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## **STATUS UPDATE ON SCT INST SCHEME ERPB MEETING 13 JUNE 2019**

### **1. Background**

At its 28 November 2019 meeting the ERPB:

- took note of the EPC update on the implementation of the SCT Inst scheme;
- took note of the ECB update on TIPS;
- re-iterated its call to the supply side of the industry to implement instant payments, ensure pan-European reach as soon as possible and at the very latest by 2020 and support end-user take-up, including by providing user-friendly end-user solutions.

The present note updates the ERPB on the actions undertaken by the EPC since the last ERPB meeting and on next steps.

### **2. Evolution of public EPC documents on the SCT Inst scheme**

#### **2.1. Publication of an updated r-transaction reason code guide for the SCT Inst scheme**

The EPC will publish end May 2019 a new version of the r-transaction reason code guide for the SCT Inst scheme ([EPC 059-18](#)). This version is the result of an annual review and applies to the SCT Inst rulebook effective as of 17 November 2019.

With this guide, the SCT Inst scheme participants know which concrete reason code to use to report a specific SCT Inst scheme transaction-related issue back to the Originator Bank. The document outlines concrete use cases and possible root causes for each r-transaction reason code.

#### **2.2. Publication of updated Clarification Paper for the SCT rulebooks**

The EPC also published a new version of the Clarification Paper on SCT and SCT Inst rulebooks ([EPC 131-17 v1.3](#)). It includes clarifications that apply to the SCT Inst scheme.

### **3. Adherence status**

The number of declared SCT Inst scheme participants at mid-May was 2.078, representing a share of 50.7 percent of all SCT adherents (i.e. 4.098) in all SEPA countries. It must be noted that within the 50.7 percent of PSPs that already joined the scheme, SCT Inst generally enumerates those having the most significant payment volumes in their countries.

The table below shows the percentual share of SCT Inst scheme participants related to the SCT scheme participants in the 20 SEPA countries concerned.



Country	SCT Inst adherents	SCT adherents	% of SCT Inst adherents vs. SCT adherents
AUSTRIA	465	532	87%
BELGIUM	15	46	33%
CYPRUS	1	16	6%
ESTONIA	4	10	40%
FINLAND	4	8	50%
FRANCE	126	280	45%
GERMANY	1.299	1.500	87%
ITALY	27	450	6%
LATVIA	4	20	20%
LITHUANIA	9	56	16%
LUXEMBOURG	1	65	2%
MALTA	3	27	11%
MONACO	1	14	7%
NETHERLANDS	6	38	16%
PORTUGAL	14	36	39%
SPAIN	87	120	73%
BULGARIA	1	25	4%
DENMARK	1	57	2%
SWEDEN	1	9	11%
UNITED KINGDOM	9	84	11%
<b>Grand Total</b>	<b>2.078</b>	<b>3.393</b>	<b>61%</b>

The table below shows as of what precise date the concerned SCT Inst scheme participants in the different countries will be formally ready:

Country	Declared readiness date from SCT Inst scheme participants						Grand Total
	Up to 11-06-2019	24-06-19	04-07-19	08-07-19	02-09-19	04-11-19	
AUSTRIA	463	1	1				465
BELGIUM	15						15
BULGARIA	1						1
CYPRUS	1						1
DENMARK	1						1
ESTONIA	4						4
FINLAND	4						4
FRANCE	125			1			126
GERMANY	1.298					1	1.299
ITALY	27						27
LATVIA	4						4
LITHUANIA	9						9
LUXEMBOURG	1						1
MALTA	3						3
MONACO	1						1
NETHERLANDS	6						6
PORTUGAL	14						14
SPAIN	87						87
SWEDEN	1						1
UNITED KINGDOM	8				1		9
<b>Grand Total</b>	<b>2.073</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2.078</b>

The current list of SCT Inst scheme participants can be consulted on the [EPC Register of Participants webpage](#). Most of these PSPs (will) act as both Originator Bank and Beneficiary Bank.

24 National Central Banks (mostly in the context of TIPS) and nine other CSMs had already disclosed their intention to be an SCT Inst scheme compliant CSM since November 2018. These CSMs are listed on the [Clearing and Settlement Mechanisms webpage](#).

#### **4. EPC expectations on SCT Inst scheme adherence**

Individual PSPs and PSP communities in several euro zone countries continue with developing their SCT Inst scheme implementation projects. The EPC is confident that the SCT Inst adherence will continue to progress in most of the euro zone countries in 2019. The EPC expects that the aim of a critical mass of SCT Inst scheme participants across SEPA by November 2020 will be reached, in line with the “SEPA Regulation” requirements.

#### **5. Scheme default maximum amount for an SCT Inst transaction**

The EPC will in September 2019 consider the possibility to increase the maximum amount per SCT Inst instruction from its current level of € 15,000.

#### **6. Reported issues**

All SCT Inst scheme participants had been invited to submit any concrete SCT Inst processing issues by the end of February 2019.

The first issue is a wide-spread reachability of the scheme across SEPA which is improving month by month with PSPs joining the scheme.

The second issue is the missing interoperability links between some of the declared SCT Inst scheme compliant CSMs. The interoperability between all SCT Inst scheme compliant CSMs is key. The lack of such interoperability is an obstacle for the SCT Inst scheme itself and for the PSPs that have designed SEPA-wide SCT Inst services for their customers. It creates additional costs for the PSPs as they must establish and maintain connections with several CSMs.

In the second half of August 2019, the EPC will ask again all SCT Inst scheme participants to report issues.

#### **7. Ad-hoc multi-stakeholder group for mobile initiated SEPA credit transfers (including SCT Inst) (MSG MSCT)**

This ad-hoc multi-stakeholder group established by the EPC in May 2018, has now finalised the development of the draft Mobile Initiated SEPA Credit Transfer Interoperability Implementation (MSCT IIGs).

Through the description of MSCT use cases, the document aims to provide an insight into the main issues related to the initiation of (instant) SEPA credit transfers in different payment contexts such as person-to-person, consumer-to-business (retail payments including both in-store and m-commerce payments) and business-to-business payments.

Next to the MSCT transaction aspects such as payer identification/authentication, transaction authentication, risk management and payer/beneficiary acknowledgements and notification messages it focuses on the technology and security used in the customer-to-ASPSP space, since the SCT Instant and SCT transaction as such have already been specified in the respective rulebooks. It furthermore specifies various security guidelines for MSCTs (e.g. MSCT app, CDUVM, etc.). Finally, the document discusses the main interoperability issues and barriers detected for MSCTs.

The document will be published on the EPC website for a 3-month public consultation on 23 May 2019.

The MSG MSCT also decided to establish a new work-stream consisting of technical experts to further conduct a more detailed analysis, during the coming months -in parallel to the public consultation– on the main barriers identified for MSCT interoperability. An open call for nominations by 31 May 2019 for participation to this work-stream has been posted on the EPC website. This new work-stream will have its first meeting on 24 June 2019 and will regularly report to the MSG MSCT plenary. The aim is to share relevant output of this work-stream in due time with the ERPB Working Group Instant Payments at POI for consideration during their 2nd phase of work.

The agendas and minutes of the MSG MSCT plenary meetings are available on the EPC website through the following link:

[https://www.europeanpaymentscouncil.eu/search?qry=&kb%5B0%5D=ctype%3Akb\\_document&kb%5B1%5D=tags%3A4801](https://www.europeanpaymentscouncil.eu/search?qry=&kb%5B0%5D=ctype%3Akb_document&kb%5B1%5D=tags%3A4801)

## **8. EPC rulebook change management cycle**

The next change management cycle for all EPC schemes will take place in 2020. Scheme participants and other stakeholders are invited to submit change requests to the SCT Inst scheme rulebook by 31 December 2019 by completing a [dedicated template](#). These change requests will be considered for the rulebook version and associated IGs to be published in November 2020 and taking effect in November 2021.