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# Verification Of Payee Scheme Rulebook

**EPC218-23/ 2024 Version 0.1 for public consultation / Date issued: 20 February 2024 / Date effective: to be defined after public consultation**

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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] | To be defined after public consultation | VOP Scheme Inter-PSP Implementation Guidelines | EPC |
| [2] | ISO 13616 | Financial services - International bank account number (IBAN) -- Part 1: Structure of the IBAN | ISO |
| [3] | To be defined after public consultation | Guide to the VOP Scheme Adherence Process | EPC |
| [4] | EPC409-09 | EPC list of countries and territories included in the SEPA Schemes' geographical scope | EPC |
| [5] | TBD | SEPA Regulation (to be further updated once the Instant Payments Regulation is published) | EC |
| [6] | EPC288-23 | EPC Recommendations for the Matching Processes under the VOP Scheme Rulebook | EPC |
| [7] | Directive (EU) 2015/2366 | Payment Services Directive (PSD2) | EC |

### *0.1.1    Defined Terms*

This Rulebook refers 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 refer to terms that are also used in the Payment Services Directive (PSD) ([7]) and the SEPA Regulation ([5]). The terms used in this Rulebook may not in all cases correspond in meaning to the same or similar terms used in [7] and/or in [5].

### 0.2    Change History

| Issue number | Dated | Reason for revision |
|---|---|---|
| V 0.1 | 20/02/2024 | First proposed version submitted for 90 calendar days public consultation |

### 0.3    Purpose of Document

The EPC Verification Of Payee (VOP) Scheme ("Scheme") is a set of rules, practices and standards to achieve interoperability for the provision and operation of verifying Payment Account Numbers and Names of the Payment Counterparties, between Participants of the Scheme prior to initiating

a Payment Account-based Payment within SEPA. A Participant is any Payment Service Provider (PSP) as defined in [7] and [5] 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;

- To provide involved parties such as Participants, Routing and Verification Mechanisms ("RVMs"), and technology suppliers with relevant information to support development and operational activities.

## 0.4    About the EPC

The purpose of the EPC, as one representative of the European Payment Service Providers' (PSP) sector, is to support and promote European payments integration and development, notably the Single Euro Payments Area ("SEPA").

The mission of the EPC is to contribute to safe, reliable, efficient, economically balanced and sustainable, convenient payments supporting an integrated European economy, its end-users' needs as well as its competitiveness and innovation goals:

- Through the development and management of pan-European payment and payment-related schemes and the formulation of positions and proposals on European payment issues;

- In constant dialogue with other stakeholders and regulators at European level; and

- Taking a strategic and holistic perspective.

The EPC offers one focal point and voice for the PSP sector on all European payment and payment-related issues, driven by a single vision.

The EPC shall, among other things, be responsible for the performance of functions relating to Scheme Management, as set out in the relevant governance documents, including amongst others the present Rulebook. The EPC is the owner and manager of various payment and payment-related Schemes.

## 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 few key documents which support the Scheme operationally:

### 0.5.1    *Verification Of Payee (VOP) 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 data layer.

The VOP Scheme Implementation Guidelines are available as one complementary document i.e. the guidelines regarding the Inter-PSP messages (VOP Scheme Inter-PSP Implementation Guidelines (reference [1]).

The VOP Scheme Inter-PSP Implementation Guidelines which set out the rules for implementing the Verification Of Payee Request and the Verification Of Payee Response, constitute a **binding** supplement to the Rulebook.

### 0.5.2   *VOP 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. The Rulebook and the Adherence Agreement entered by Participants together constitute a multilateral contract among Participants and the EPC. The rules and procedures for applying to join the Scheme are set out in the Verification Of Payee Scheme Management Rules (the "**Internal Rules**") (see Chapter 5). In addition, an adherence guidance document ([3]) is available.

## 1   VISION, SCOPE AND OBJECTIVES

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

### 1.1   Vision

The Scheme provides a set of inter-PSP rules, practices and standards to be complied with by Participants who adhere to the Scheme with minimum conditions required in the Payment Service User (PSU)-to-PSP space.

The Scheme also provides a common basis on which Participants can offer new and innovative services.

The Scheme moves Participants and their PSUs towards open standards, which are expected to improve financial integration and act as a catalyst for a richer set of products and services.

### 1.2   Objectives

- VOP Requests and related VOP Responses 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 removal of inhibitors and the harmonisation of standards and practices;

- To support the achievement of high standards of security, low risk and cost efficiency for all actors in the overall payments process;

- To allow the further development of a healthy and competitive market for payment services and to create conditions for the improvement of services provided to PSUs.

### 1.3   Conceptual workflow of an VOP Request and Related Response
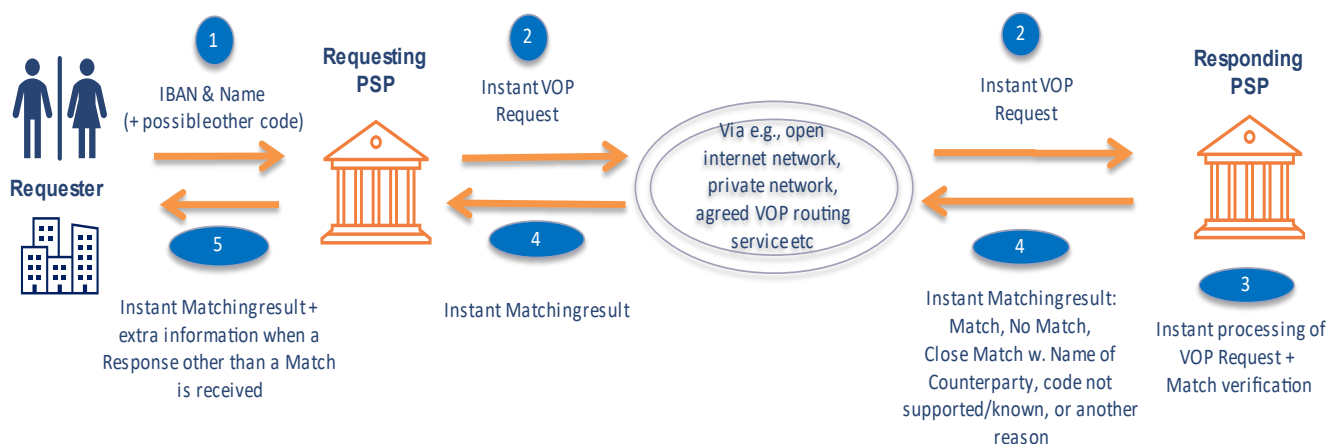


**Figure 1: VOP Workflow**

An PSU ("Requester") wishes to initiate a Payment Account-based Payment to another PSU ("Payment Counterparty") holding a Payment Account at a PSP based in SEPA. The Requester and the Payment Counterparty may be one and the same person or entity. The intended Payment Account-based Payment of the Requester is an SEPA instant credit transfer or a SEPA credit transfer.

- Step 1: the PSP of the Requester ("Requesting PSP") receives from its Requester[1] as a minimum a set of Payment Account Number and Payment Counterparty Name details about the Payment Counterparty.

  Both parties can also agree that the Requester can provide the Requesting PSP with additional information about the Payment Counterparty, allowing the Payment Counterparty to be unambiguously identified. In that case, the Requester and the Requesting PSP need to have agreed that the Requester can submit in addition an identification code of the Payment Counterparty that unambiguously identifies the Payment Counterparty. Examples of such code are a fiscal number, a VAT number, a Legal Entity Identifier (LEI), social security code, electronic ID etc.

  The Requesting PSP is required to verify all provided details of that Payment Counterparty subject to any exemptions permitted under [5] and agreed upon between the Requester and the Requesting PSP concerned.

  Step 2: the Requesting PSP Instantly transmits a Verification Of Payee Request (VOP Request) containing the provided details, to the PSP managing the Payment Account of that Payment Counterparty ("Responding PSP").

  The Requesting PSP uses the path and/or any possible supplier(s) of its choice to Instantly transmit its VOP Request to the Responding PSP.

  In case the Requesting PSP itself manages the Payment Account of the Payment Counterparty concerned, it needs to execute the VOP Request itself as the Responding PSP.

- Step 3: the Responding PSP receives the VOP Request. It Instantly processes the VOP Request. The Responding PSP Instantly verifies whether the provided details of that Payment Counterparty, match with the concerned data kept by the Responding PSP for that Payment Counterparty.

- Step 4: the Responding PSP Instantly transmits the VOP Response to the Requesting PSP.

  The Responding PSP Instantly transmits its Response via the same path used by the Requesting PSP for sending its initial VOP Request.

- Step 5: the Requesting PSP receives the VOP Response from the Responding PSP. The Requesting PSP Instantly provides the Requester with the VOP Response as provided by the Responding PSP.

  When a Response other than a Match is received, the Requesting PSP also Instantly informs the Requester that authorising the Payment Account-based Payment may lead to transferring Funds to a Payment Account not held by the Payment Counterparty as indicated by the Requester.

Based on the VOP Response presented by the Requesting PSP, the Requester decides whether to pursue or not with its Payment Account-based Payment intention based on the initially provided details of its Payment Counterparty.

Any concrete initiation and further processing of such Payment Account-based Payment being an SEPA instant credit transfer or a SEPA credit transfer are outside the scope of the Scheme.

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[1] Directly or indirectly initiated in compliance with [7].

## 1.4   Scope

The Scheme is applicable in the countries listed in the EPC List of SEPA Scheme Countries[2].

The Scheme allows PSPs in SEPA to offer a SEPA-wide Verification Of Payee service to PSUs who intend to initiate a Payment Account-based Payment to a Payment Account within SEPA. The Scheme can be used when:

• A PSU of a given PSP in SEPA intends to initiate a Payment Account-based Payment to a Payment Account managed by another PSP in SEPA; and

• Whereby the PSU itself or any law applicable to the PSP of that PSU demands the PSP concerned to verify whether the Payment Account Number, the Name and potentially in addition an unambiguous identification code of the Payment Counterparty specified by that PSU, match with the concerned data registered for that Payment Counterparty at the other PSP concerned.

The Participants' services based on the Scheme must be available 24 hours a day and on all Calendar Days of the year.

After the Requester has provided the Requesting PSP with the Payment Account Number of the Payment Counterparty, the Requesting PSP Immediately checks the validity of the Payment Account Number and Immediately addresses the VOP Request to the Responding PSP. The Scheme sets a maximum execution time of three seconds (preferably 1 second or less) from the moment the Requesting PSP addresses its VOP Request to the Responding PSP, to the moment the Requesting PSP receives the VOP Response from the Responding PSP to its initial VOP Request. The Requesting PSP and the Responding PSP may be one and the same PSP.

The Responding PSP Immediately provides the Requesting PSP with the VOP Response. The Requesting PSP Immediately passes on the Response to the Requester.

In the Inter-PSP Space, an VOP Request from the Requesting PSP concerns a single Payment Account Number-Name of the Payment Counterparty Request only and potentially includes an unambiguous identification code as well. If the Requester submits several Payment Account Numbers to be verified, the Requesting PSP must then send several VOP Requests in the Inter-PSP Space for each Payment Account Number concerned. The same conditions apply for the related VOP Responses.

The Scheme provides a messaging functionality. It can only be used to verify the Payment Account Number, the Name of the Payment Counterparty and potentially in addition an unambiguous identification code of the Payment Counterparty prior to initiating a Payment Account-based Payment. It is not a payment means or a payment instrument.

The Scheme shall not be used as a form of identification of a private or a legal person.

## 1.5   Additional Optional Services

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

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[2] See reference [4].

The following two types of AOS are identified:

1. Additional Optional Services provided by individual PSPs to their PSUs as value-added services which are nevertheless based on the Scheme. These AOS are purely a matter for PSPs and their PSUs in the competitive space;

2. Additional Optional Services provided by local, national and pan-European communities of PSPs.

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 Payment Scheme Management Board ("PSMB") 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 Internal Rules covered in Chapter 5 of this Rulebook;

2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the EPC may incorporate commonly used AOS features into the Scheme through the change management processes set out in the Internal Rules;

3. There should be transparency in relation to community AOS. Details of community AOS 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.

### 1.6 Reachability

Section 4.4 of the Rulebook determines that only PSPs can become Participants to the Scheme.

Participants being Account-Servicing PSPs as defined under [7], commit to participate in the Scheme in the role of Requesting PSP <u>and</u> of Responding PSP. In the role of Responding PSP, they commit to process the VOP Requests and send VOP Responses according to the rules of the Scheme.

PSPs other than Account-Servicing PSPs as defined under [7] commit to participate in the Scheme in the role of at least Requesting PSP.

Reachability is a major assumption on which the Scheme is based and is therefore a key success factor for the Scheme.

### 1.7 Binding Nature of the Rulebook

Becoming a Participant in the Scheme involves signing the Adherence Agreement. By signing the Adherence Agreement, Participants agree to respect the rules described in the Rulebook. The Rulebook describes the liabilities and responsibilities of each Participant in the Scheme.

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 their 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 PSU, the Rulebook specifies the minimum requirements imposed by the Scheme.

### 1.8    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 Routing and Verification Mechanisms (RVMs), technology platforms and networks that support them. Infrastructure is an area where market forces operate based on the decisions of Participants.

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

### 1.9    Other Features of the Scheme

- The rights and obligations of Participants, and as appropriate their PSUs, are clear and unambiguous;

- VOP Request and VOP Response messages use open, industry recognised standards;

- Compliance with the Scheme ensures interoperability between Participants;

- Individual Participants are free to innovate and satisfy needs of PSUs in a competitive market place, as long as these innovations do not conflict with the Rulebook.

### 1.10   The Business Benefits of the Scheme

The Scheme provides potential benefits in terms of verifying the Payment Account Number, the Name of the Payment Counterparty and potentially in addition an unambiguous identification code about a Payment Counterparty prior to initiating a Payment Account-based Payment.

The key expected benefits are summarised as follows:

-  Lays a minimum VOP service level to ensure a pan-European acceptance and reach;

- Ensures as much as possible interoperability "by design" with any existing VOP solutions or schemes;

- Supports the implementation by PSPs of an EU legislative obligation to offer VOP services to their customers;

- Prevents misdirected payments from happening;

- Further enhances end-user experience and trust in SEPA (instant) credit transfers.

### 1.11   Common Legal Framework

It is a prerequisite for the use of the Scheme that [7] (or provisions or binding practice substantially equivalent to those set out in Titles III and IV of [7]) and [5] are implemented or otherwise in force in the national law of SEPA countries.

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

## 2    ROLES OF THE SCHEME ACTORS

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

### 2.1    Actors

The Scheme involves three main actors:

- **The Requester:** is the natural or legal person who has the intention to initiate directly or indirectly[3] a Payment Account-based Payment to another natural or legal person holding a Payment Account (i.e. Payment Counterparty) at a PSP based in SEPA.

  The Requester and the Payment Counterparty may be one and the same natural or legal person.

- **The Requesting PSP:** is the Participant with whom or through whom the Requester intends to make its Payment Account-based Payment. The Requesting PSP receives a Payment Account Number, a Name of the Payment Counterparty and potentially in addition an unambiguous identification code about a Payment Counterparty from the Requester.

  The Requesting PSP may also be the Requester.

  Upon explicit request by the Requester or due to the laws applicable to the Requesting PSP, this Participant must initiate the request to verify these details about the Payment Counterparty as provided by the Requester.

  The Requesting PSP Instantly sends a VOP Request to the PSP managing the Payment Account of the indicated Payment Counterparty.

- **The Responding PSP:** is the Participant that receives the VOP Request from the Requesting PSP and Instantly processes that VOP Request. The Responding PSP is also obliged to Instantly send a VOP Response containing a matching result about the received details of the Payment Counterparty or another reason, back to the Requesting PSP.

  The Responding PSP may also be the Payment Counterparty.

- The Requesting PSP and Responding PSP may be one and the same Participant.

Requesting PSPs and Responding PSPs are responsible for meeting their obligations under the Rulebook. This responsibility is irrespective of either the means or the parties by which Requesting PSPs or Responding PSPs choose to discharge those obligations and for which they remain responsible under the Scheme.

The operation of the Scheme also involves other parties indirectly:

- **Routing and Verification Mechanisms (RVMs)**: Requesting PSPs and/or Responding PSPs may use such mechanism to route VOP Requests and related VOP Responses, to Responding PSPs and Requesting PSPs respectively.

  Such RVM may even do VOPs on behalf of the Responding PSP. An RVM provides Participants with a single point of entry to be connected, directly or indirectly (via another RVM), with other Participants. However, such specific approach does not relieve the Responding PSP from its obligations stipulated under the Scheme.

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[3] In compliance with [7].

Entities offering such RVM services to Participants can be among others on-purpose established companies providing VOP services to Participants and/or other legal persons, payment clearing and settlement providers such as an automated clearing house, or intra-PSP and intra-group arrangements. An RVM service can result from a bilateral or multilateral agreement between Participants.

The term RVM does not necessarily connote to one entity. It is possible that the Routing function and the Verification function are conducted by separate actors.

- **Intermediary PSPs**: PSPs offering intermediary services to Requesting PSPs and Responding PSPs, for example in cases where Requesting PSPs and Responding PSPs are not themselves direct participants in an RVM.

- **Payment Counterparty**: It holds a Payment Account at the Responding PSP whereby this Payment Account will be the subject of the Verification Of Payee (VOP) process under the Scheme.

- **Directory Service Providers:** store and maintain all required operational data about Participants to facilitate the interoperability between Scheme-based services offered by Participants, RVMs and any other relevant entities. The managed data concern among others Scheme adherence, identification and endpoints about Participants.

## 2.2 The Model

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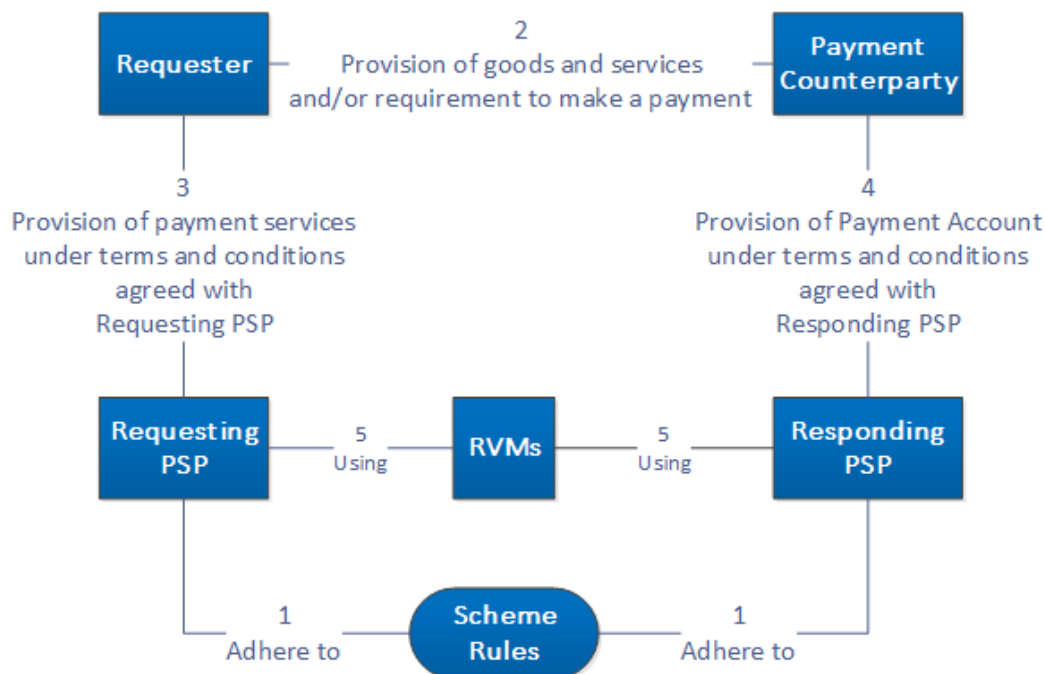


Figure 2: Actors in VOP Model - *Illustrative*

The actors are bound together by a number of relationships, identified on the diagram by numbers:

1. The contractual relationships underlying the Scheme to which all Participants are bound;

2.  Between the Requester and the Payment Counterparty regarding the provision of goods and services and/or the requirement to make a payment. This may or may not be reflected in a formal legal contract. This relationship does not form part of the operation of the Scheme;

3.  Between the Requester and the Requesting PSP concerning the products and services to be provided by the Requesting PSP to the Requester and their related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the initiation and execution of an VOP action as required by the Scheme;

4.  Between the Payment Counterparty and the Responding PSP concerning the provision of a Payment Account and the related Terms and Conditions. Provisions for this relationship are not governed by the Scheme;

5.  As applicable, between the Requesting PSP and the Responding PSP and the selected RVM(s) concerning the Terms and Conditions of the services delivered. Provisions for these relationships are not governed by the Scheme;

6.  As applicable, between the Requesting PSP and/or the Responding PSP and any other PSP acting in an intermediary capacity. Provisions for these relationships and their functioning are not governed by the Scheme. This relationship is not illustrated above.

## 2.3   Routing and Verification Mechanisms (RVMs)

This description about the role and responsibilities of RVMs is only for information purposes.

RVMs are responsible to the Requesting PSPs and Responding PSPs that use their services. As a matter of normal practice, these mechanisms:

*   Receive VOP Requests from the Requesting PSP who participates in the relevant RVM;

*   Forward the VOP Requests in full and without alteration to the Responding PSP who participates in the relevant RVM, ensuring that all data submitted by the Requester and the Requesting PSP reaches the Responding PSP;

*   Forward a VOP Response from the Responding PSP in full and without alteration to the Requesting PSP;

*   Provide any required risk management procedures and other related services.

The RVMs may also conduct the VOP actions on behalf of the Responding PSP and subject to an agreement between the RVM and the Responding PSP concerned. However, such approach does not relieve the Responding PSP from its obligations stipulated under the Scheme.

## 2.4   Intermediary PSPs

If any actor concerned uses the services of an Intermediary PSP to perform any function in relation to a VOP Request and/or VOP Response, this should:

*   Be transparent to the Scheme and in no way affect or modify the obligations of the Participants or alter the Time Stamp defined in section 3.4.2;

*   Be the subject of a separate bilateral agreement between the intermediary PSP and the Requesting PSP or Responding PSP.

## 2.5   Governing laws

The governing laws of the agreements are as follows:

*   The Rulebook is governed by Belgian law;

- The Adherence Agreement is governed by Belgian law.

## 2.6    Relationship with Payment Service Users

In accordance with Chapter 4, Participants must ensure that the Terms and Conditions are effective so as to enable Participants to comply with their obligations under the Scheme.

## 3   BUSINESS AND OPERATIONAL RULES

This chapter describes the business and operational rules of the Scheme, which must be observed by Participants and by other actors 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 EPC (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 Rulebook, structured identification numbers are used as follows:

**Processes:**     PR-xx, where xx represents the unique sequence number.

**Process-steps**: PT-xx-yy, where xx-yy is the unique sequence number in this Rulebook.

**Datasets**:     DS-xx, where xx represents the unique sequence number in this Rulebook.

**Attributes**:     AT-xx, where xx represents the unique sequence number in this Rulebook.

### 3.2   Supported VOP Request Types

The Scheme supports the VOP Request Type to verify the following combination of information attributes provided by or on behalf of the Requester:

*   Name of the Payment Counterparty

*   The Payment Account Number of the Payment Counterparty

The Payment Account Number to be verified is managed by an PSP that meets the eligibility criteria set out in section 4.4. On top of this, additional information about the Payment Account Number of the Payment Counterparty can be provided (see AT-C007 in DS-01 and DS-02 (sections 3.7.1 and 3.7.2)).

In addition, the Requester and the Requesting PSP can also agree that the Requester may submit an identification code of the Payment Counterparty that unambiguously identifies the Payment Counterparty (see AT-E005  and AT-E013 in DS-01 and DS-02 (sections 3.7.1 and 3.7.2)). This second combination of information attributes shall never substitute the combination Payment Account Number-Name of the Payment Counterparty.

In the PSU-to-PSP Space, the Requester and the Requesting PSP may agree to exchange several Requests as single items or as a bulk VOP Request.

In the Inter-PSP Space, an VOP Request from the Requesting PSP concerns a single Payment Account Number-Name of the Payment Counterparty combination only and potentially includes an unambiguous identification code as well. If the Requester requests several Payment Account Numbers to be verified, the Requesting PSP must then send several VOP Requests in the Inter-PSP Space for each Payment Account Number concerned.

### 3.3   Supported VOP Response Types

The Responding PSP must provide the Requesting PSP with the appropriate matching result (i.e. Match, No Match, Close Match with the Name of the Payment Counterparty, identification code not supported/known by the Responding PSP) or with another reason on the combination requested in the VOP Request, within the Maximum Execution Time defined in section 3.4.2. The dataset DS-03 (section 3.7.3) determines the content of a Response message to a VOP Request message. The VOP Response must follow the same physical or logical path as the initial VOP Request message.

Guidance for defining Match, No Match and Close Match with the Name of the Payment Counterparty is outlined in [6]. These three terms are also shortly described in Chapter 6.

In case the Responding PSP has received two combinations of information attributes to be verified (i.e. the combination Payment Account Number-Name of the Payment Counterparty and the combination Payment Account Number-identification code), the Responding PSP can report for each combination one of the following matching result scenarios (S):

| S | Combination Payment Account Number-Name of the Payment Counterparty | Combination Payment Account Number-identification code |
|---|---|---|
| 1. | Match | Match |
| 2. | Match | No Match |
| 3. | Match | Code not supported/known by Responding PSP |
| 4. | Close Match with Name of Payment Counterparty | Match |
| 5. | Close Match with Name of Payment Counterparty | No Match |
| 6. | Close Match with Name of Payment Counterparty | Code not supported/known by Responding PSP |
| 7. | No Match | Match |
| 8. | No Match | No Match |
| 9. | No Match | Code not supported/known by Responding PSP |

**Table 1: Matching result scenarios**

In case the Responding PSP is not in the position to produce a matching result due to reasons other than those linked to a verification of the combination(s) of the information attributes requested (e.g., incorrect or incomplete Payment Account Number, Payment Account Number not managed by the Responding PSP, VOP service not available, etc), the Responding PSP provides the Requesting PSP with an accurate reason code.

The Responding PSP may manage a Payment Account Number held in the name of yet another PSP (customer-PSP) whereby this Payment Account Number is used to receive Funds which are then further transmitted to another internal account (as specified in AT-C007) managed by the customer-PSP. The Responding PSP and the customer-PSP concerned must agree on a procedure and on the liabilities emanating from it, outside the scope of the Scheme on how and by whom of

the two parties an VOP Response is determined for such specific situations. The Responding PSP nevertheless sends the VOP Response to the Requesting PSP as it received the initial VOP Request.

The Requesting PSP reports the received VOP Response unaltered to the Requester.

### 3.4    Overview of the VOP Process & Time Cycle

This section describes the terms used to define the Execution Time Cycle.

Section 3.6 below provides a more detailed explanation of the process.

#### 3.4.1    *Start of the VOP Execution Time Cycle*

The execution time for an VOP Request shall commence when the Requesting PSP

i)    is sure that the VOP Request is related to the Requester's intention to initiate a Payment Account-based Payment to the Payment Counterparty;

ii)    has Instantly determined that the Requester has provided the Requesting PSP with all mandatory attributes for an inter-PSP VOP processing as specified under section 3.2 and in accordance with the VOP processing conditions of the Requesting PSP; and

iii)    has applied Instantly all necessary checks on the provided attributes (e.g., correct and complete structure of the Payment Account Number).

When all necessary checks on the provided attributes have been applied with success, the Requesting PSP Instantly prepares an VOP Request message based on the provided attributes. The Requesting PSP completes this process by putting a Time Stamp when sending the VOP Request message. The Time Stamp (see section 3.4.2 A) marks the starting point in time of the Execution Time Cycle of the VOP Request.

#### 3.4.2    *Maximum Execution Time*

**A. Time Stamp**

To allow an accurate control of the maximum execution time by all parties involved in the VOP Request and related Response process, the Requesting PSP must add a Time Stamp in the VOP Request message (refer to attribute AT-T056) marking the start of the Execution Time Cycle (see section 3.4.1).

**B. Maximum execution time**

Latest at **03 seconds (preferably 1 second or less)**  after the Requesting PSP has **put the Time Stamp in accordance with section 3.4.1** to the VOP Request message and Instantly sent the VOP Request message to the Responding PSP, the Requesting PSP must have **received** the VOP Response from the Responding PSP.

Participants are free to agree on a bilateral or multilateral basis with other Participants on a shorter maximum execution time than 03 seconds. This lower maximum execution time only applies to those Participants that have concluded such agreement.

Once the Requesting PSP receives the VOP Response message, it must Instantly inform the Requester about the matching result (i.e. Match, No Match, Close Match with the Name of the Payment Counterparty, identification code not supported/known by the Responding PSP) or with another reason.

In case the Requesting PSP is not provided with a matching result in the VOP Response but with a VOP failure reason other than those linked to a verification of the combination of the information

attributes requested, the Requesting PSP Instantly provides the Requester with an accurate reason for the VOP failure.

In case the Requesting PSP was not provided with any VOP Response at all within the maximum execution time of 03 seconds, the Requesting PSP Instantly provides the Requester with the explanation that a VOP action could not be performed for a reason unknown to the Requesting PSP (i.e. Match/verification not possible).

**When a Response other than a Match is received or no Response at all has been received within the maximum execution time, the Requesting PSP also Instantly informs the Requester that authorising the Payment Account-based Payment may lead to transferring Funds to a Payment Account not held by the Payment Counterparty as indicated by the Requester.**

If the Response is received after the maximum execution time of 3 seconds, the Requesting PSP must discard that Response, as the reply to the Requester has already been provided.

### 3.5    Charging Principles for VOP Requests

The basis and level of any charges to PSUs are determined by each Participant in accordance with applicable law and are entirely a matter for individual Participants and their PSUs.

### 3.6    VOP Processing Flow

The following diagram of the VOP processing flow (PR-01) identifies a number of process steps, which are described below.
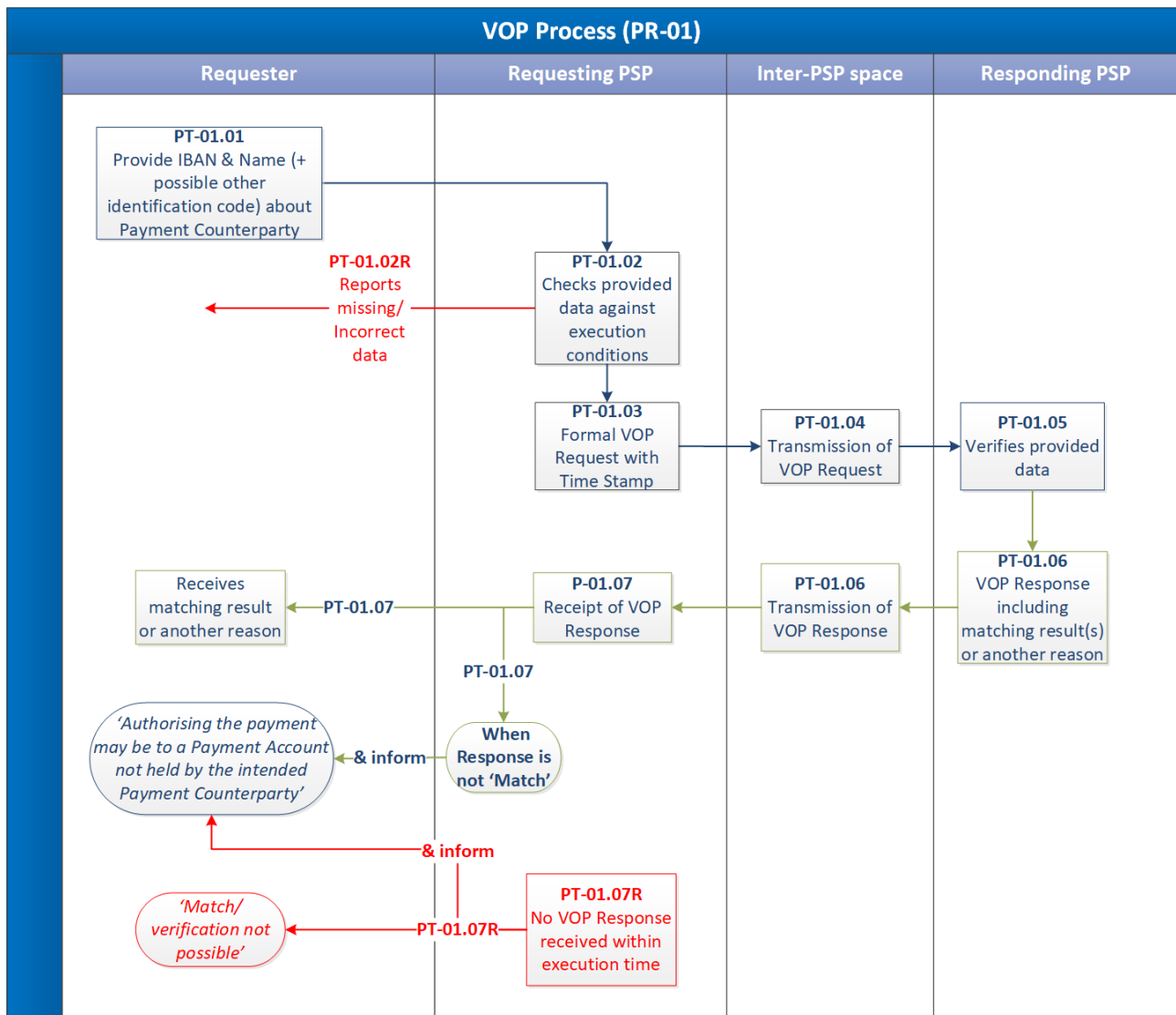
*Figure 3: VOP* Process *(PR-01)*

Note: The Requesting PSP may use an RVM to transmit the VOP Request and receive the VOP Response. The RVM then fulfils the role of Requesting PSP in the process steps PT-01.03 and PT-01.07. The Responding PSP may use an RVM which may initiate VOP Responses on behalf of the Responding PSP. The RVM then fulfils the role of the Responding PSP in the process steps PT-01.05 and PT-01.06. The RVMs do this from a strict processing point of view. In such specific processing approach the responsibilities and liabilities stipulated under the Scheme remain with the respective PSPs.

**PT-01.01**    The Requester intends to make a Payment Account-based Payment to another PSU being the Payment Counterparty holding a Payment Account at a PSP based in SEPA.

The Requester or a party on behalf of the Requester provides the Requesting PSP with the combination of information attributes as specified under section 3.2. The information attributes will be submitted by any means agreed between the Requester and the Requesting PSP. The data elements to be provided are defined in dataset DS-01 in section 3.7.1.

PT-01.02      The Requesting PSP receives the information attributes.

It Instantly checks whether the provided information attributes fulfil the execution conditions required by the procedures for an inter-PSP VOP processing under the Scheme and in accordance with the VOP processing conditions of the Requesting PSP. This includes the validation of the Payment Account Number.

PT-01.02R     In case one or more information attributes provided by the Requester are incomplete or incorrect, the Requesting PSP Instantly informs the Requester about the incomplete or incorrect information attributes, or as soon as practicable but only in case the Requester and the Requesting PSP have agreed upfront on another notification timeline.

PT-01.03      When all necessary checks on the provided attributes have been applied with success, the Requesting PSP Instantly prepares an VOP Request message based on the provided attributes.

The Requesting PSP completes this process by putting a Time Stamp in the created VOP Request message. The Time Stamp (see section 3.4.2 A) marks the starting point in time of the Execution Time Cycle of the VOP Request.

PT-01.04      The Requesting PSP Instantly sends the VOP Request message in the Inter-PSP Space to ensure the Responding PSP receives the VOP Request in accordance with the rules of the Scheme.

The data elements to be provided are defined in dataset DS-02 in section 3.7.2.

The Requesting PSP uses the path and any possible supplier(s) of its choice to Instantly transmit its VOP Request to the Responding PSP.

PT-01.05      The Responding PSP receives the VOP Request. It Instantly verifies whether the provided attributes about the Payment Counterparty, match with the concerned data kept by the Responding PSP for that Payment Counterparty.

PT-01.06      The Responding PSP Instantly sends its VOP Response message with the appropriate matching result to the Requesting PSP (i.e. Match, No Match, Close Match with the Name of the Payment Counterparty, identification code not supported/known by the Responding PSP) within the maximum execution time defined in section 3.4.2 into the Inter-PSP Space following the same path as the initial VOP Request message. The Responding PSP completes this process by putting a Time Stamp (AT-T061) in the created VOP Response message.

The data elements to be provided are defined in the dataset DS-03 (section 3.7.3).

PT-01.07      The Requesting PSP receives the VOP Response from the Responding PSP.

The Requesting PSP Instantly provides the Requester with the appropriate matching result (i.e. Match, No Match, Close Match with the Name of the Payment Counterparty, identification code not supported/known by the Responding PSP), or as soon as practicable but only in case the Requester and the Requesting PSP have agreed upfront on another notification timeline.

In case of a Response other than a Match Response, the Requesting PSP also Instantly informs the Requester that authorising the Payment Account-based

Payment may lead to transferring Funds to a Payment Account not held by the Payment Counterparty as indicated by the Requester.

The data elements to be provided are defined in the dataset DS-04 in the section 3.7.4.

**PT-01.07R**    The Requesting PSP has not received any VOP Response from the Responding PSP within the maximum execution time defined in section 3.4.2.

The Requesting PSP must Instantly inform the Requester that the provided information attributes could not be verified, or as soon as practicable but only in case the Requester and the Requesting PSP have agreed upfront on another notification timeline.

The Requesting PSP also Instantly informs the Requester that authorising the Payment Account-based Payment may lead to transferring Funds to a Payment Account not held by the Payment Counterparty as indicated by the Requester.

The data elements to be provided are defined in the dataset DS-04 in the section 3.7.4.

## 3.7    Business Requirements for Datasets

The datasets are the following:

**DS-01**   PSU-to-PSP VOP Information

**DS-02**   Inter-PSP VOP Request Dataset

**DS-03**   Inter-PSP VOP Response Dataset

**DS-04**   PSP-to-PSU VOP Information

### 3.7.1   DS-01 The PSU-to-PSP VOP Information

| Identification | DS-01 |
|---|---|
| **Name** | **The PSU-to-PSP VOP Information** |
| **Description** | The following list of attributes represents the full range of data which may be provided by the Requester or on its behalf to the Requesting PSP and transported under the Scheme rules via Dataset DS-02. |
| **Attributes contained** | • E001 The name of the Payment Counterparty <br> • E005 The identification code of the Payment Counterparty <br> • E013 The type of the identification code of the Payment Counterparty (E005) <br> • C001 The Payment Account Number of the Payment Counterparty <br> • C007 Additional information about AT-C001 sent by the Requester <br> • T014 The Requester's reference of the VOP Request |
| **Rules applied** | In the PSU-to-PSP Space, the Requester and the Requesting PSP can agree to exchange several VOP Requests as single items or as a bulk VOP Request. <br><br> A single Request relates to one Requester who wishes to verify a specific Payment Account Number in combination with the name and potentially in addition the identification code about one specific Payment Counterparty. A bulk Request relates to one Requester who wishes to verify more than one Payment Account Number in combination with the name and potentially in addition the identification code about one or several Payment Counterparties. <br><br> Where any of the above attributes are provided by the Requester, they must be sent by the Requesting PSP to the Responding PSP in accordance with DS-02 (section 3.7.2). |

### 3.7.2   DS-02 The Inter-PSP VOP Request Dataset

| Identification | DS-02 |
|---|---|
| **Name** | **The Inter-PSP VOP Request dataset** |
| **Description** | This dataset describes the content of the inter-PSP VOP Request message (mandatory unless otherwise indicated). |
| **Attributes contained** | • D002 The BIC of the Requesting PSP <br> • E001 The name of the Payment Counterparty <br> • E005 The identification code of the Payment Counterparty (optional) <br> • E013 The type of the identification code of the Payment Counterparty (E005) (optional) <br> • C001 The Payment Account Number of the Payment Counterparty <br> • C002 The BIC of the Responding PSP <br> • C007 Additional information about AT-C001 sent by the Requester (optional) <br> • T014 The Requester's reference of the VOP Request |

| Identification | DS-02 |
|---|---|
| Name | The Inter-PSP VOP Request dataset |
| | • T054 The Requesting PSP's reference number of the VOP Request<br>• T056 Time Stamp of the VOP Request |
| Technical characteristics | From a business perspective, inter-PSP VOP Requests are always considered to be single requests, containing just one Payment Account Number of the Payment Counterparty (C001) and the name of just one Payment Counterparty (E001). |
| Rules applied | Optional attributes that are provided in DS-01 must be forwarded via DS-02 to the Responding PSP. |
| Remarks | These attributes reflect business requirements and do not prescribe fields in the VOP Scheme Inter-PSP Implementation Guidelines as defined in section 0.5. |

### 3.7.3   DS-03 The Inter-PSP VOP Response Dataset

| Identification | DS-03 |
|---|---|
| Name | The Inter-PSP VOP Response Dataset |
| Description | This dataset describes the content of a response message to a VOP Request message (mandatory unless otherwise indicated). It is sent Instantly by the Responding PSP up to the Requesting PSP within the maximum execution timeline defined in section 3.4.2.<br><br>The VOP Response message must follow the same path as the initial VOP Request message.<br><br>The Responding PSP Instantly provides the Requesting PSP with the appropriate matching result (i.e. Match, No Match, Close Match with the Name of the Payment Counterparty, identification code not supported/known by the Responding PSP) or with another reason. |
| Attributes contained | • D002 The BIC of the Requesting PSP<br><br>• T014 The Requester's reference of the VOP Request<br><br>• T054 The Requesting PSP's reference number of the VOP Request<br><br>• T061 Time Stamp of the VOP Response<br><br>• R001 The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-Name of the Payment Counterparty<br><br>• R010 The name of the Payment Counterparty as reported by Responding PSP (limited to Close Match only)<br><br>• R011 The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-other identification code of the Payment Counterparty (optional) |

### 3.7.4   *DS-04 PSP-to-PSU VOP Information Dataset*

| Identification | DS-04 |
|---|---|
| **Name** | **The PSP-to-PSU VOP information dataset** |
| **Description** | Description of the full range of data that a Requesting PSP can make available to the Requester.<br><br>The Requesting PSP Instantly provides the Requester with the data, or as soon as practicable but only in case the Requester and the Requesting PSP have agreed upfront on another notification timeline. |
| **Attributes contained** | • C001 The Payment Account Number of the Payment Counterparty<br><br>• T014 The Requester's reference of the VOP Request<br><br>• R001 The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-Name of the Payment Counterparty<br><br>• R010 The name of the Payment Counterparty as reported by Responding PSP (limited to Close Match only)<br><br>• R011 The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-other identification code of the Payment Counterparty |
| **Rules applied** | The data to be shared with the Requester will be submitted by any means agreed between the Requester and the Requesting PSP. |

### 3.8    Business Requirements for Attributes

This section defines the business requirements for the attributes used by the Scheme. The attributes used in the VOP datasets are described below. Attribute numbering is as follows:

- AT-**P**xxx for attributes related to the **P**ayer (i.e. Requester);
- AT-**E**xxx for attributes related to the Paye**e** (i.e. Payment Counterparty);
- AT-**D**xxx for attributes related to the Payer's PSP ('**D**ebtor agent');
- AT-**C**xxx for attributes related to the Payee's PSP ('**C**reditor agent');
- AT-**T**xxx for attributes related to the VOP '**T**ransaction' (i.e. the VOP Request) and which may be provided as well in VOP Responses;
- AT-**R**xxx for attributes only related to VOP **R**esponses.

This numbering is only for cross referencing purposes within the Rulebook.

| AT-E001 | The name of the Payment Counterparty |
|---|---|
| AT-E005 | The identification code of the Payment Counterparty |
| AT-E013 | The type of the identification code of the Payment Counterparty (E005) |
| AT-C001 | The Payment Account Number of the Payment Counterparty |
| AT-C002 | The BIC of the Responding PSP |
| AT-C007 | Additional information about AT-C001 sent by the Requester |
| AT-D002 | The BIC of the Requesting PSP |
| AT-T014 | The Requester's reference of the VOP Request |
| AT-T054 | The Requesting PSP's reference number of the VOP Request |
| AT-T056 | Time Stamp of the VOP Request |
| AT-T061 | Time Stamp of the VOP Response |
| AT-R001 | The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-Name of the Payment Counterparty |
| AT-R010 | The name of the Payment Counterparty as reported by Responding PSP |
| AT-R011 | The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-other identification code of the Payment Counterparty |

### 3.8.1   Attribute Details

| Identification: | AT-E001 |
|---|---|
| Name: | **The name of the Payment Counterparty** |
| Description: | The name of the Payment Counterparty (i.e. Payee) as supplied by the Requester whom the Requester intends to transfer Funds to. |

| Identification: | AT-E005 |
|---|---|
| Name: | **The identification code of the Payment Counterparty** |
| Description: | A code potentially supplied by the Requester in addition to AT-E001 and AT-C001 and to be delivered unaltered to the Responding PSP. Such code must unambiguously identify the Payment Counterparty. Examples of AT-E005 are a VAT number, an LEI, a company registration code, social security code, electronic ID. |

| Identification: | AT-E013 |
|---|---|
| Name: | **The type of the identification code of the Payment Counterparty (E005)** |
| Description: | The type of the identification code of the Payment Counterparty (E005) is information on the high-level nature of E005. It can have different goals: allow the Requesting PSP to offer a specific processing agreed with the Requester, or allow the Responding PSP to apply a specific processing. |
| Value range: | All codes part of the ISO standard are accepted. |

| Identification: | AT-C001 |
|---|---|
| Name: | **The Payment Account Number of the Payment Counterparty** |
| Description: | The International Bank Account Number (IBAN) used to uniquely identify the Payment Account of a Payment Service User at a financial institution. <br><br> The ISO standard 13616 applies. |

| Identification: | AT-C002 |
|---|---|
| Name: | **The BIC of the Responding PSP** |
| Description: | See Chapter 6. |

| Identification: | AT-C007 |
|---|---|
| Name: | **Additional information about AT-C001 sent by the Requester** |
| Description: | A maximum of 140 characters for another account identifier than AT-C001 and being only meaningful to the Requester and to the intended Payment Counterparty. <br><br> This identifier represents or relates to a sub-account managed or held by the intended Payment Counterparty itself. Funds eventually credited on this sub- |

| Identification: | AT-C007 |
|---|---|
| Name: | Additional information about AT-C001 sent by the Requester |
| | account are firstly booked on AT-C001 'The Payment Account Number of the Payment Counterparty' managed by the Responding PSP.<br><br>The information is provided by the Requester or on its behalf to the Requesting PSP in DS-01 (section 3.7.1). This attribute must be passed on in DS-02 (section 3.7.2).<br><br>This additional information can be of added value for the Responding PSP in formulating its Response to the VOP Request message.<br><br>This attribute shall not be used as an alternative to the attribute AT-E005 'The identification code of the Payment Counterparty'. |

| Identification: | AT-D002 |
|---|---|
| Name: | The BIC of the Requesting PSP |
| Description: | See Chapter 6. |

| Identification: | AT-T014 |
|---|---|
| Name: | The Requester's reference of the VOP Request |
| Description: | This reference identifies for a given Requester each VOP Request presented to the Requesting PSP, in a unique way. This number will be transmitted in the entire process of the handling of the VOP Request from its acceptance until the provision of the VOP Response to the Requester. The Requester shall not request for any other referencing information to be returned to him, in order to identify a VOP Request. The Requester must define the internal structure of this reference; it can only be expected to be meaningful to the Requester. |
| Value range: | If no reference is provided by the Requester, this attribute has default value "Not provided". |

| Identification: | AT-T054 |
|---|---|
| Name: | The Requesting PSP's reference of the VOP Request message |
| Description: | The reference of the VOP Request given by the Requesting PSP, which is to be delivered unaltered to the Responding PSP. |

| Identification: | AT-T056 |
|---|---|
| Name: | Time Stamp of the VOP Request |
| Description: | This Time Stamp defines the start of maximum execution time defined in section 3.4.1 and is inserted by the Requesting PSP. The Time Stamp must be unambiguous and at least include milliseconds. |

| Identification: | AT-T061 |
|---|---|
| Name: | **Time Stamp of the VOP Response** |
| Description: | This Time Stamp is inserted by the Responding PSP. It defines the moment when the Responding PSP has sent its VOP Response to the Requesting PSP. The Time Stamp must be unambiguous and at least include milliseconds. |

| Identification: | AT-R001 |
|---|---|
| Name: | **The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-Name of the Payment Counterparty** |
| Description: | This code allows to identify the type of response to the Inter-PSP VOP Request message for the combination of the Name of the Payment Counterparty and the Payment Account Number of the Payment Counterparty. |
| Value range: | • Match<br>• No Match<br>• Close Match with the Name of the Payment Counterparty<br>• Match/verification check not possible |

| Identification: | AT-R010 |
|---|---|
| Name: | **The name of the Payment Counterparty as reported by Responding PSP** |
| Description: | The name of the Payment Counterparty as supplied by the Responding PSP back to the Requesting PSP and the Requester in case AT-R001 indicates Close Match.<br><br>**The use of this attribute is limited to Close Match only.** |

| Identification: | AT-R011 |
|---|---|
| Name: | **The type of response to the Inter-PSP VOP Request message on the combination Payment Account Number-other identification code of the Payment Counterparty** |
| Description: | This code allows to identify the type of response to the Inter-PSP VOP Request message for the combination of the Payment Account Number of the Payment Counterparty and a code that unambiguously identifies the Payment Counterparty (i.e. attribute AT-E005). |
| Value range: | • Match<br>• No Match<br>• Identification code not supported/known by the Responding PSP |

## 4   RIGHTS AND OBLIGATIONS OF PARTICIPANTS

*Disclaimer: This chapter is to be reviewed/amended/completed by the EPC Legal Support Group, also in light of the outcome of the ongoing public consultation.*

### 4.1   The Scheme

Participation in the VOP Scheme is based on compliance with the following guiding principles:

- Participants from all countries in SEPA participate on the basis that the level playing field principle is respected;

- All adhering Participants shall comply with the VOP Scheme Rulebook on the same basis as all other Participants;

- Participants need to ensure that the Regulation on Information on the Payer accompanying Transfers of Funds and the provisions of Title III and Title IV of [7] affecting credit transfers enabled by the VOP Scheme are effectively represented in law or substantially equivalent binding practice. For the avoidance of doubt, it is recognised that the compliance obligations for a Participant that is not subject to [7] under its national law and is operating outside the EEA shall not include the obligations resulting from Article 66 and related Articles of [7] as these Articles should only apply in combination with the authorisation framework within the EEA in accordance with Titles I and II of [7].

### 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;

- VOP Scheme Inter-PSP Implementation Guidelines;

- The Internal Rules, as set out in Chapter 5 to this Rulebook;

- Any validly made order or notice issued as part of the VOP processes under the Rulebook and the Internal Rules.

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

The Rulebook is a multilateral agreement comprising contracts between:

- The EPC and each Participant; and

- Each Participant and every other Participant.

A person who is not a party to the Rulebook shall have no rights or obligations under the Rulebook.

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

### 4.3   Reachability

Participants being Account-Servicing PSPs as defined under [7], shall participate in the Scheme in the role of Requesting PSP <u>and</u> of Responding PSP. In the role of Responding PSP, they shall process the VOP Requests and send VOP Responses according to the rules of the Scheme.

Participants being PSPs other than Account-Servicing PSPs as defined under [7] shall participate in the Scheme in the role of at least Requesting PSP. In the role of Requesting PSP, they shall initiate VOP Requests according to the rules of the Scheme.

There are several ways for Participants to send and receive VOP Requests and VOP Responses to and from other Participants across SEPA.

A Participant can use the operational services of a RVM to assist in the provision of its services to Requesters and Requesting PSPs.

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

Participants can choose any solution or a combination of solutions, as long as Reachability and compliance with the Scheme is effectively ensured. A Participant uses the services of a RVM or Intermediary PSP at its own risk.

It is recognized that a Participant may temporarily not be reachable in exceptional circumstances.

### 4.4    Eligibility for participation

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

1.  Be licensed as a PSP as defined under [7] and [5].
2.  Be either incorporated and licensed in a SEPA country or territory, or licensed by an appropriate EEA regulatory body;
3.  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;
4.  Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;
5.  Comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing;
6.  Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

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 [4].

An applicant which has been authorised as a payment institution under Article 11 of [7], or any other payment service provider listed in Article 1.1 of [7], 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 Payment Service Users;

2. Be either incorporated and licensed in a SEPA country or territory or licensed by an appropriate EEA regulatory body;

3. Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;

4. Comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing;

5. Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

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 Secretariat may request such an applicant to demonstrate (in its 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 PSMB.

### 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 EPC in accordance with its application procedures as set out in the Internal Rules.

To apply to become a Participant, an undertaking shall submit to the EPC an executed and original Adherence Agreement and submit Supporting Documentation to the EPC. A Participant may appoint an agent to complete an Adherence Agreement on its behalf.  If the latter procedure is adopted, the Participant undertakes all rights and obligations under the Rulebook and the documents specified in section 4.2 above as if it had completed the Adherence Agreement itself.

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

An applicant becomes a Participant on an admission date specified by the EPC in accordance with the Internal Rules. 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 Internal Rules.

### 4.6    List of VOP Participants

The List of VOP Participants is maintained in good and up-to-date order and is available to Participants when issued or updated.

Such list contains:

- 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 will be provided by Participants in accordance with the Scheme management process as stipulated in the Internal Rules.

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 Requesting PSP

In respect of each of its Requesters, a Requesting PSP shall:

1. Ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme, in accordance with applicable law;

2. Ensure that such Terms and Conditions are consistent with the Rulebook;

3. Ensure that such Terms and Conditions make adequate provision for the Requesting PSP's succession (e.g. through merger or acquisition), in accordance with the Rulebook;

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 Requesting PSP's need to screen information);

5. Ensure that such Terms and Conditions contains a requirement that the Requester has the legitimate right to collect the Payment Counterparty information and furthermore initiate the Request with the collected information about the Payment Counterparty;

6. Be able to process VOP Requests and the related VOP Responses as defined in the Rulebook, 24 hours a day on all Calendar Days of the year. This includes all business continuity arrangements set up by the Requesting PSP itself or on behalf of the Requesting PSP to guarantee the processing of VOP Requests and the related VOP Responses;

7. Not restrict its Requesters from obtaining similar services relating to the Scheme from any other Requesting PSP;

8. Provide the Responding PSP with the required information attributes (as described in DS-02, in Chapter 3) in sufficient time and manner to allow the Responding PSP to comply with its obligations under the Rulebook;

9. Identify the VOP Request to the Responding PSP as a VOP Request made under the terms of the Scheme;

10. Treat any VOP Request not fulfilling the requirements of the Rulebook outside the Scheme or decline to process such instruction;

11. Provide the Requesters with the means of initiating VOP Requests and accepting the applicable data and format requirements;

12. Ensure the authenticity and validity of the Requester's instructions;

13. Validate each VOP Request, accept (subject to account status and the terms of its agreement with the Requester) each valid VOP Request, and reject each invalid VOP Request. For these purposes, validation includes checking the plausibility of the Payment Account Number of the Payment Counterparty and when requested by the Requesting PSP, the validity of the Responding PSP's BIC;

14. Provide an explanation to the Requester of the reason for rejecting any VOP Request in a manner and within a timeframe as may be agreed with the Requester;

15. Following acceptance of a VOP Request, route Immediately the VOP Request to the specified Responding PSP;

16. Provide an explanation to the Requester and/or the Responding PSP as to how a VOP Request and/or VOP Response has been processed and provide the Requester with all reasonably requested information in the event of a dispute;

17. Make reasonable efforts to ensure that i) the Requester is not misusing services based on the Scheme; ii) it will take appropriate actions towards any Requester who is misusing the services based on the Scheme, or is not acting in accordance with relevant applicable law;

18. In case a Response other than a Match is received or no Response at all has been received from the Responding PSP within the maximum execution time defined in section 3.4.2, Instantly informs the Requester that authorising the Payment Account-based Payment may lead to transferring Funds to a Payment Account not held by the Payment Counterparty as indicated by the Requester;

19. Only process and store the information received from the Responding PSP on the VOP Request for the purpose of providing a Response about such information to the Requester;

20. Ensure that all VOP Requests comply with the standards set out in the VOP Scheme Inter-PSP Implementation Guidelines;

21. Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and ANNEX II;

22. Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;

23. Enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of Know Your Customer;

24. Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;

25. Enter into legally binding agreements with their VOP service providers covering all functions performed by those providers in direct connection with the Scheme, ensure that such

agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;

26. Require the RVM(s) to which it may be connected to act in compliance with the Scheme rules;

27. Provide Requesters with adequate information on their risks as well as the respective rights and obligations of the Requester, Requesting PSP and the Responding PSP, where relevant, including those specified in the applicable legislation, in relation to the VOP as well as to the Scheme in question, and information about the service level offered and any charges that apply to the service being performed;

28. Immediately (without any further delay) report to the EPC about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;

29. Without delay report to the EPC about issues or complaints related to VOP Requests and VOP Responses that were raised by Requesters and about internal or external audit findings, where such issues, complaints or findings may reasonably be of scheme-wide importance;

30. In case a Requesting PSP is also the Requester of the VOP Request, the provisions of the present section apply subject to applicable law.

It is a precondition to the Requesting PSP's obligations in respect of a VOP Request, that the Payment Counterparty has provided to the Requester the Payment Account Number of the Payment Counterparty.

A Requesting PSP shall oblige each of its Requesters, in relation to any VOP Request which the Requesting PSP accepts, in accordance with the relevant requirements set out in the Rulebook, to:

31. Provide the Requesting PSP with sufficient information for the Requesting PSP to make the VOP in compliance with the Rulebook;

32. Supply the required payment data accurately, consistently, and completely.

## 4.8 Obligations of a Responding PSP

In respect of each Requesting PSP, a Responding PSP shall:

1. Ensure that Terms and Conditions exist 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 Responding PSP's succession (e.g. through merger or acquisition), in accordance with the Rulebook;

3. Be able to Instantly process VOP Requests and Instantly initiate VOP Responses as defined in the Rulebook, 24 hours a day on all Calendar Days of the year. This includes all business continuity arrangements set up by the Responding PSP itself or on behalf of the Responding PSP to guarantee the processing of VOP Requests and the initiation of VOP Responses;

4. Provide the Requesting PSP with a VOP Response message containing the appropriate matching result in accordance with the laws applicable to the Responding PSP, or with another reason, within the maximum execution time defined in section 3.4.2 and whereby the VOP Response message follows the same path as the initial VOP Request message;

5. Enter into a contract directly or indirectly with a possible RVM on the basis of terms that would enable it to deliver on its VOP Response obligations as defined in the Rulebook towards the Requesting PSP and other processing obligations described in the Rulebook;

6. Apply the standards set out in the VOP Scheme Inter-PSP Implementation Guidelines to the processing of its received VOP Requests and to the provision of VOP Responses to the Requesting PSPs;

7. Validate the syntax of the VOP Request, accept it if it is in accordance with the requirements of the Rulebook, and provide the Requesting PSP with a reason code if the VOP Request is invalid or incomplete;

8. In the event of a dispute, provide the Requesting PSP with an explanation as to how an VOP Request has been processed and any further information reasonably requested;

9. Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and ANNEX II;

10. Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;

11. Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;

12. Enter into legally binding agreements with their VOP service providers covering all functions performed by those providers in direct connection with the Scheme, ensure that such agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;

13. Require the RVM(s) to which it may be connected to act in compliance with the Scheme rules;

14. Immediately (without any further delay) report to the EPC about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;

15. Without delay report to the EPC about issues or complaints related to VOP Requests and VOP Responses that were raised by Requesting PSPs or Requesters and about internal or external audit findings, where such issues, complaints or findings may reasonably be of scheme-wide importance;

16. In case a Responding PSP is also the Payment Counterparty of the VOP Request, the provisions of the present section apply subject to applicable law.

*4.9* **Limitation of Liability** *[section subject to further elaboration pending public consultation feedback]*

*4.9.1* <u>*Compensation for Breach of the Rulebook*</u>

A Participant who is party to an VOP Request shall be liable to the other Participant who is also party to that VOP Request for all foreseeable losses, costs, damages and expenses (including reasonable legal fees), taxes and liabilities for any claims, demands or actions (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 VOP Request or the related VOP Response 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 VOP Request or the related VOP Response insofar as relevant to the operation of the Scheme;

3. Any operational failure of the relevant Participant, its employees or agents relating to the VOP Request or the related VOP Response insofar as relevant to the operation of the Scheme.

### 4.9.2   *Limits on Liability*

A Participant's liability under the Rulebook is limited as follows:

1.  The maximum amount which may be claimed in respect of a Loss is the amount of the Payment Account-based Payment concerned which can be related to the specific VOP Request and the related VOP Response;

2.  The cap on liability applies even if there has been gross negligence by the liable Participant, its employees or agents;

3.  The cap on liability does not apply in the event of wilful intent by the liable Participant, or by the Participant's employees or agents;

4.  The maximum amount which may be claimed in respect of a Loss is subject to proportionate reduction in the case of contributory negligence of the Participant making the claim, its employees or its agents;

5.  A Loss which results from action taken to limit or manage risk shall not be claimed;

6.  A Loss should be regarded as foreseeable e.g., if it is regularly experienced by Participants active in initiating VOP Requests and the related VOP Responses within SEPA.

### 4.9.3   *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.  Such circumstances may include, but are not limited to, acts of God, criminal action, fire, flood and unavailability of energy supplies.

## 4.10  Liability of the EPC

The EPC, 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 effected in bad faith.

The EPC, its agents, its employees and the employees of its agents shall not be liable for any losses which are not foreseeable.

## 4.11  Termination

A Participant may terminate its status as a Participant by giving no less than six months' prior written notice to the EPC, such notice to take effect on a 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, it or a summary shall be published to all other Participants in an appropriate manner.

Notwithstanding the previous paragraph, upon receipt of the Participant's notice of termination by the EPC, the Participant and the EPC 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 termination of its status as a Participant, an undertaking shall not incur any new obligations under the Rulebook. Furthermore, upon such 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 VOP 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 List of VOP 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 the Internal Rules 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 EPC. 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 EPC 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 EPC 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 EPC 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 the Requester and the Requesting 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, Belgian 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 legislation between Participants

Each Participant that is not subject to [7] under its national law shall vis-à-vis other Participants and vis-à-vis its PSUs and to the extent permitted by the national law applicable to such Participant, comply with and perform obligations that are substantially equivalent to those provisions in Title III and IV of [7] which are relevant for VOP.

Further, each Participant (whether or not subject to [7]) shall refrain, to the extent reasonably possible, from exercising any rights accorded to it under its national law vis-à-vis other Participants and vis-à-vis its PSUs that either conflict or that could potentially conflict with the provisions in Title III and IV of [7].

The obligations of each Participant (whether or not subject to [7]) under the Rulebook shall apply notwithstanding that [7] is limited in its geographical scope (art.2 Payment Service Directive). For the avoidance of doubt and notwithstanding the above paragraphs of this section, it is recognised that the compliance obligations for a Participant that is not subject to [7] under its national law and is operating outside the EEA shall not include the obligations resulting from Article 66 and related Articles of [7] as these Articles should only apply in combination with the authorisation framework within the EEA in accordance with Titles I and II of [7].

The above principles apply mutatis mutandis to each Participant with respect to the provisions of Article 5 and the Annex of the SEPA Regulation.

## 5   VERIFICATION OF PAYEE SCHEME MANAGEMENT

The Verification Of Payee (VOP) Scheme Management Entity is EPC AISBL acting in accordance with the EPC By-Laws.

The VOP Scheme Management ('Scheme Management') comprises two functions. The first function involves the administration of the Scheme and the process of maintaining and managing the evolution of the Scheme, and the second function involves ensuring compliance with their rules.

The detailed rules that describe the operation of these functions are set out in the Internal Rules of the VOP Scheme Management under this Chapter of the Rulebook and in the Dispute Resolution Committee (DRC) Mandate.

### 5.1   Confirmation Of Payee Task Force (COP TF)

#### 5.1.1   *Composition of the COP TF*

The COP TF will consist of a maximum of 14 members drawn from representatives of EPC Members and Associate Members, and other qualified nominees.

The composition of the COP TF will be initiated by the Nominating and Governance Committee (NGC), with a call for candidates published through the EPC Secretariat. The PSMB will approve the final composition. The same procedure will apply to subsequent vacancies and additions.

Replacements of COP TF members during a mandate term are subject to NGC approval only. This rule does not apply to the role of Chair, the appointment of which as well as any subsequent changes during the mandate term require the endorsement of the PSMB. A limited number of observers may be appointed according to the procedure defined in the Internal Rules of the EPC (EPC149-19).

One alternate may be appointed to each COP TF member, subject to NGC approval. An alternate shall be appointed for the duration of the mandate of the relevant COP TF member and may only attend a COP TF meeting when the relevant COP TF member is unable to attend such meeting.

The Chair will be elected by the PSMB following a recommendation by the NGC that the candidate(s) meet(s) the profile for the role. In particular the Chair will be a senior PSP representative or a senior PSP association representative with wide strategic and practical experience of the payments market and with the available time and commitment. The Chair will be responsible for proactively guiding the COP TF in meeting its deliverables and ensuring coherence with EPC objectives.

The Secretary of the COP TF will be provided by the EPC Secretariat. The Secretary supports the Chair and is accountable for ensuring compliance with EPC processes.

#### 5.1.2   *Organisation*

The COP TF will meet physically or by telephone conference, according to the demands of its approved work programme.

Calls for meetings and agendas will be issued at least two weeks in advance and meeting papers will be provided at least one week in advance. Minutes will be made available by the EPC Secretariat to all COP TF members and when applicable and as appropriate to observers.

The COP TF will develop its conclusions and recommendations on the basis of broad consensus. In circumstances where such consensus is not achievable, and the matter is appropriate for the

conduct of a vote, a vote may be taken and, for this to be binding on the COP TF, a 2/3 majority on the basis of a quorum of 2/3 of the COP TF membership must be obtained. In the event of a serious divergence of views, reference will be made to the PSMB for advice and guidance. Alternatively, the matter could be directly passed on to the PSMB for decision with the indication of the various opinions.

When reporting the outcome of COP TF deliberations to the PSMB and recording them in minutes, reference will be made to both majority and minority positions.

### 5.1.3 *Mandate*

The COP TF holds its mandate from and is accountable to the PSMB. It will hold its mandate until otherwise directed by the PSMB and the EPC Board.

The members of the COP TF will at all times execute their mandate in accordance with the stipulations of the EPC Code of Conduct on competition law (EPC212-14), as amended from time to time.

### 5.1.4 *Scope*

The COP TF is responsible for the maintenance and further evolution of the Scheme, in particular for their core documentation, consisting of the Rulebook, Implementation Guidelines and other related documents.

The COP TF will apply the same Change Management Process as defined for the EPC Payment Scheme Management within the EPC. In particular, it will analyse all proposed change requests raised for the Scheme, and as appropriate will be responsible for developing proposals for submission to the PSMB, based on the evaluation criteria set out in the Change Management Process described in the EPC Payment Scheme Management Rules (EPC207-14).

Close cooperation will be maintained with the Dispute Resolution Committee (DRC). The DRC is fully accountable for all issues concerning compliance with the Scheme. When requested, the COP TF will assist the DRC in clarifying issues of interpretation and technical content of the Scheme.

## 5.2    Maintenance and evolution (change management process)

### 5.2.1 *Guiding principles*

It is a key objective of the EPC that the Scheme is able to evolve with a developing payments market. To meet the demands of the Participants and Stakeholders including end-users, PSP and non-PSP communities, the Scheme shall be subject to a change management process that is structured, transparent and open, governed by the rules of the management and evolution function of the Scheme Management.

The key principles underpinning change management are the following:

• Innovation - the Scheme shall be open to innovative proposals to improve delivery of the Scheme in order that the Scheme is competitive, efficient and able to benefit from the latest developments in payments technology.

• Compliance with applicable legislation and regulation - the Scheme shall be and remain at all times in compliance with the relevant Belgian and EU legislation and with any relevant regulatory requirements.

- Transparency - the change management process shall be transparent and open so that changes implemented into the Scheme are carefully considered and scrutinised. Establishing open channels for Participants, end-users and suppliers to propose changes is a key aim of change management.

- Impact analysis - proposals for change are supported, where appropriate, by a careful analysis evaluating its impact on the Scheme to ensure that implemented changes are viable.

- Development of an integrated international payment landscape – the Scheme is an important platform for Participants to develop international payment products and services to the benefit of both end-users and Participants.

### 5.2.2   *Role of the COP TF*

The change management process of the Scheme shall be performed by the COP TF who will formulate recommendations on the Change Requests received and interact with Stakeholders and end-users on the evolution of the Scheme and implement changes, taking into account the overall strategy and policy goals of the EPC, identifying key needs and finding appropriate solutions.

### 5.2.3   *Submission of Change Requests to the EPC Secretariat*

A Change Request denotes any concrete and comprehensible proposal for making a change to the Scheme which is to be presented along with a substantiated reasoning on why and how it concerns the Initiator (or the Stakeholders it is representing). A Change Request may be devised by any individual or organisation that is able to claim a legitimate interest in this change management process and is submitted to the EPC Secretariat.

A Change Request shall be submitted to the EPC Secretariat in accordance with the rules set out in this section. Change Requests shall be submitted in all cases in accordance with a format which will be published for this purpose on the EPC website.

The Initiator needs to substantiate the interests it represents (e.g., a specific institution, an association of institutions at national or at SEPA-level) in order that the COP TF and any contributor during the public consultation can understand the potential impact of the Change Request on the concerned Participant or Stakeholder.

It is recommended that different individuals or organisations representing as a whole a specific Stakeholder community at national and/or at SEPA level through e.g., an association or a representative body, agree first on a joint Change Request on that Stakeholder community level and then submit it to the EPC Secretariat. Such a joint Change Request will ease the Change Request review process for the COP TF prior to the public consultation and for the contributors when analysing the Change Requests during the public consultation.

It is recommended that the Initiator supports the Change Request, where appropriate, with an impact analysis. Such an impact analysis emphasises the merits of the Change Request and can influence the formulation of the COP TF recommendation on the Change Request prior to the start of the public consultation and the opinion of the contributors when analysing the Change Requests during the public consultation.

### 5.2.4   *Acknowledgement of receipt of a Change Request*

The EPC Secretariat shall acknowledge receipt of the Change Request to the Initiator within 5 Business Days of receiving the Change Request. An acknowledgement of receipt does not imply that a Change Request has been accepted but only that the Change Request has been received.

### 5.2.4.1   Consideration of a Change Request

The COP TF shall analyse (a) whether the change as suggested in a Change Request falls within the scope of the Scheme and (b) whether the change proposed by the Change Request is a Minor Change or a Major Change.

In respect of (a), as part of this analysis, the COP TF shall consider the change proposed by a Change Request in accordance with the following broad criteria:

- the change presents a case for wide SEPA market-acceptance;

- the change is sufficiently concrete;

- the change is feasible to implement; and

- the change must not compromise SEPA-wide interoperability of the Scheme or the integrity of the Scheme.

In respect of (b), the COP TF shall assess whether a Change Request proposing a change can be defined as a Minor Change or a Major Change.

A Minor Change is a change of an uncontroversial and usually technical nature that facilitates the comprehension and use of the Rulebook. Clarifications of existing rules shall not be deemed to affect the substance of the Rulebook or the Scheme and will therefore be a Minor Change. More information about the process for Minor Changes is set out in section 5.2.6 of this Rulebook.

A Major Change by contrast is a change that affects or proposes to alter the substance of the Rulebook and the Scheme. Examples of such changes include the proposals for new services to be offered in the Scheme, or changes affecting policy. Changes that are classified as Major Changes are approved through detailed consultation.

### 5.2.4.2   Publication of Change Requests

All Change Requests that comply with the published EPC template for Change Requests and with the section 5.2.4.1 of this Rulebook shall be submitted for public consultation. The COP TF shall provide the Initiator with a written response before the start of the public consultation indicating the reasons in the event that a Change Request shall not be considered for the public consultation.

### 5.2.5   _Process for Major Rulebook changes_

### 5.2.5.1   Preparation of COP TF recommendation

Once a Change Request from the Initiator has been classified as a Major Change by the COP TF, the COP TF is responsible for analysing in detail the submitted Change Request (and if provided the related impact analysis) and for preparing its recommendation for the public consultation.

The analysis of the COP TF will also indicate if the Change Request meets the criteria set out in section 5.2.4 of this Rulebook. The COP TF may ask the Initiator to provide an impact analysis to demonstrate the potential of the Change Request.

The COP TF will determine whether any Change Request which includes a request for expedited implementation on grounds that the proposed change constitutes a non-operational change, does indeed qualify as such. If the COP TF is satisfied that a Change Request would have no operational impact on Participants and that it is suitable for an expedited implementation, the COP TF will make a recommendation to the PSMB that the Change Request is implemented as a non-operational change.

Where the change as presented in the Change Request proposes to modify the Rulebook, the COP TF recommendation on the basis of the Change Request shall also show the likely amendments to be made to the Rulebook in case of implementing the proposed change.

The COP TF shall make all reasonable efforts to complete the analysis and its recommendation for each Change Request in a timely manner. Each Change Request will be given one of the COP TF Recommendation options below:

a. The change is already provided for in the Scheme: No action is necessary for the EPC.

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 Participant may decide to offer the feature to its Requesters, or not.

d. The change is not considered fit for the SEPA Geographic Area.

e. The change cannot be part of the Scheme:

- 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.

The COP TF will share the public consultation document containing the Change Requests and the related COP TF recommendations with the PSMB prior to the start of the public consultation on the Change Requests.

### 5.2.5.2   Dialogue with the Initiator

In the course of developing its recommendation on the Change Request, the COP TF may consult with the Initiator for clarification purposes. To that end the COP TF can invite the Initiator to present its Change Request(s).

The Initiator can also ask the EPC Secretariat to present its Change Request in further detail to the COP TF.

### 5.2.5.3   Public consultation on Change Request

Once the COP TF has concluded on its recommendations related to each Change Request, the COP TF shall begin the process of consulting Participants and Stakeholders on the submitted Change Requests, via a public consultation. The public consultation shall start with the publication of the public consultation document on the EPC website.

The COP TF shall aim to conclude the public consultation after 90 Calendar Days of publication of the public consultation document on the EPC website.

Participants are requested to inform whether they support or not the Change Request or the related COP TF Recommendation. Participants may provide comments on the Change Requests to the COP TF.

### 5.2.5.4 Process following public consultation

The COP TF shall collect and analyse the support for each Change Request and the comments received from all Participants and Stakeholders and shall develop its Change Proposals based on the comments received from the public consultation.

A Change Proposal as developed by the COP TF may bring together more than one change, developed from one or more Change Requests.

The COP TF will consolidate the Change Proposals, along with each Change Request and the related non-confidential comments received from the contributors during the public consultation, in the Change Proposal Submission Document.

The Change Proposal Submission Document shall indicate that each stage of the change management process, from initiation to consultation, has been properly completed in respect of the Change Request submitted.

The Change Proposal Submission Document is then submitted to the PSMB for decision-making purposes in accordance with section 5.2.5.5 of this Rulebook.

### 5.2.5.5 PSMB deliberations on the COP TF Change Proposal Submission Document

The PSMB deliberates on the Change Proposal Submission Document from the COP TF.

### 5.2.5.6 Publication

The Change Proposal Submission Document submitted to the PSMB shall be published on the EPC website along with the decision of the PSMB on each Change Proposal. The COP TF shall publish all Change Requests and Change Proposals, irrespective of whether the change has been accepted or rejected by the PSMB.

### 5.2.5.7 Exceptional change

In exceptional circumstances, the PSMB can approve the urgent implementation of a Change Proposal only in cases whereby the failure to implement a change may result in a disruption to the Scheme or to users of the Scheme (e.g., material mistakes or significant flaws in the Scheme are reported).

The COP TF shall prepare an exceptional change proposal submission document for submission to the PSMB alongside the exceptional Change Proposal.

The PSMB shall determine whether or not to accept the exceptional Change Proposal.

An exceptional Change Proposal that has been considered by the PSMB shall be published on the EPC website together with the exceptional change proposal submission document and the decision of the PSMB.

The EPC may implement an exceptional Change Proposal, as approved by the PSMB, at the earliest from the Business Day following the date on which the exceptional Change Proposal is published on the EPC website. Such date will be determined by the PSMB on a case-by-case basis.

### 5.2.5.8 Change for regulatory reasons

The creation of or amendments to relevant rules and regulations might necessitate the urgent alignment of the Scheme with such rules and regulations.

In such case the COP TF will prepare, in close cooperation with the EPC Legal Support Group (LSG), a regulatory Change Proposal. This will be done as soon as reasonably possible, in light of the date on which the new or amended rules and regulations will enter into force.

The COP TF shall complete a regulatory change proposal submission document for submission to the PSMB alongside the regulatory Change Proposal. The regulatory change proposal submission document shall specify that the change proposed relates to a mandatory rule of law, and the reasons why the regular change management process could not be followed.

The PSMB shall determine whether or not to accept the regulatory Change Proposal.

A regulatory Change Proposal that has been considered by the PSMB shall be published on the EPC website together with the regulatory change proposal submission document and the decision of the PSMB.

The EPC may implement a regulatory Change Proposal, as approved by the PSMB, at the earliest from the Business Day following the date on which the regulatory Change Proposal is published on the EPC website. Such date will be determined by the PSMB on a case-by-case basis following consideration of a recommendation from the COP TF and the LSG.

### 5.2.6 *Process for Minor Rulebook changes*

The COP TF shall notify the list of Minor Changes within the public consultation document used for Major Rulebook Changes (see section 5.2.5.3 of this Rulebook).

As Minor Changes do not affect the substance of the Rulebook or the Scheme, the contributors taking part in the public consultation are not requested to provide comments to these Minor Changes. These Changes will also be included in the COP TF change proposal submission document (see section 5.2.5.4 and 5.2.5.5 of this Rulebook).

In the event that the COP TF receives extensive comments on the list of Minor Changes, where some items on the list are identified by contributors as potentially Major Changes, the COP TF may remove the item from the list and consider re-classifying this item.

The COP TF may consult with the relevant Initiator(s) on the status of the item with a view to determining whether a change is a Minor or a Major Change. Following such a consideration, the change may be re-classified and approved as a Major Change.

### 5.2.7 *Frequency of the change management process*

The frequency of the change management process will be assessed and based on market needs and communicated well in advance.

The administration, maintenance and evolution function of Scheme Management establishes rules and procedures for administering the adherence process for the Scheme, as well as 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 Scheme, 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, service suppliers, PSUs as well as other concerned groups.

The administration function of the Scheme shall be carried out by the Secretariat, under the authority of the PSMB.

The development and evolution function shall be performed by the PSMB, supported by the COP TF or by such other working and support group as the PSMB may designate. The PSMB and the COP TF shall perform the development and evolution function in accordance with the procedures set out in the Internal Rules.

### 5.3    Compliance

The compliance function of Scheme Management establishes rules and procedures for addressing complaints related to the admission process of applicant Participants, cases of claimed non-compliance by Participants with the rules of the Scheme and for addressing situations where Participants are unable to resolve their grievances through local or national dispute resolution methods, always in a fair and transparent manner, in accordance with the Rulebooks and general principles of applicable law.

Pursuant to the EPC By-Laws, the compliance function of the Scheme is the responsibility of the Dispute Resolution Committee ("DRC"), under the delegated authority granted by the Board.

The role of the DRC is limited to the following:

- Scheme administration related complaints – the DRC shall be responsible for investigating complaints from applicant Scheme Participants whose application for participation in the Scheme has been rejected; and

- Scheme compliance related complaints – the DRC shall be responsible for investigating alleged breaches of the Rulebook of its own accord or following a complaint made by one or more Scheme Participants, evaluating such complaints and determining appropriate sanctions against Scheme Participants who are found to be in breach.

- Appeals – the DRC shall be responsible for hearing appeals brought in respect of decisions taken under the DRC's scheme administration (adherence) and compliance functions in accordance with a fair process that is separate from the process of decision-making at first instance.

The DRC Mandate sets out the detailed mandate of the DRC, including the dispute resolution and appeals processes in the context of Scheme Management by the EPC.

The roles, rights and powers of the PSMB and the DRC are set out in detail in the Internal Rules, in the DRC Mandate and in the EPC by-Laws.

The PSMB and the DRC are supported by a common EPC Secretariat in the exercise of their Scheme Management functions.

The parties to this Rulebook are the EPC and each Participant. The PSMB and the DRC are established by the EPC in accordance with the EPC By-Laws, the Internal Rules and the DRC Mandate as organs of the EPC. In this Rulebook, references to the rights, obligations and entitlements of the PSMB and the DRC may be read as references to the rights, obligations and entitlements of the EPC.

The Internal Rules form part of this Rulebook and may only be amended in accordance with the procedures set out in sections 5.2.3 to 5.2.7 included of the Internal Rules.

The Internal Rules shall be binding on Participants in accordance with section 1.7 and 4.2 of the Rulebook.

### 5.4 Scheme participation fees

The EPC reserves the right to recover costs to manage the Scheme from the Participants. The policy of the EPC regarding the fees related to the management of the Scheme will be decided from time to time by the EPC Board, upon recommendation of the PSMB.

The applicable fees will be fixed in a fair, reasonable and non-discriminatory way by the EPC Board upon a proposal submitted by the PSMB based on the fee setting mechanism approved by the EPC Board upon recommendation by the PSMB. These fees will be published in a timely manner on the EPC website.

## 6  DEFINED TERMS IN THE RULEBOOK

| Term | Definition |
|---|---|
| Additional Optional Services | Complementary features and services based on the Scheme, as described in Chapter 1.5 of the Rulebook. |
| Adherence Agreement | The agreement to be completed as part of the process by which an entity applies to become a Participant.  The agreement is found as ANNEX I of the Rulebook. |
| AOS | *See Additional Optional Services.* |
| BIC | See *Business Identifier Code.* |
| Business Identifier Code (BIC) | An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions. |
| Close Match with the Name of the Payment Counterparty | The Responding PSP reports to the Requesting PSP that the combination of the Name of the Payment Counterparty and the Payment Account Number of the Payment Counterparty as provided by the Requesting PSP in the latter's VOP Request, is almost a match with the payment account holder data as registered by the Responding PSP. |
|  | The reference [6] provides recommendations as of when such combination can be considered as a Close Match. |
| Directory Service Provider | See section 2.1. |
| Dispute Resolution Committee or "DRC" | EPC body that performs the compliance function of the Scheme Management as described in Chapter 5. |
| EPC | European Payments Council. |
| EPC By-Laws | The By-Laws of the European Payments Council as amended from time to time. |
| EU | European Union. |
| Execution Time Cycle | This describes the time constraints of a process in terms of seconds per key process step. |
| IBAN | International Bank Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616) ([2]). |
| Immediate(ly) | Synonym for Instant(ly). |
| Instant(ly) | At once, without delay. |
| Intermediary PSP | As described in section 2.4, a PSP which is neither the Requesting PSP nor the Responding PSP and which participates in the execution of an VOP Request and/or related Response. |

| Term | Definition |
|------|------------|
| **Internal Rules** | The Verification Of Payee Scheme Management Rules, as set out in Chapter 5 of the Rulebook, and as amended from time to time. |
| **Inter-PSP Space** | Covers the space in which Verification Of Payee service providers operate offering routing, verification or other technical services to the Requesting PSP and/or the Responding PSP. |
| **Issue or Complaint of scheme-wide Importance** | An issue or complaint of scheme-wide importance shall be understood to be 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. |
| **LEI** | Legal Entity Identifier. More information is available on the webpage Introducing the Legal Entity Identifier (LEI) - LEI – GLEIF. |
| **List of VOP Participants** | The list of Participants published by the EPC as specified under 4.6 of the Rulebook. |
| **Loss** | Shall have the meaning given in section 4.9 of the Rulebook. |
| **Major Incidents** | According to the ECB / Eurosystem's "major incident reporting framework for payment schemes and retail payment systems" (also referred to herein as 'the Framework') an incident should be understood as "operational or security incident" in the case of "a singular event or a series of linked events unplanned by … the scheme's governance authority[4] which has or will probably have an adverse impact on the integrity, availability, confidentiality, authenticity and/or continuity of payment-related services". <br><br> Incidents that fulfil either one or more criteria at the 'higher impact level' or three or more criteria at the 'lower impact level' should be classified as 'major' according to the Framework. The assessment of materiality of an operational or security incident shall be carried out by the Participant based on the detailed criteria which are made available to Participants and kept updated by the EPC in document EPC190-18. |

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[4] As defined in the ECB's "Harmonised oversight approach and oversight standards for payment instruments"

| Term | Definition |
|---|---|
| **Match** | The Responding PSP reports to the Requesting PSP that one of or both combinations below as provided by the Requesting PSP in the latter's VOP Request, is an exact match with the payment account holder data as registered by the Responding PSP: |
| | Combination of the Name of the Payment Counterparty and the Payment Account Number of the Payment Counterparty; |
| | Combination of the Payment Account Number of the Payment Counterparty and a code that unambiguously identifies the Payment Counterparty (see attribute AT-E005). |
| | The reference [6] provides recommendations as of when such combinations can be considered as a Match. |
| **Name of the Payment Counterparty** | The name of the payment account holder of the Payment Counterparty as provided by the Requester or on its behalf to the Requesting PSP. |
| | This information together with the Payment Account Number and potentially an unambiguous identification code of the Payment Counterparty are to be checked on their correctness by the Responding PSP. |
| **No Match** | The Responding PSP reports to the Requesting PSP that one of or both combinations below as provided by the Requesting PSP in the latter's VOP Request, does/do not match with the payment account holder data as registered by the Responding PSP: |
| | Combination of the Name of the Payment Counterparty and the Payment Account Number of the Payment Counterparty; |
| | Combination of the Payment Account Number of the Payment Counterparty and a code that unambiguously identifies the Payment Counterparty (see attribute AT-E005); |
| | The reference [6] provides recommendations as of when such combinations can be considered as a No Match. |
| **Participant** | An entity accepted to be a part of the Scheme in accordance with section 4.4 of the Rulebook. |
| **Payment Account** | An account held in the name of one or more Payment Service Users or by a PSP which is used for the execution of Payment Account-based Payments and having an IBAN as Payment Account Number. |

| Term | Definition |
|---|---|
| **Payment Account Number of the Payment Counterparty** | A payment account number being an IBAN of the Payment Counterparty as provided by the Requester or on its behalf to the Requesting PSP. <br><br> This information together with the Name of the Payment Counterparty and potentially an unambiguous identification code of the Payment Counterparty are to be checked on their correctness by the Responding PSP. |
| **Payment Account-based Payment** | An SEPA instant credit transfer or a SEPA credit transfer. |
| **Payment Counterparty** | A natural or legal person whom the VOP Request relates to. Under a Payment Account-based Payment, this counterparty will be the intended payee. <br><br> A PSP can take up the role of Payment Counterparty in accordance with applicable law and without detriment to the rules of the Scheme. See section 2.1 for its role in the Scheme. |
| **Payment Scheme Management Board, or "PSMB"** | The EPC body that is responsible for performing the EPC Payment Scheme Management Functions as defined in the Internal Rules. |
| **Payment Service User** | A natural or legal person making use of a payment service in the capacity of payer, payee, or both. Such person can take up the role of Requester under the Scheme. |
| **Payment Services Directive** | 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). |
| **PSD** | Payment Services Directive. |
| **PSP** | Any 'Payment Service Provider' as defined in the PSD that is eligible to participate in the Scheme in accordance with Rulebook section 4.4. |
| **PSU** | Payment Service User. |
| **Reachability** | Reachability is the concept that all account-servicing PSPs in SEPA are accessible for receiving Verification Of Payee Requests and to respond to such Requests under the Scheme. |
| **Requester** | A natural or legal person having the intention to initiate a Payment Account-based Payment and for whom a Verification Of Payee must be done for that specific payment. A PSP can take up the role of Requester in accordance with applicable law and without detriment to the rules of the Scheme. See section 2.1. |

| Term | Definition |
|---|---|
| **Requesting PSP** | Is the payment services provider whom a Verification Of Payee Request is addressed to by the Requester itself or on behalf of the Requester. This PSP can also take up the role of Requester. See section 2.1 for its role in the Scheme. |
| **Responding PSP** | Is the account servicing payment services provider of the Payment Counterparty. This PSP can also take up the role of Payment Counterparty. See section 2.1 for its role in the Scheme. |
| **Risk of scheme-wide Importance** | Risks of scheme-wide Importance shall be understood to be 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. |
| **Routing and Verification Mechanism** | See section 2.1 for its role in the Scheme. |
| **Rulebook** | The Verification Of Payee Scheme Rulebook, as amended from time to time. |
| **RVM** | Routing and Verification Mechanism. See section 2.1 for its role in the Scheme. |
| **Scheme** | The VOP Scheme, as described in the Rulebook. |
| **Scheme Management** | The Verification Of Payee Scheme Management as set out in Chapter 5 of the Rulebook. |
| **SEPA** | The Single Euro Payments Area (SEPA) is the area where citizens, companies and other economic actors can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA is driven by the European Commission and the European Central Bank, amongst others, as a key component of the EU Internal Market.<br><br>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 SEPA Scheme Countries (see Reference [4]), as amended from time to time. |
| **SEPA Regulation** | Regulation (EU) 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (the 'SEPA Regulation'). |
| **SEPA Scheme** | Is a common set of business rules, practices and standards for the provision and operation of a SEPA payment or SEPA payment-related instrument agreed at inter-PSP level in a competitive environment. |
| **STP** | Straight-through Processing which is a prerequisite for cost efficient handling of credit transfers. |

| Term | Definition |
|---|---|
| **Supporting Documentation** | A legal opinion in the form set out on the website of the EPC, duly executed by the undertaking's internal or external counsel in accordance with the Internal Rules. |
| **Terms and Conditions** | The general Terms and Conditions that a PSP has with its Payment Service Users and which may contain dispositions about their rights and obligations related to VOP. These dispositions may also be included in a specific agreement, at the Participant's choice. |
| **Time Stamp** | Data in electronic form which binds other data in electronic form to a particular time establishing evidence that the latter data existed at that time. |
| **VAT number** | Value Added Tax number. |
| **Verification Of Payee Request** | Request from the Requesting PSP to the Responding PSP to verify the combination of the information attributes as defined in section 3.2 of the Rulebook. |
| **Verification Of Payee Response** | Response from the Responding PSP to the Requesting PSP to the latter's Verification Of Payee Request. |
| **Verification Of Payee Scheme Management Rules** | The Scheme Management Rules as set out in Chapter 5 of the Rulebook, and as amended from time to time. |
| **VOP** | Verification Of Payee. |
| **VOP Scheme Inter-PSP Implementation Guidelines** | Set out the rules for implementing the VOP Requests and related Response messages in the Inter-PSP Space. These implementation guideline messages facilitate an API technology that makes use of ISO 20022 resource elements. These Implementation Guidelines constitute a binding supplement to the Rulebook, described with reference [1] in the Rulebook. |

**ANNEX I          VERIFICATION OF PAYEE SCHEME ADHERENCE AGREEMENT**

This is included as an example only.

The definitive version is to be found on the EPC Website

As part of the Guide to the EPC Scheme Adherence Process [3]

## Verification Of Payee Scheme Adherence Agreement

To:               The European Payments Council (the "**EPC**")

From:          Name of Applicant[s]*:


                    [As set out in the list annexed to this Adherence Agreement]*

                    -----------------------------------------------------------------------
                    ([each]* an "**Applicant**")

*Please include the text in square brackets if this Adherence Agreement covers more than one entity.

**PREAMBLE**

(A)   The Verification Of Payee Scheme (the "**Scheme**") is a pan-European scheme that operates in all SEPA countries as listed in the SEPA Country List.

(B)   The EPC oversees the operation of the Scheme in accordance with the terms and conditions set out in the Verification Of Payee Scheme Rulebook (the "**Rulebook**").

(C)   The Rulebook sets out the rights and obligations of all institutions bound by its terms (the "**Participants**"), and the EPC and binds each Participant to comply with their obligations to the EPC and to all other Participants pursuant to the rules set out therein.

(D)   The EPC, acting on its behalf and on behalf of all Participants, will notify the Applicant of the date following the Readiness Date on which this Adherence Agreement becomes effective (the "**Readiness Date**") as between the Applicant, the EPC and other Participants.

(E)   As of the Readiness Date the Applicant shall become a Participant and be bound to all the obligations, and entitled to all the benefits, set out in the Rulebook.

**IT IS HEREBY AGREED AS FOLLOWS:**

1.   The Applicant states to support the Scheme in the role of

     a.   ☐ Requesting PSP <u>and</u> Responding PSP (mandatory for Account-Servicing PSPs)

     b.   ☐ Requesting PSP only

2.   The Applicant hereby undertakes to all Participants and to the EPC to perform the obligations imposed by and to comply with the provisions of the Rulebook, as modified from time to time, with effect from the Readiness Date.

3.   The Applicant makes the following representations and warranties:

     a)   The Applicant has the power and authority to enter into and has taken all corporate action to authorise its entry into the Scheme and to perform the obligations and comply with the provisions of the Rulebook.

     b)   The signatories of the Applicant [and the agent signing on behalf of the Applicant] have all necessary corporate authorisations and the power and authority to bind the Applicant to the Rulebook.

     c)   The Applicant shall ensure that it satisfies and will at all times during its participation in the Scheme satisfy the eligibility criteria for participation in the Scheme as set out in the

Rulebook, including, but not limited to, the requirement to be able to process an Verification Of Payee Request as defined in the Rulebook, 24 hours a day on all Calendar Days of the year (this includes all business continuity arrangements set up by the Participant itself or on behalf of the Participant to guarantee the processing of an Verification Of Payee Request). If at any time, the Applicant has reason to believe that it no longer satisfies such criteria, or may be unable to satisfy such criteria, it shall notify the EPC Immediately of the circumstances.

   d)   The Applicant is in a position to comply with all of the obligations set out in the Rulebook by the "Readiness Date" as stated in the accompanying Schedule.

3.   By submitting this completed form of Adherence Agreement the Applicant agrees to be bound by the provisions of the EPC's Internal Rules governing applications for participation in the Scheme, whether or not it becomes a Participant.

4.   Any communication, including service of process, to be made with the Applicant under or in connection with the Rulebook shall be made in writing and addressed to the Applicant at the address set out above.

5.   The Applicant consents to the publication of its name and basic details of its adherence application on the public website of the EPC.

6.   This Agreement is governed by Belgian law.

FOR AND ON BEHALF OF THE APPLICANT

 Signed by (1)                                              By (2) (if necessary)


 ---------------------------------------------------          ----------------------------------------------------
 Name/Position ---------------------------------          Name/Position ---------------------------------
 Date of signature -----------------------------          Date of signature -----------------------------


Where this Adherence Agreement was signed by two signatories on different dates, it shall be considered as being dated the later date.

## SCHEDULE

## Information to the Adherence Agreement for Adherence to the Verification Of Payee Scheme

(A)  The Applicant must supply the information requested in this Schedule in support of its application to adhere to the Scheme. A failure to supply this information may result in a rejection of the application or a delay in processing it. The following information must be included in the Schedule:

1. Full name of applicant Participant

2. BIC Code (BIC 8 or BIC 11) of applicant Participant

3. Street address of applicant Participant

4. Postal code of applicant Participant

5. City of applicant Participant

6. Country of applicant Participant

7. VAT number of applicant Participant

8. Legal Entity Identifier (LEI) of applicant Participant (if available)

9. Readiness date of applicant Participant

10. Reachable as

    ☐ Requesting PSP and Responding PSP

    ☐ Requesting PSP only

11. General contact e-mail address of applicant Participant

12. Major Incident Reporting contact e-mail address of applicant Participant

13. E-mail address and phone number of contact person/ department for invoicing of applicant Participant

14. Address for invoicing of applicant Participant (only to be completed if different from official address of applicant Participant)

15. Preferred payment instrument for Scheme Participation fee invoicing (SEPA Direct Debit Core or SEPA Credit Transfer)

16. E-mail address and phone number of contact person handling Applicant's Adherence Pack in-house

17. Full name of the chosen National Adherence Support Organisation (NASO)

(B)  Templates to be used for providing the Schedule information (Excel or Word) can be downloaded from the EPC website at www.europeanpaymentscouncil.eu. It is strongly recommended that Applicants provide the Schedule information as an Excel File.

(C)  The information supplied above shall be recorded on the EPC's Register of Participants for the Verification Of Payee Scheme.

(D)  The Applicant understands that any information on the Applicant's name, registered office address, Reference BIC and Readiness Date supplied in the Schedule shall be published in the relevant EPC Register of Participants on the public website of the EPC and may be made generally available for download by the EPC.

(E)  The Applicant understands that any other information supplied in the Schedule shall be available only to the EPC or to any National Adherence Support Organisation ("**NASO**") that has been chosen by the Applicant to assist in the completion of this application, and will not be disclosed to any other body.

## ANNEX II    RISK MANAGEMENT

Not applicable for the public consultation. This annex is currently a placeholder.

The document (EPC XXX-24) 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. A suggested text is included here, but Participants may use their own document if they prefer.

## Example non-disclosure agreement
[To be typed on headed notepaper of the PSP disclosing information]

[*Insert name and address of person receiving information*]                    [*insert date*]

Dear Sirs,

### VERIFICATION OF PAYEE SCHEME - RISK MANAGEMENT ANNEX

This letter, which is to be understood as a legally binding agreement (hereinafter referred to as "Agreement") is to agree the basis upon which we will supply and/or have supplied to you Confidential Information in relation to the Verification Of Payee Scheme. In consideration of us supplying you with certain Confidential Information necessary for you to perform your functions under the commercial arrangements between us, you agree as follows:

### 1. KEEPING CONFIDENTIAL INFORMATION CONFIDENTIAL
You shall keep the Confidential Information confidential and, in particular, you shall:

a.   keep all documents and other material containing, reflecting, or which are generated from the Confidential Information separate from all other documents and materials and at your usual place of business in [insert name of country];

b.   exercise in relation to the Confidential Information no lesser security measures and degree of care than those which you apply to your own confidential information (and which you warrant as providing adequate protection against any unauthorised disclosure, copying or use).

### 2. DEFINITIONS
In this Agreement:

2.1 "Confidential Information" means any information contained within the Risk Management Annex to the Verification Of Payee Scheme Rulebook disclosed (whether before or after the date of this Agreement and whether in writing, orally or by any other means and whether directly or indirectly) by us or by another person on our behalf to you or to another person on your behalf.

2.2 Shall not be considered as "Confidential Information" information which:

2.2.1 is already known to you, unless this information too was provided subject to a non-disclosure undertaking; and/or

2.2.2 has been gathered by you independently of us; and/or

2.2.3 has lawfully been obtained by you from a third party, without any duty of secrecy; and/or

2.2.4 has already been released into the public domain by the person lawfully entitled.

### 3. DISCLOSURE OF CONFIDENTIAL INFORMATION

3.1 You shall not disclose the Confidential Information to another person except that you may disclose the Confidential Information:

to your employees [professional advisors, authorised representatives or sub-contractors] to the extent that it is essential to enable you to perform your functions (need to know basis).

if disclosure is required by law, by a court of competent jurisdiction or by another appropriate regulatory body provided that you shall use all reasonable efforts to give us not less than [two business days'] notice in writing of that disclosure.

3.2 You shall use all reasonable efforts to prevent the disclosure of the Confidential Information except as mentioned in paragraph 3.1.

3.3 You shall ensure that each person to whom Confidential Information is disclosed pursuant to paragraph 3.1(a) complies with the terms of this Agreement as if that person was a party to this Agreement.

**4. ENTRY INTO FORCE AND DURATION**

4.1 This Agreement shall enter into force upon signature by both parties to this Agreement.

4.2 All the undertakings fixed in this Agreement shall be of indefinite duration.

4.3 The provisions of this Agreement shall remain in force even after the termination of the commercial arrangements/agreements between the parties to this Agreement.

4.4 You shall, within [7 (seven) business days] of a written request from us, and in any event upon termination of our commercial arrangements/agreement, return to us all documents and other material in the possession, custody or control of you or any of the persons falling within the exception mentioned in paragraph 3.1 (a) that contain any part of the Confidential Information and shall ensure that both you and such persons erase all Confidential Information held in electronic form on any computer, electronic file storage system or other electronic device (other than copies of computer records and/or files containing any Confidential Information which have been created pursuant to automatic archiving or back-up procedures).

**5. FURTHER AGREEMENTS**

5.1 We accept no responsibility for and make no representation or warranty, express or implied with respect to the truth, accuracy, completeness or reasonableness of the Confidential Information. We are not liable to you or another person in respect of the Confidential Information or its use.

5.2 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

**6. GOVERNING LAW**

6.1 This Agreement is governed by [insert choice of law].

6.2 Disputes resulting from or in connection with the Agreement shall be referred to the competent court in [insert competent court].

6.3 Please indicate your full acceptance of this Agreement by signing and returning the enclosed copy of this Agreement to us.

Yours faithfully

_____
for and on behalf of
[ ]

Agreed and accepted by

_____
for and on behalf of
[ ]

Dated [ ]

## ANNEX III    RULEBOOK AMENDMENTS AND CHANGES SINCE THE VOP RULEBOOK 2024 VERSION 0.1

THIS ANNEX IS NOT A PART OF THE RULEBOOK AND IS INCLUDED IN THE RULEBOOK FOR INFORMATION PURPOSES ONLY

## List of Changes in VOP Rulebook 2024 version 1.0

## Compared to 2024 versions 0.1

**Key:**

Column one contains the rulebook reference.

Column two contains a description of the amendment.

Column three contains the type of amendment, as classified below:

1. TYPO: typing and layout errors
2. CLAR: clarification of the text
3. CHAN: change of the Rulebook content

Not applicable for the public consultation. This annex is currently a placeholder.