

# CHANGE PROPOSAL SUBMISSION DOCUMENT FOLLOWING THE 2023 PUBLIC CONSULTATION ON NCT INST CHANGE REQUESTS

## NPC INSTANT CREDIT TRANSFER SCHEME RULEBOOK

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**Public**

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## Version History

Version	Date	Edited by	Comments
0.1	2022-04-07	NPC Secretariat	First draft
0.2	2022-04-13	NPC Secretariat	Updates regarding #INST07. Document agreed by NCT & NCT Inst WG April 20, 2022.
1.0	2022-06-20	NPC	Document decided at the NPC Scheme Management Committee (SMC) meeting June 8 <sup>th</sup> , 2022.

# 1 Foreword: Principles of NPC Payment Scheme Development

## 1.1 Introduction

This document contains the results and comments received on the change requests submitted for public consultation on possible modifications to be introduced into the Nordic Payments Council (NPC) Instant Credit Transfer (NCT Inst) rulebook. It provides feedback to all stakeholders on the results of the 2023 public consultation.

The Nordic Payments Council (NPC) payment schemes, as set out in the NPC Credit Transfer (NCT) and NPC Instant Credit Transfer (NCT Inst) evolve based on a transparent change management process adhered to by the Nordic Payments Council (NPC).

This evolution reflects changes in market needs and updates of technical standards developed by international standardisation bodies, such as the International Organization for Standardization (ISO).

The principles governing the evolution of the NPC payment schemes are set out in section 4 of the NPC Scheme Management Rules.

## 1.2 NPC payment scheme rulebook release management – important notice to all NPC stakeholders

The NPC publishes updated versions of the rulebooks at a minimum every two years in the month of November. In accordance with industry best practice, payment service providers (PSPs) and their suppliers therefore have sufficient lead time to address rulebook updates prior to such changes taking effect.

The 2023 versions of the NCT and NCT Inst rulebooks will be published on 20 June 2022. The 2023 versions of the NCT Inst rulebooks will take effect on 19 November 2023 and the 2023 versions of NCT rulebook will exceptionally take effect on 1 May 2023.

Based on an exceptional decision by the NPC Scheme Management Committee on February 16<sup>th</sup>, 2022, this NCT 2023 version will take effect on 1 May 2023. This decision was taken since the Nordic market, starting with Sweden, will start using the NCT rulebook for the first time in May 2023.

## 1.3 NPC payment scheme development: NPC scheme change management

The first step in the NPC payment scheme change management cycle is the **introduction of change requests** to the schemes by any interested party.

In consideration of the change requests received, the NPC NCT & NCT Inst working group (NCT & NCT Inst WG) develops a **public consultation document**, containing the change requests and the related NCT & NCT Inst WG recommendations, per NPC payment scheme rulebook.

The preparation of the public consultation documents involves the analysis of the change requests received which may include, as appropriate, an impact analysis. Based on this analysis, the NCT & NCT Inst WG issues a recommendation on how each change request should be handled.

All submitted change requests to modify the rulebooks received by the NPC are published through the public consultation documents on the NPC Website, permitting such a list to be openly viewed by all stakeholders. The public consultation documents are released for a **three-month public consultation** in the second quarter of the year.

From the moment the three-month public consultation has ended, the NCT & NCT Inst WG shall collect and consolidate the comments received from all NPC payment scheme participants and stakeholders during the public consultation. The NCT & NCT Inst WG then analyses the expressed support and the comments received for each change request. After that, it develops **change proposals** based on the level of support and comments received from the public consultation.

A change proposal as developed by the NCT & NCT Inst WG may bring together more than one change, developed from one or more change requests. The NCT & NCT Inst WG consolidates the change proposals, along with each change request and the related comments received from the contributors during the public consultation, in the **change proposal submission document**.

The change proposal submission document is then submitted to the **NPC Scheme Management Committee (SMC)** and the **NPC Stakeholder Forum**. The SMC will have its final decision-making deliberations in accordance with section 4.2.5 of the NPC Scheme Management Rules.

## 2 Executive Summary

This Change Proposal Submission document describes that each stage of the 2023 NCT Inst rulebook change management cycle, from the initiation to the public consultation, has been properly completed in respect of each change request submitted.

The first step in the change management cycle has been the **introduction of change requests** to the NCT Inst scheme by any interested party. The deadline for receipt of such suggestions was June 30, 2021. In total, NPC has handled 18 major change requests to be introduced in the NCT Inst rulebook. Apart from external and internal change requests, NPC also needs to consider requests that originate from EPC's public consultation and were incorporated in their 2021 as well as 2023 versions of the rulebooks respectively.

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

The public consultation on possible modifications to be introduced into the NCT Inst rulebook, was held between 1<sup>st</sup> of November 2021 and 1<sup>st</sup> of February 2022. The NPC received input from 8 (communities of) PSPs and other stakeholders. Please refer to the Annex I for the full list of contributors.

The documents circulated for the public consultation were the document NCT Inst Rulebook 2023 Change Request Public Consultation (NPC090-02) and the Response Template (NPC090-03). Both documents have been made available on the NPC Website.

This Change Proposal Submission Document contains for each change request:

- a) A description of the change request;
- b) The NCT & NCT Inst WG analysis and the recommendation given for the public consultation;
- c) Rulebook impact
- d) The NCT & NCT Inst WG change proposal submitted to the SMC;
- e) The comments received during the public consultation;
- f) The SMC decision on each NCT & NCT Inst WG change proposal.

The SMC took into account the position document NPC099-01 NPC Stakeholder Forum position 2023 Change Proposal Payment Schemes when making its decision on each change request and the related NCT & NCT Inst WG change proposal.

As a result of the 2023 NCT Inst rulebook change management process, the 2023 NCT Inst rulebook has been updated to include

- The migration of all ISO 20022 XML-based messages under the NCT Inst rulebook to the 2019 version of the ISO 20022 messaging standard;
- An updated definition of the term 'Banking Business Day', the replacement of the term 'Bank' with 'PSP' and replace of the term 'Customer' with payment service user;
- Introduction of linking an NCT transaction with a preceding Request-To-Pay (RTP) message;
- Introduction of structured address;
- Introduction of a new dataset (DS-10) to allow a positive notification from the Beneficiary PSP to the Beneficiary;

- Allowing the use of the 'Fraud' reason code up to 13 months under the Recall procedure;
- Possibility to provide a future execution date and time;

**Overview of the 2023 NCT Inst change requests and the final SMC decision.**

Change Request NPC Item	Change Request EPC Item (if applicable)	Topic/Comment title	Contributor	SMC decision
<b>External Change Requests</b>				
#INST01	N/A	Mandatory C2B Implementation Guidelines	BITS	Not to be included in the 2023 NCT Inst rulebook version 1.0.
#INST02	N/A	Frozen/reserved funds on Beneficiary's account in case of Recall request due to Fraud	Danske Bank	Not to be included in the 2023 NCT Inst rulebook version 1.0.
#INST03	N/A	Usage of Nordic letters	Swedish Riksbank	For inclusion in the 2023 NCT Inst rulebook version 1.0.
<b>Internal Change Requests</b>				
#INST05	N/A	Usage of hyperlink	NPC NCT & NCT Inst WG	Not to be included in the 2023 NCT Inst rulebook version 1.0.
<b>EPC 2021 version Change Requests</b>				
#INST07	#16	Alignment of attribute numbers across all NPC payment schemes	EPC 2021 – EPC SEMWG	Not to be included in the 2023 NCT Inst rulebook version 1.0.
#INST08	#10	Alignment of Recall and RFRO datasets	EPC 2021 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST09	#23	Inclusion of flowcharts for the RFRO procedure	EPC 2021 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST10	#27	Linking an NCT Inst transaction with a preceding Request-to-Pay message	EPC 2021 – EPC RTP MSG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST11	#20	Migration to the 2019 version of the ISO 20022 messaging standard	EPC 2021 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST12	#43	Replacement of the term Bank with PSP and updated Customer definition	EPC 2021 – EPC LSG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST13	#11	Use of 'Fraud' reason code up to 13 months under the Recall procedure	EPC 2021 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST14	#19	Possibility to provide a future execution date and time	EPC 2021 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST15	#21	Introduction of a credit notification message for the Beneficiary camt.054	EPC 2021 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
<b>EPC 2023 version Change Requests</b>				
#INST19	#03	Change of the term 'Customer'	EPC 2023 – EPC LSG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST20	#06	Provision of structured addresses of the payment end user	EPC 2023 – EPC SEMWG	For inclusion in the 2023 NCT Inst rulebook version 1.0.
#INST22	#08	Clarification on charges	EPC 2023 – EPC LSG	For inclusion in the 2023 NCT Inst rulebook version 1.0.

Change Request NPC Item	Change Request EPC Item (if applicable)	Topic/Comment title	Contributor	SMC decision
#INST23	#11	Inclusion of Alias and Proxy as optional attributes	EPC 2023 – NPC	For inclusion in the 2023 NCT Inst rulebook version 1.0.
<b>Changes for regulatory reasons</b>				
#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	For inclusion in the 2023 NCT Inst rulebook version 1.0.

### 3 Overview of Change Requests Submitted for the 2023 Public Consultation

All change requests to the NCT rulebook were reviewed by the NCT & NCT Inst WG.

This section lists the change requests which were presented for public consultation along with the recommendation given by the NCT & NCT Inst WG for each change request.

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.

#### 3.1 Possible recommendations for a change request

Each recommendation reflects one of the options detailed in items a) through f) below:

- a) The change is **already provided for** in the Scheme: no action is necessary for the NPC
- b) The change **should be incorporated into the Scheme**: the Change Request becomes part of the Scheme and the Rulebook is amended accordingly
- c) The change **should be included in the Scheme as an optional feature**:
  - The new feature is optional and the Rulebook will be amended accordingly;
  - Each Scheme Participant may decide to offer the feature to its customers, or not.
- d) d) The change is not considered fit for Nordic wide use and **could be handled as an additional optional service (AOS)** by interested communities:
  - The proposed new feature is not included in the Rulebook or in the Implementation Guidelines released by the NPC related to the Rulebook;
  - The development of AOS is out of scope of the NPC. However, the NPC does publish declared AOS arrangements on the NPC Website for information purposes;
  - 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 or otherwise not feasible (to be explained on a case by case basis);
  - It is out of scope of the scheme;
  - 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 Regulation.

### **3.2 Summary of change requests and the expressed support following the public consultation**

The two tables below express the level of support from the contributors to the NPC NCT & NCT Inst WG recommendations presented during the public consultation. The list of contributors can be found in Annex I at the end of this document.

The tables summarise the responses from the scheme participants and the other contributors respectively for each change request. The contributors were requested to indicate in the response template if they support the NCT & NCT Inst WG recommendation (“Yes”) or not (“No”). They also had the choice to express no position on the change request or on the NCT & NCT Inst WG recommendation (“No Opinion”). The number of “No Opinion” positions have not been taken into account when determining the level of support for each change request.

Please note that contributors may have expressed a “Yes”, a “No” or a “No Opinion” position without having provided further comments. The section “Explicit public consultation comments received” for each change request under section xx will only report the explicit comments received from each contributor but not a simple “Yes”, a “No” or a “No Opinion” position itself without any other comment of that contributor.

## Summary of change requests and the expressed support following the public consultation

NPC Item	Change request title	NPC NCT & NCT Inst recommendation	Count 'YES'	Count 'NO'	Count 'No opinion'
#INST01	Mandatory C2B Implementation Guidelines	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	4	4	0
#INST02	Frozen/reserved funds on Beneficiary's account in case of Recall request due to Fraud	Cannot be part of the existing scheme - <b>option e</b>	7	0	1
#INST03	Usage of Nordic letters	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST05	Usage of hyperlink	Cannot be part of the existing scheme - <b>option e</b>	8	0	0
#INST07	Alignment of all attribute numbers across all NPC payment schemes	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST08	Alignment of the Recall and RFRO datasets	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST09	Inclusion of flowcharts for the RFRO procedure	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST10	Linking an NCT Inst transaction with a preceding Request-To-Pay message	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST11	Migration to the 2019 version of the ISO 20022 messaging standard	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST12	Replacement of the term Bank with PSP and updated Customer definition	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST13	Use of 'Fraud' reason code up to 13 months under the Recall procedure	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST14	Possibility to provide a future execution date and time	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST15	Introduction of a credit notification message for the Beneficiary, camt.054	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0

NPC Item	Change request title	NPC NCT & NCT Inst recommendation	Count 'YES'	Count 'NO'	Count 'No opinion'
#INST19	Change of the term 'Customer'	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	7	0	1
#INST20	Provision of structured addresses of the payment end user	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST22	Clarification on charges	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0
#INST23	Inclusion of Alias and Proxy as optional attributes	Should be incorporated into the scheme as of November 2023 - <b>option b</b>	8	0	0

## 4 Major Change Requests Details, the related public consultation comments and NCT & NCT Inst WG change proposal

### 4.1 #INST01 Mandatory C2B Implementation Guidelines

#### 4.1.1 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 and NCT Inst from being recommended to be mandatory.

This will only be valid for PSPs (bank)s 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.

#### 4.1.2 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.

#### 4.1.3 Rulebook Impact

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

#### 4.1.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

##### NCT & NCT Inst WG change proposal

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation did not support the NCT & NCT Inst WG recommendation that this change request should be part of the scheme (option b).

After taking the market's input into consideration, the NCT & NCT Inst WG proposal for this change request is to not include it in the scheme as of 2023 (option e). The NCT & NCT Inst WG also concluded a long-term ambition is to have C2B implementation guidelines mandatory, but that the market is not ready at point in time.

##### Explicit public consultation comments received

Contributor	Comments received
Danske Bank	This CR touches the space between Originator and Originator PSP, which is subject to bilateral agreements between the two parties that should not be governed by the Scheme. Our conclusion is that we will like to keep the C2B IG with the

	current status of being recommended. We can thereby not support option b): "Should be incorporated into the scheme as of November 2023" for both CT and CT Inst.
Nykredit	This CR touches the space between Originator and Originator PSP, which is subject to bilateral agreements between the two parties that should not be governed by the Scheme. Our conclusion is that we will like to keep the C2B IG with the current status of being recommended.
GetSwish	See no reason why this should be mandatory. This may limit the market and the innovation within this area. A recommendation is great to have but should not be a mandatory. It is stated in the description that "common market practice will give benefit for both PSPs (banks), customers, and ERP vendors." We totally agree with that statement. But the solution for this we see should not be regulated. More that the market follows the recommendation if that is the wanted scenario.
Bankdata	This CR touches the space between Originator and Originator PSP, which is subject to bilateral agreements between the two parties that should not be governed by the Scheme. Our conclusion is that we will like to keep the C2B IG with the current status of being recommended. We can thereby not support option b): "Should be incorporated into the scheme as of November 2023" for both CT and CT Inst.

#### 4.1.5 SMC decision

Not to include in the 2023 NCT Inst rulebook.

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

### 4.2.1 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).

That will provide the Beneficiary PSP (bank) 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.

### 4.2.2 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.

### 4.2.3 Rulebook Impact

No impact since not supported.

### 4.2.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request cannot be part of the scheme (option e).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.2.5 SMC decision

Not to include in the 2023 NCT Inst rulebook.

### 4.3 #INST03 Usage of Nordic letters

#### 4.3.1 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 some fields.

This may be an issue because some payments will not be settled due 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.

#### 4.3.2 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 and NCT Inst rulebooks.

**All** elements related to **references, identifications and identifiers** should **only** contains 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

#### 4.3.3 Rulebook Impact

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

#### 4.3.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

##### NCT & NCT Inst WG change proposal

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

##### Explicit public consultation comments received

Contributor	Comments received
Bits	NPC NCT and NCT Inst Taskforce has discovered the need of Nordic letters also for Regulatory Reporting. Should be evaluated if this is included in the suggested text or if update of text is necessary, ex ".... And remittance related information."

#### 4.3.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.



## 4.4 #INST05 Usage of hyperlink

### 4.4.1 Description

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

It proposes to allow a hyperlink or external sources to be referenced in a NCT and 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 a 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.

### 4.4.2 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 NCT or NCT Inst scheme 2023 version but will closely follow EPCs work.

### 4.4.3 Rulebook Impact

No impact since not supported.

### 4.4.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request cannot be part of the scheme (option e).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.4.5 SMC decision

Not to include in the 2023 NCT Inst rulebook.

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

### 4.5.1 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 and NCT Inst schemes since there are deviations between NCT and NCT Inst schemes for attribute (ATs) numbers.

The proposal is to align the sequence number of these ATs between the NCT and 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 will have 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.

### 4.5.2 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.

### 4.5.3 Rulebook Impact

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

### 4.5.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

This change request is based on the EPC change request mentioned above. Unfortunately, the information regarding how the EPC would implement this change request came very late to the NPC. The change request involves updates in the rulebook and significant updates in the implementation guidelines but has been assessed to have no major technical impact for the implementation.

The NCT & NCT Inst WG has, together with the NPC Secretariat, assess that in order to reduce risk with making significant changes late in the process and since the sequence numbering has not technical impact, this change will be postponed to the next version of the NCT Inst rulebook.

The NCT & NCT Inst WG changes their proposal to:

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

The change request will be postponed to the 2025 version of the scheme.

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.5.5 SMC decision

Not to include in the 2023 NCT rulebook.

## 4.6 #INST08 Alignment of Recall and RFRO datasets

### 4.6.1 Description

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

A comparison has been done of the contents between the following datasets within the NCT rulebook and NCT Inst 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.

### 4.6.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.6.3 Rulebook Impact

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

### 4.6.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.6.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

## 4.7 #INST09 Inclusion of flowcharts for the RFRO procedure

### 4.7.1 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.

### 4.7.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.7.3 Rulebook Impact

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

### 4.7.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.7.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

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

### 4.8.1 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 Inst 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’.

### 4.8.2 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 and non-PSP 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 and NCT Inst rulebook to.

### 4.8.3 Rulebook Impact

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

#### 4.8.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

##### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

##### **Explicit public consultation comments received**

No explicit comments were submitted.

#### 4.8.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

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

### 4.9.1 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 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 and 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 and 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 and 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 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 on the [following link](#).

### 4.9.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.9.3 Rulebook Impact

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

### 4.9.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.9.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

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

### 4.10.1 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 and 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”.

### 4.10.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.10.3 Rulebook Impact

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

### 4.10.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.10.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.



## 4.11 #INST13 Usage of ‘Fraud’ reason code up to 13 months under the Recall procedure

### 4.11.1 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 Inst 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 10 banking business days continue to apply for the reasons ‘Technical reason’ and ‘Duplicate’.

### 4.11.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.11.3 Rulebook Impact

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

### 4.11.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.11.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

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

### 4.12.1 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.

### 4.12.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.12.3 Rulebook Impact

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

### 4.12.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.12.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

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

### 4.13.1 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.

### 4.13.2 NCT & NCT Inst WG analysis and recommendation

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

The NCT & NCT Inst WG suggests incorporating the change request into the scheme (option b) entering into effect as of November 2021.

### 4.13.3 Rulebook Impact

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

### 4.13.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.13.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

## 4.14 #INST19 Change of the term ‘Customer’

### 4.14.1 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.

### 4.14.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.14.3 Rulebook Impact

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

### 4.14.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

Due to comments from their overseer decide to change the original scope of this CR which the NPC will also follow. These are the main changes:

- The term customer is changed to Payment Service User (PSU) with an updated definition compared to the previous customer definition
- Definitions of Originator and Beneficiary is updated
- Payment Account definition is updated
- In section 5.7 and 5.8 two additional bullets are added

**Explicit public consultation comments received**

Contributor	Comments received
Danske Bank	Please note that EPC has decided to pause a similar CR due to concerns from the Overseer.

*Note from the NPC Secretariat: the similar CR has now been agreed in the EPC and the NPC will make the same changes as the EPC.*

**4.14.5 SMC decision**

For inclusion in the 2023 NCT Inst rulebook.

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

### 4.15.1 Description

This change request was made by EPC SEMWG and is recommended to be introduced in SCT Inst rulebook 2023 version (EPC 2023 #6).

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.

### 4.15.2 NCT & NCT Inst WG analysis and recommendation

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

### 4.15.3 Rulebook Impact

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

#### 4.15.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

##### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

##### **Explicit public consultation comments received**

No explicit comments were submitted.

#### 4.15.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

## 4.16 #INST22 Clarification on charges

### 4.16.1 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.

### 4.16.2 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.

### 4.16.3 Rulebook Impact

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

### 4.16.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.16.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.



## 4.17 #INST23 Inclusion of Alias and Proxy as optional attributes

### 4.17.1 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 Inst 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 Instant 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 Inst Rulebook this suggestion does not imply any changes in the NCT Inst Rulebook.

### 4.17.2 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.

### 4.17.3 Rulebook Impact

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

### 4.17.4 NCT & NCT Inst WG change proposal and explicit public consultation comments received

#### **NCT & NCT Inst WG change proposal**

The vast majority of NPC scheme participants and other contributors to the 2023 public consultation supported the SMC recommendation that this change request should be part of the scheme (option b).

#### **Explicit public consultation comments received**

No explicit comments were submitted.

### 4.17.5 SMC decision

For inclusion in the 2023 NCT Inst rulebook.

## 5 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 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 document 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.

Since this change is included in this document for information, the contributors to this public consultation can comment on these changes. Therefore no comments or suggestions are added here.

### 5.1.1 SMC decision

For inclusion in the 2023 NCT rulebook.

## 6 Change Management Process in Respect of Minor Changes

### 6.1 Publication of list of minor changes

To align with EPC’s public consultation and suggested change requests, NPC and the NCT & NCT Inst WG has recommended to, on top of the major changes, also introduce minor changes that the EPC SEMWG has identified.

The NCT & NCT Inst WG had identified certain minor changes to be introduced which it considered necessary for the NCT Inst rulebook together with the minor changes from the EPC. The NCT & NCT Inst WG is required under the NPC Scheme Management Rules to publish a list of minor changes on the NPC website and to ensure that the list may be viewed by all stakeholders. This obligation had been met by the publication of the NCT Inst Rulebook 2023 Change Request Public Consultation Document (NPC 090-02) on 1 November 2021, and in particular the provisions under section 4 of that document noting certain changes as 'minor' in this specific document.

### 6.2 Comments on the minor changes during the public consultation

All stakeholders had the opportunity to submit comments on the list of minor changes covered in the NCT Inst Rulebook 2023 Change Request Public Consultation Document. No comments on these minor changes had been received out of this public consultation.

### 6.3 Submission of the list of minor changes to the SMB

The list of minor changes had been submitted to the SMC via this NCT Inst Change Proposal Submission Document in accordance with section 4.2.5 of the NPC Scheme Management Rules.

### 6.4 Minor change requests taken up in the NCT Inst rulebook to take effect in 19 November 2023

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"> <li><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></li> </ul>	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"> <li><i>"The rules ensure that responsibility for risk management is allocated to where the risk lies</i></li> </ul>	This bullet point is redundant. Chapter 5 of each rulebook clearly specifies aspects with respect to risk management and refers to the Risk Management	CHAN

Change request no	Section	Description	Reason for change	Type of change
		<i>and that liability falls where the fault lies".</i>	Annex which is an integral part of the rulebook.	
#INST27	4.6.1	Additional information about Alias/Proxy for clarification	For clarification purposes	CHAN
#INST28	Annex	<p>Alignment of the annex numbering for each NPC payment scheme rulebook, same as SEPA.</p> <ul style="list-style-type: none"> <li>• Annex I – Adherence agreement</li> <li>• Annex II – SMIR</li> <li>• Annex III – Risk Management (previously Annex IV)</li> <li>• Annex IV – RB amendments &amp; changes (previously Annex III)</li> </ul> <p>This will also lead to changes in the Annex numbering references throughout each rulebook.</p>	To apply the same numbering of the generic rulebook annexes in both rulebooks	CHAN

## 7 Annex I

Input from	List of contributors
Individual PSPs and (national) communities of PSPs	<ol style="list-style-type: none"><li data-bbox="759 383 916 412">1. Bankdata</li><li data-bbox="759 439 847 468">2. Bits</li><li data-bbox="759 495 954 524">3. Danske Bank</li><li data-bbox="759 551 906 580">4. Nykredit</li><li data-bbox="759 607 1091 636">5. Svenska Handelsbanken</li><li data-bbox="759 663 1155 692">6. Swedish Bankers' Association</li></ol>
Other stakeholders	<ol style="list-style-type: none"><li data-bbox="759 725 948 754">1. MasterCard</li><li data-bbox="759 781 916 810">2. Getswish</li></ol>