectively ensured. A Participant that uses the services of an Infrastructure Provider or Intermediary PSP will do that at its own risk.

4.4 Eligibility for participation

In order to be eligible as a Participant, a Participant must at all times:

1. Be a NPC Scheme Member unless eligible to be a NPC Non-Member Participant;
2. Be active in the business of providing banking and/or payment services to Customers;
3. Be an Account Servicing Payment Service Provider, active in Denmark, Greenland, Faroe Islands, Finland, Norway or Sweden;
4. Be established in a SEPA country or territory, included in the EPC list of countries and territories included in the SEPA Schemes' geographical scope, see reference [2], in Greenland or in the Faroe Islands;
5. Be able to pay its debts as they fall due, and not be insolvent as defined in accordance with any insolvency law applicable to the Participant;
6. Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;
7. Be able to meet rating or other criteria set under the terms of the Scheme from time to time for the purpose of establishing the Participant's ability to meet its financial obligations;
8. Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant, such as the risk management provisions set out in the Rulebook and in the Risk Management Annex III to the Rulebook.

Applicants being Account Servicing Payment Service Providers active in Denmark, Greenland, Faroe Islands, Finland, Norway and or Sweden, 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 EEA ;
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 included in the EPC list of countries and territories included in the SEPA Schemes' geographical scope, that have been licensed by the relevant National Competent Authority in accordance with the applicable requirements, and are listed under the document [2].

An applicant which has been authorised as a payment institution under Article 11 of the Payment Services Directive, or any other payment service provider listed in Article 1.1 of the Payment Services Directive, shall be deemed automatically to have met the following eligibility criteria:

1. Be active in the business of providing banking and/or payment services to Customers;
2. Be established in a SEPA country or territory, included in the EPC list of countries and territories included in the SEPA Schemes' geographical scope, see reference [2], in Greenland or in the Faroe Islands;
3. Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;

4. Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant, such as the risk management provisions set out in the Rulebook and in the Risk Management Annex III to the Rulebook.

Furthermore, an applicant which is the treasury of a sovereign state shall not be required to establish:

1. That it is able to pay its debts as they fall due or that it is not insolvent; or
2. That it meets rating or other criteria set under the terms of the Scheme for the purpose of establishing its ability to meet its financial obligations;
3. unless there are exceptional circumstances, or the applicant is not the treasury of an EEA member state or Switzerland.

However, the Function for Compliance and Adherence may request such an applicant to demonstrate (in a legal opinion or otherwise) that it is the treasury of the state itself, and not the treasury of an organ or entity under the control of the state.

A Participant shall notify the Secretariat immediately of any matter that is material to the Participant's eligibility as a Participant under this section 4.4. The Secretariat shall take reasonable steps to bring such notifications to the attention of all other Participants and the Scheme Management Committee ("SMC").

4.5 Becoming a Participant

Any undertaking which is eligible under section 4.4 above may apply to become a Participant.

Applications shall be submitted to the NPC in accordance with its application procedures as set out in the NPC SMIR.

To apply to become a Participant, an undertaking shall submit to the NPC an executed and original Adherence Agreement and submit Supporting Documentation to the NPC.

The NPC may require additional information from the applicant in support of its application.

An applicant becomes a Participant on an admission date specified by the NPC in accordance with the NPC SMIR. Names of applicants which will become Participants at a future date may be pre-published, and a date designated and published when they will become Participants.

In consideration of the mutual obligations constituted by the Rulebook, an applicant agrees to be bound by, becomes subject to and shall enjoy the benefits of, the Rulebook upon becoming a Participant.

If the application to become a Participant is rejected, the applicant shall receive notice of such in writing and be provided with a statement of the reasons for such rejection.

Upon receipt of such a written rejection, the applicant may appeal against the decision in accordance with the NPC SMIR.

4.6 NPC Confirmation of Payee Scheme List of Participants

The NPC Confirmation of Payee Scheme List of Participants shall be maintained in good and up-to-date order by the NPC and is available to Participants when issued or updated.

Such list shall contain:

- Current contact details for each Participant for the purpose of enabling notices to be served on Participants in accordance with the Rulebook;

- The date on which each Participant attained Participant status;
- Details of undertakings which have been removed from the list, including the date of their removal; and
- Such other information as is considered appropriate in the interests of the effective management of the Scheme.

Any changes to operational, contacting or invoicing details shall be provided by Participants in accordance with the Scheme management process as stipulated in the NPC SMIR.

By submitting an application to become a Participant, an undertaking consents to publication of the details referred to in this section 4.6.

4.7 Obligations of a Payer PSP

A Payer PSP shall:

1. Provide the service related to the Scheme only to Payers, which in the Payer PSP's reasonable assessment, have a reasonable need for the service. The assessment shall take into account the Payer's business and transaction use;
2. Make reasonable efforts to ensure that its Payers are not misusing services based on the Scheme and block any Payer that the Payer PSP suspects to misuse the Scheme or is not acting according to this Scheme;
3. Ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
4. Ensure that such Terms and Conditions are consistent with the Rulebook and that such Terms and Conditions include relevant obligations or restrictions, that services based on the Scheme may not be used for any other purposes than confirming information in relation to actual payment transactions (including the Payer PSPs need to screen information);
5. Ensure that such Terms and Conditions make adequate provision for the Payer PSP succession (e.g. through merger or acquisition), in accordance with the Rulebook;
6. Ensure that such Terms and Conditions contains a requirement that the Payer has the legitimate right to collect the Payee information and furthermore initiate the Request with the collected information about the Payee;
7. Not restrict its Payer from obtaining similar services relating to the Scheme from any other Payer PSP;
8. Provide to the Payee PSP the required information (as described in DS-02, in Chapter 3) in sufficient time and manner to allow the Payee PSP to comply with its obligations under the Rulebook;
9. Verify that the Payee PSP adhere to the Request being sent (Single Request in real-time may only be sent to Payee PSPs adhering to Single Request in real-time and Bulk Request can only be sent to Payee PSPs adhering to Bulk Requests);
10. Provide to Payer the means of initiating a Request and accepting the applicable data and format requirements;
11. Provide to Payer information on the Cut-off Time for the submission and execution of Request through each available channel;
12. Ensure the authenticity of the Payer's initiated Request;

13. Validate each Request initiated by the Payer, accept (subject to Payment Account status and the terms of its agreement with the Payer) each valid Request initiated by the Payer, and reject each invalid Request initiated by the Payer;
14. Provide an explanation to the Payer of the reason for rejecting any initiated Request in a manner and within a timeframe as may be agreed with the Payer;
15. Provide an explanation to the Payer and/or the Payee PSP as to how a Request has been processed and provide to the Payer all reasonably requested information in the event of a dispute;
16. Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and Annex III;
17. Ensure the ongoing compliance of its own relevant rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to this Scheme usage;
18. Enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of know your customer;
19. Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;
20. If using an Infrastructure Provider, enter into legally binding agreements with the Infrastructure Providers covering all functions performed by those providers in direct connection with the Scheme, ensure that such agreements are enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;
21. Immediately (without any further delay) after becoming aware thereof, report to the NPC about unmitigated Risks of Scheme-Wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;
22. Without delay report to the NPC about issues or complaints related to the Requests that were raised by Payer or Payee and about internal or external audit findings, where such matters are deemed to be Issues or Complaints of Scheme-Wide importance;
23. Only process and store the information received from the Payee PSP on Request for the purpose of providing a confirmation of such information to the Payer;
24. Monitor all Requests it sends through using the Scheme. The number and types of Requests initiated by a Payer should not exceed what could be judged as normal behaviour, i.e. to a large extent connected to the actual payment activity. Make all reasonable efforts with a risk-based approach to avoid misuse of the Scheme. This is to avoid miscellaneous types of abuse especially circumvention of bank secrecy.
25. Ensure that Bulk Requests are not offered to private individuals and only with a specific agreement;
26. Ensure that use of Identification Code for matching is not available for private individuals.

4.8 Obligations of a Payee PSP

A Payee PSP shall:

1. Ensure that if Terms and Conditions exists governing the provision and use of services relating to the Scheme, these are consistent with the Rulebook;
2. Ensure that such Terms and Conditions make adequate provision for the Payee PSP's succession (e.g. through merger or acquisition), in accordance with the Rulebook;

3. Validate the syntax of a Request, accept it if it is in accordance with the requirements of the Rulebook, in accordance with the Rulebook if it is invalid together with a reason code;
4. In the event of a dispute, provide to the Payer PSP an explanation as to how a Request has been processed and any further information reasonably requested;
5. Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and Annex III;
6. Ensure the ongoing compliance of its own relevant rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to this Scheme usage;
7. Enter into an agreement governing the provision and use of services relating to the Scheme only after having taken reasonable customer due diligence measures to ensure that the services are not misused;
8. Ensure that such agreement is consistent with the Rulebook and that such agreement is enforceable;
9. Enter into legally binding agreements with their Infrastructure Providers covering all functions performed by those providers in direct connection with the Scheme, ensure that such agreements are enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to this Scheme usage;
10. Immediately (without any further delay) report to the NPC about unmitigated Risks of Scheme-Wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;
11. Without delay report to the NPC about issues or complaints related to Requests that were raised by Payer or Payee and about internal or external audit findings, where such matters are deemed to be Issues or Complaints of Scheme-Wide Importance;
12. Temporarily block Request from a Payer PSP based on suspected misuse of Requests. In cases of such action by the Payee PSP, the Payer PSP and the NPC must immediately be informed.

4.9 Liability and Limitation of Liability

4.9.1 Scope of Liability

A Participant who is party to a Request shall be liable to the other Participant who is also party to that Request for all direct losses, costs, damages and expenses as specified in this Clause. A Participant shall never be liable to another Participant for any indirect or consequential losses. Direct loss includes reasonable legal fees, taxes and liabilities for any claims, demands or actions brought by a Payer or Payee who in turn has suffered direct loss (each referred to as a "Loss"), where the Loss arises out of or in connection with:

1. Any breach of the Rulebook relating to the Request by the relevant Participant, its employees or agents;
2. Any negligent act or omission of the relevant Participant, its employees or agents relating to the Request insofar as relevant to the operation of the Scheme;
3. Any operational failure of the relevant Participant, its employees or agents relating to the Request insofar as relevant to the operation of the Scheme.

A Party suffering Loss shall take all reasonable measures to mitigate the Loss occurred.

4.9.2 Force majeure

Further, a Participant shall not be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the Rulebook if such failure, hindrance or delay arises out of circumstances beyond its control (force majeure). Such circumstances may include, but are not limited to, criminal action, fire, flood and unavailability of energy supplies.

4.10 Liability of the NPC Entity

The NPC, its agents, employees or the employees of its agents shall not be liable for anything done or omitted in the exercise of any discretion under the Rulebook unless it is shown that the act or omission was affected intentionally.

The NPC, its agents, its employees and the employees of its agents shall not be liable for any indirect or consequential losses.

4.11 Termination

A Participant may terminate its status as a Participant by giving no less than six months' prior written notice to the Secretariat, such notice to take effect on an NPC designated day (for which purpose such a day will be designated at least one day for each month). As soon as reasonably practicable after receipt of such notice, the notice or a summary thereof shall be published by the Secretariat to all other Participants in an appropriate manner.

Notwithstanding the previous paragraph, upon receipt of the Participant's notice of termination by the Function for Compliance and Adherence, the Participant and the NPC may mutually agree for the termination to take effect on any day prior to the relevant designated day.

A former Participant shall continue to be subject to the Rulebook in respect of all activities which were conducted prior to termination of its status as a Participant and which were subject to the Rulebook, until the date on which all obligations to which it was subject under the Rulebook prior to termination have been satisfied.

Upon the effective date of the termination of its status as a Participant, an undertaking shall not incur any new obligations under the Rulebook. Further, upon such effective date of the termination, the remaining Participants shall not incur any new obligations under the Rulebook in respect of such undertaking's prior status as a Participant. In particular no new NPC Confirmation of Payee obligations may be incurred by the former Participant or in favour of the former Participant.

The effective date of termination of a Participant's status as a Participant is (where the Participant has given notice in accordance with the first paragraph of section 4.11) the effective date of such notice, or (in any other case) the date on which the Participant's name is deleted from the NPC Confirmation of Payee Scheme List of Participants, and as of that date the Participant's rights and obligations under the Rulebook shall cease to have effect except as stated in this section 4.11.

This section, sections 4.9, 4.10, 4.12 and Annex II of the Rulebook shall continue to be enforceable against a Participant, notwithstanding termination of such Participant's status as a Participant.

4.12 Intellectual Property

The Participants acknowledge that any copyright in the Rulebook belongs to the NPC. The Participants shall not assert contrary claims, or deal with the Rulebook in a manner that infringes or is likely to infringe the copyright held by the NPC in the Rulebook.

4.13 Contractual provisions

The Rulebook contains legal obligations which are binding on the Participants and which are enforceable against a Participant by the NPC or another Participant. The whole Rulebook is intended to have legal effect. In the event of any inconsistency between the provisions of the Rulebook, the provisions of this Chapter 4 shall prevail. Subject to the prevalence of provisions in this Chapter 4, the provisions of Chapter 3 shall prevail over any other provision in the Rulebook.

In the event of an inconsistency between the provisions of the Rulebook and any other agreement or convention between the Participants and the NPC in relation to the subject matter of this Rulebook, the provisions of this Rulebook shall prevail.

The terms of each agreement governing the provision and use of services relating to the Scheme between respectively the Payer and Payer PSP and Payee and Payee PSP shall continue for the benefit of the successors and permitted assignees of any relevant party.

Any reference in the Rulebook to statutes or statutory instruments shall be to such statutes or statutory instruments as amended or replaced from time to time.

Every document that is required to be provided under the Rulebook shall be provided in the English language.

Any reference in the Rulebook to a person or an undertaking (howsoever described) shall include its successors.

Headings in the Rulebook are used for ease of reference only.

The Rulebook is governed by, and shall be construed in accordance with, Swedish law.

The Rulebook is drawn up in the English language. If the Rulebook is translated into any other language, the English language text prevails.

4.14 Application of the EU and national legislation between Participants

Participants that are not subject to the GDPR under their national law shall, vis-à-vis other Participants and vis-à-vis their Customers, and to the extent permitted by the national law applicable to such Participant, comply with and perform obligations that are substantially equivalent to the provisions enclosed under the GDPR.

5 NPC SCHEME MANAGEMENT

The NPC provides NPC Scheme Management acting in accordance with the NPC Bylaws.

NPC Scheme Management comprises of two functions. The first function involves managing the development and change management of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules. The detailed rules that describe the operation of these functions are set out in the NPC SMIR in Annex II of the Rulebook.

5.1 Development and Change Management

The development and change management function of NPC Scheme Management establishes formal change management procedures for the Scheme. The change management procedures aim to ensure that the Scheme is kept relevant for its users and up to date, with structured processes for initiating and implementing changes to the Scheme, the Rulebook and related documentation. An important component of change management is the innovation of ideas for enhancing the quality of the existing Scheme as well for developing new schemes, based always on sound business cases.

The development of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Participants, NPC service suppliers, end-users as well as other concerned groups.

The development and change management function shall be performed by the SMC, supported by working and support groups established under the SMC. The Scheme Management Group shall perform the development and change management function in accordance with the procedures set out in the NPC SMIR.

5.2 Administration and Compliance

The administration and compliance function carried out by the Secretariat, of Scheme Management establishes rules and procedures for administering the adherence process for the Scheme, for addressing cases of claimed non-compliance by Participants with the rules of the Scheme and for addressing situations where Participants are unable to resolve their issues through local, national dispute resolution methods.

In addition, the NPC SMIR provide for an appeals process on decisions taken by the Secretariat on adherence and complaints matters. The appeals function is detailed in the NPC Bylaws and the NPC SMIR.

The administration and compliance function aim to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebook and general principles of applicable law. The administration and compliance function shall be performed by the Secretariat as set out in detail in the NPC SMIR. The roles, rights and powers of the SMC and the Secretariat are set out in detail in the NPC Internal Rules and in the NPC Bylaws.

The SMC and the Secretariat are established by the NPC in accordance with the NPC Bylaws and the Internal Rules as organs of the NPC. In this Rulebook, references to the rights, obligations and entitlements of the SMC and the Secretariat may be read as references to the rights, obligations and entitlements of the NPC.

The NPC SMIR form part of this Rulebook and may only be amended in accordance with the procedures set out in the section 3 of the NPC SMIR.

The NPC SMIR shall be binding on Participants in accordance with section 1.34 and 4.2 of the Rulebook.

6 DEFINED TERMS IN THE SCHEME

| TERM | DEFINITION |
|---|---|
| Account Servicing Payment Service Provider | An entity providing payment services and providing and maintaining a Payment Account for a Payer. |
| Additional Optional Services | Complementary features and services based on the Scheme, as described in section 1.9 of the Rulebook. |
| Adherence Agreement | The agreement to be completed as part of the process by which an entity applies to become a Participant. |
| AOS | <i>See Additional Optional Services</i> |
| BIC | <i>See Business Identifier Code</i> |
| Bulk Request | A Bulk Request is where multiple requests are submitted in one file to confirm more than one account, up to a maximum of one million accounts. |
| Business Identifier Code (BIC) | An 8- or 11-character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions, reference [5]. |
| Calendar Day | A Calendar Day means any day of the calendar year |
| Confirmation of Account Response | A Response to a Confirmation of Account Request. |
| Confirmation of Account Request or CAR | Confirmation of Account Request, a Request type to be used when the purpose only is to check correctness and reachability of an account. |
| Confirmation of Payee Response | A Response to a Confirmation of Payee Request. |
| Confirmation of Payee Request or CPR | Confirmation of Payee Request is used when confirming that Payee name or Payee id matches a specific account. An id is a numeric known and unambiguous identification of a person or a company, for example social security number, company registration number etc. |
| Customer | Payer or Payee. A physical or legal entity that is not active in the business of providing payment account used for the execution of payments and therefore not eligible for Scheme participation. Customer means a payment service user under the Payment Service Directive. |
| Cut-off Time | See section 3.3.2 |
| EEA | European Economic Area |
| EPC | The European Payments Council |
| EU | European Union |
| Execution Time Cycle | This describes the time constraints of a process in terms of seconds per key process step. |
| Function for Compliance and Adherence | The function of the NPC Secretariat that performs the compliance functions of the NPC Scheme Management. |

| TERM | DEFINITION |
|--|---|
| GDPR | General Data Protection Regulation. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regards to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC. |
| IBAN | International PSP Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616), reference [4]. |
| Identification Code or Id | A numeric known and unambiguous identification of a person or a company, for example social security number, company registration number etc. |
| Infrastructure Provider | See section 2.3. |
| Inter-PSP Space | Covers the space in which NPC Confirmation of Payee Infrastructure Providers operate offering technical and Infrastructure Provider services to the Payer PSP and/or the Payee PSP. |
| Intermediary PSP | A PSP offering intermediary services to Payer PSPs and/or Payee PSPs, for example in cases where they are not themselves direct participants with an Infrastructure Provider. |
| Issues or Complaints of Scheme-Wide Importance | A matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. |
| Major Incidents | An incident should be classified as ‘major’ if it has caused significant business disruption or interrupted the smooth functioning of the Scheme (e.g. major network or scheme operation failure or a major fraud incident involving the loss of sensitive Payer or Payee data data). Moreover, if it has or may have a material impact on the security, integrity or continuity of scheme participant’s Confirmation of Payee related processes and/or the security of sensitive Payer or Payee data shall also be considered as ‘major’. The assessment of materiality should consider the number of potentially affected users and the impact on other scheme participants or other Infrastructure Providers, to the extent possible. Further detailed elements for the classification of an incident as ‘major’ shall be published and kept updated by the NPC Operations. |
| NPC | The Nordic Payments Council |
| NPC Confirmation of Payee Scheme | The NPC Scheme described in this Rulebook |
| NPC Confirmation of Payee Scheme List of Participants | The list of Participants published by the NPC under section 4.6 and the NPC SMIR. |
| NPC Bylaws | The Bylaws of the NPC, as amended from time to time |

| TERM | DEFINITION |
|--|---|
| NPC Non-Member Participant | <p>Entities which are not Members in the NPC but adhere to an NPC Scheme based on having been approved by the NPC Board of Directors as meeting the eligibility requirements in the NPC Bylaws for Non-Member Participation. The following entities are eligible to be Non-Member Participants. Payment Service Providers as defined in point 11 of article 4 of Directive 2015/2366 EU established in SEPA that are:</p> <ul style="list-style-type: none"> • states or their regional or local authorities when not acting in their capacity as public authorities; • the ECB and national central banks when not acting in their capacity as monetary authority or other public authorities. |
| NPC Scheme | <p>A NPC Scheme is a common set of business rules, practices and standards for the provision and operation of a NPC Scheme in a competitive environment.</p> |
| NPC Scheme Management | <p>NPC Scheme Management denotes the administration, compliance and development activities in relation to an NPC Scheme.</p> |
| NPC Scheme Member | <p>A member of the NPC which has been approved by the Board of Directors of the NPC as meeting the membership requirements in the NPC Bylaws and will adhere to, or has adhered to, the Scheme.</p> |
| NPC Secretariat function for Compliance | <p>The NPC function that performs the compliance functions of the NPC.</p> |
| NPC SMIR | <p>The Scheme Management Internal Rules, as set out in Annex II of the Rulebook, and as amended from time to time.</p> |
| Participant | <p>An entity that has entered into the Adherence Agreement</p> |
| Payee | <p>The Customer that is a legal Payment Account holder at the Payee PSP which holds the Payment Account that is to be confirmed.</p> |
| Payee PSP | <p>The Participant that receives the Request from the Payer PSP and confirms the Payment Account according to the Request (e.g. correct or incorrect) and sends a Response to the Payer PSP according to the information provided in the Request and in accordance with the provisions of this Scheme.</p> |
| Payer | <p>The Customer who initiates directly or indirectly Request to the Payer PSP.</p> |
| Payer PSP | <p>The Participant that receives the initiated Request from the Payer (Customer) and acts on the initiated Request by making the Request directly or indirectly to the Payee PSP according to the information provided by the Payer and in accordance with the provisions of this Scheme.</p> |
| Payment Account | <p>An account held in the name of one or more payment service users which is used for the execution of payment transactions and having an IBAN as Payment Account identifier.</p> |
| Payment Services Directive (PSD) | <p>Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD 2).</p> |

| TERM | DEFINITION |
|--|---|
| PSP | Any 'Payment Service Provider' as defined in PSD, that is eligible to participate in the Scheme in accordance with Rulebook section 4.4. |
| Reachability | Reachability is the concept that participating Payee PSPs Payment Accounts are open for deposits for the receiving of payments following the Request. |
| Request | A message sent by the Payer PSP, containing Payment Account information provided by the Payer about the Payee to be confirmed by the Payee PSP. Could be either a Confirmation of Account Request (CAR) or Confirmation of Payee Request (CRP). |
| Response | A message sent by the Payee PSP, containing answer to a Request to the Payer PSP. The Response is either a Confirmation of Account Response or Confirmation of Payee Response. |
| Risk of Scheme-Wide Importance | Those risks for the Scheme that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. |
| Rulebook | The NPC Confirmation of Payee Scheme Rulebook, as amended from time to time. |
| Scheme | The NPC Confirmation of Payee Scheme, as described in the Rulebook. |
| Scheme Management Committee, or "SMC" | The NPC body that according to the NPC Bylaws is responsible for performing the NPC Scheme Management Functions as stipulated in the NPC SMIR. |
| Secretariat | The NPC body as defined in the NPC Bylaws. |
| SEPA | <p>The Single Euro Payment Area (SEPA) is the area where citizens, companies and other economic actors will be able to make and receive payments in euro, within all the EU Member States, whether between or within national boundaries under the same basic conditions, rights and obligations, regardless of their location.</p> <p>SEPA shall be deemed to encompass the countries and territories which are part of the geographical scope of the SEPA Schemes, as listed in the EPC list of countries and territories included in the SEPA Schemes' geographical scope (see reference [2]), as amended from time to time.</p> |
| Single Request | A Single Request is where only one Request is submitted and in real-time. |
| STP | Straight-through Processing which is a prerequisite for cost efficient handling of Requests. |
| Supporting Documentation | A legal opinion in the form set out on the website of the NPC, duly executed by the undertaking's internal or external counsel in accordance with the NPC SMIR. |
| Terms and Conditions | The general Terms and Conditions that a PSP has with its Customers and which may contain dispositions about their rights and obligations related to the Scheme. These dispositions may also be included in a specific agreement, at the Participant's choice. |
| Time Cycle | This describes the time constraints of a process in terms of days per key process step. |

Annex I NPC CONFIRMATION OF PAYEE ADHERENCE AGREEMENT

To be finalised in the published version.

Annex II NPC SCHEME MANAGEMENT INTERNAL RULES

This is a stand-alone document (NPC900-01 NPC Scheme Management Internal Rule) which can be found on the NPC web-site: [npc900-01-npc-scheme-management-internal-rules-version-11.pdf \(nordicpaymentscouncil.org\)](https://www.nordicpaymentscouncil.org/npc900-01-npc-scheme-management-internal-rules-version-11.pdf)

Annex III RISK MANAGEMENT

To be finalised in the published version.

The document (NPCXXX-XX) has a restricted distribution and is therefore not included here. Should Participants wish to provide suppliers with a copy of this Risk Management Annex, they must do this under a non-disclosure agreement.

Annex IV RULEBOOK AMENDMENTS AND CHANGES SINCE LAST VERSION

Not applicable since this is the first public version of the NPC Confirmation of Payee Scheme Rulebook.