

## SEPA Direct Debits

### Frequently Asked Questions

**1) What is SEPA?**

The Single Euro Payments Area (SEPA) is a payment system which allows the fast and easy execution of cashless transactions across SEPA area. All SEPA payments are effected between Bank accounts and do not involve any card schemes. All SEPA transactions are executed in Euros. SEPA transactions either domestic or cross border are executed with the same ease and convenience.

**2) Which are the member countries of the SEPA area?**

The SEPA area consists of European countries, including countries that are not members of the Eurozone or the European Union. You can find information about the member countries of the SEPA area here: [www.ecb.europa.eu](http://www.ecb.europa.eu)

**3) What is a SEPA Direct Debit?**

A SEPA Direct Debit (SDD) is a payment instruction provided by a Debtor (Payer) to the Creditor (Payee) in the form of a Direct Debit Mandate. The Direct Debit allows the Payer's bank to debit the Payer's account for variable or fixed amounts claimed by the Payee, on a one-off basis or at predefined regular intervals. Debtors have specific rights deriving from the SEPA Direct Debit Scheme.

**4) What is the SEPA Direct Debit Scheme?**

The SEPA Direct Debit Scheme (SDD Scheme) is a pan-European scheme which allows consumers and businesses to pay for goods and services in EURO throughout the entire SEPA area using a standardized Direct Debit product, easily, securely and efficiently. The Scheme is applicable in the countries listed in the European Payments Council (EPC) List of SEPA Scheme Countries.

**5) What are the characteristics of the SEPA Direct Debit Scheme?**

- ✓ The Scheme caters for both recurring and one-off collections
- ✓ According to the rules of SEPA Direct Debits, there are specific guidelines in relation to the handling of rejected, returned, refused and refunded collections
- ✓ Maximum settlement times are defined for recurring and one-off direct debit collections
- ✓ Bank's BIC and account IBAN are the only account and bank identifiers that can be used for the utilisation of the service
- ✓ There are standardized Terms and Conditions across all current SEPA countries
- ✓ The scheme is governed by the Payment Services Law

**6) What is a Debtor?**

A Debtor or Payer is the natural or legal person who holds a payment account with a Payment Services Provider that is a member of the SEPA Direct Debit Scheme and signs a Mandate with a Creditor by which the Creditor is authorised to initiate Collections from the Debtor's account. The Debtor is always the holder of the account to be debited.

**7) What is a Creditor?**

A Creditor is the natural or legal person (Organisation) that maintains a Payment Account with a Payment Services Provider (PSP) that is a member of the SEPA Direct Debit Scheme and is the intended recipient of the money from a SEPA Direct Debit payment transaction for the provision of goods or services to a Debtor. A SEPA Direct Debit Mandate is signed between a Creditor and a Debtor. The Creditor receives and stores the Mandate from the Debtor to initiate Collections. The Creditor is always the holder of the account to be credited.



#### 8) What is the Creditor ID?

The Creditor ID is the unique identifier of the Creditor with whom a SEPA Direct Mandate has been signed. The Creditor ID is included in each SEPA Direct Debit collection and allows the Debtor and the Debtor's Bank to authenticate each collection or request a refund.

#### 9) What is a SEPA Direct Debit Mandate?

A SEPA Direct Debit Mandate is the expression of consent and authorization given by the Debtor to the Creditor and to the Creditor's financial institution to initiate a collection (debit) from the Debtor's payment account and enables the Debtor's financial institution to comply with such instructions. A Mandate may exist as a paper document which is physically signed by the Debtor. It may also be an electronic document which is signed using a legally binding method of signature.

#### 10) What is a Mandate Reference?

A SEPA Direct Debit Mandate Reference is assigned to the Debtor (Payer) by the Creditor (Payee). This reference is assigned to the Mandate the Debtor has signed with the Creditor and is the same as long as the Mandate is valid. This information can be provided by the Creditor who maintains relevant data.

#### 11) Can I revoke/cancel a Mandate I have given? How?

Yes, Mandates can be revoked/cancelled. You can contact the Creditor requesting the revocation/cancellation of the Mandate you have signed. Nevertheless, you will have to make alternative arrangements for your bill payments.

#### 12) What are the benefits of using SEPA Direct Debits as a Debtor?

- ✓ It is a simple and secure method of paying bills throughout the entire SEPA area
- ✓ The cost of domestic payments is the same as the cost of cross-border payments effected in the SEPA area
- ✓ Debits can be easily reconciled on account statements
- ✓ By using SEPA Direct Debits, payers can avoid the inconvenience caused by late payments
- ✓ The SEPA Direct Debit Scheme allows Payers to anticipate the exact date (due date) on which their account will be debited for the settlement of their obligations to a Payee

#### 13) In which cases can I use the SEPA Direct Debit service?

You can use the SEPA Direct Debit service to pay for

- ✓ Goods
- ✓ Services
- ✓ Utility bills,

given that the provider maintains an account with a Bank or Payment Services Provider that participates in the SEPA Direct Debit Scheme.

#### 14) What is the account IBAN?

The IBAN (International Bank Account Number) is a unique bank account number in a standardized format which is used for the processing of domestic or cross-border payment transactions. The IBAN facilitates the execution of SEPA Direct Debits as it serves as an account identifier for the purposes of the scheme. You will need to provide your IBAN number to a Creditor before signing a Mandate with them.

#### 15) Where can I find my account IBAN and BIC?

You can find your account IBAN and BIC on the Account Details Certificate that has been given to you upon the opening of your current account with the Bank. You can also find it on the statement of your account or on the Account Details tab of your eBanking profile. You may also consult your Relationship Manager who will provide you with all necessary information.

#### 16) What are my rights as a Debtor (Payer) with respect to SEPA Direct Debits?



#### **Refund of SDD:**

- You can request the refund of any collection within 8 weeks from the debit date on a no questions asked basis. This means that no justification and/or documentation will be requested by the Bank in this case.
- You can request the refund of an unauthorized collection not later than 13 months from the debit date. Justification and/or documentation will be requested by the Bank in this case.

#### **Blocking of SDD:**

- You can submit a request to block your account in order to prevent the execution of any SDD collection.
- You can submit a request to unblock your account in order to allow the execution of SDD Collections in case you have previously submitted a request for blocking your account for SDD collections.

#### **Refusal of SDD:**

- You can submit a request for the refusal of the payment of the next SDD collection in favour of a specific Creditor. The mandate will be reactivated automatically once the next SDD collection has been rejected.
- You can submit a request for the refusal of the payment of all next SDD collections in favour of a specific Creditor. You maintain the right to reactivate the execution of all next SDD collections in favour of a specific Creditor, after a refusal request has been previously submitted.

#### **Setting limit on debit amount**

- By setting a limit on an SDD Mandate, you agree that the collections on the Mandate will only be paid up to the specific amount and that any collections above that limit will be returned unpaid in full. You maintain the right to withdraw the limit on debit amount.

#### **Setting a limit on frequency**

- By setting a limit on frequency, you agree that you never want to pay an SDD for more than that frequency. You maintain the right to withdraw the limit on frequency.

#### **Creating a negative catalogue of Creditors**

- By requesting the Bank to set up a Negative Catalogue (blacklist) of beneficiaries you specify the Creditors from whom the Bank shall reject direct debits. Direct Debits from Creditors that are not listed on the blacklist will be automatically accepted. You maintain the right to add or delete creditors from the blacklist.

### **17) When shall I send any SEPA Direct Debit (SDD) request to the Bank, based on the rights I have in order to be executed?**

All SDD related requests must be submitted to the Bank the latest by 13:00 of the business day preceding the scheduled SDD payment date. In a different case, changes will be effected on the next scheduled payment date.

### **18) What happens in case my account balance is insufficient for the execution of a SEPA Direct Debit? Will I be charged in case of a rejected transaction?**

The Bank will keep trying to execute the SEPA Direct Debit on your account for another five working dates from the first execution date. In case the account balance remains insufficient for the execution of the Direct Debit, the Bank will send a rejection message to the Creditor. You may be charged for rejected transactions in accordance with the Bank's Table of Commissions and Charges.

### **19) What happens in case an unauthorised SEPA Direct Debit collection is processed through my account?**

You can claim a refund of the amount debited within a period of 13 months. You can contact your Relationship Manager who will provide you with all necessary information.