

Pursuant to Article 32, paragraph 8 of the Law on Foreign Exchange Operations (RS Official Gazette, Nos 62/2006, 31/2011, 119/2012, 139/2014 and 30/2018), Article 64, paragraph 4 of the Law on Payment Services (RS Official Gazette, Nos 139/2014, 44/2018 and 64/2024) and Article 14, paragraph 1, item 9) and Article 34, item 9) of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision and 44/2018), the Executive Board of the National Bank of Serbia adopts the following

DECISION
ON SPECIAL REQUIREMENTS FOR CREDIT TRANSFERS AND DIRECT DEBITS
IN EURO

1. This Decision lays down business, technical and other requirements for executing credit transfers and direct debits in euro within the Single Euro Payments Area (SEPA).

2. For the purposes of this Decision, the following definitions shall apply:

1) *Single Euro Payments Area – SEPA* (hereinafter: SEPA) means a territorial area including all European Union member states and other countries or territories meeting the SEPA access criteria, as well as European Union regulations, and/or rules, practices, standards and guidelines of the SEPA payment scheme, within which payment transactions are executed in a mutually aligned manner, under equal conditions, rights and obligations;

2) *payment transaction* means a domestic and international payment transaction, within the meaning of the law governing payment services, which is executed in euros within the SEPA;

3) *credit transfer* means a payment service where the payer instructs the payment service provider to initiate the execution of one or more payment transactions, debiting his payment account, after which the payee's account is credited by the amount of that payment transaction or those payment transactions;

4) *direct debit* means a payment service where the payee, based on the payer's consent, initiates a payment transaction debiting the payer's payment account;

5) *SEPA payment scheme* means a single set of rules, practices, standards and/or implementation guidelines agreed between payment service providers for the execution of payment transactions, separated from any infrastructure or payment system that supports its operation;

6) *IBAN (International Bank Account Number)* means an international payment account number identifier, which identifies an individual payment account in accordance with the decision governing the unique account identification and classification structure and the plan of accounts for the application of international rules and the IBAN standard, used for unambiguous payment account identification;

7) *BIC (Bank Identifier Code)* means a business identifier code that unambiguously identifies a payment service provider, the elements of which are specified by the International Organization for Standardization (ISO);

8) *ISO 20022 XML standard* means a standard for the development of electronic financial messages as defined by ISO, encompassing the physical representation of the payment transactions in XML syntax (Extensible Markup Language), used to execute payment transactions in accordance with the SEPA payment scheme;

9) *large-value payment system* means a payment system the main purpose of which is to process, clear or settle single payment transactions of high priority and urgency, and primarily of large amount;

10) *retail payment system* means a payment system the main purpose of which is to process, clear or settle credit transfers or direct debits, which are generally bundled together for transmission and are primarily of small amount, and that is not a large-value payment system;

11) *settlement date* means a date on which a money obligation arising from the payment transaction is discharged between payment service providers;

12) *collection* means a part of a direct debit transaction starting from its initiation by the payee until its end through the normal debiting of the payer's payment account;

13) *mandate* means the expression of consent and authorisation given by the payer to the payee and (directly or indirectly via the payee) to the payer's payment service provider to allow the payee to initiate a collection for debiting the payer's specified payment account and to allow the payer's payment service provider to comply with the requirements of the mandate and with such instructions;

14) *reference party* means a natural or legal person on behalf of whom and for whose account a payer makes a payment or a payee receives a payment;

15) the terms *payment account, payer, payee, payment service provider, payment system, payment order, business day, money remittance, payment service user, consumer, framework contract, processing, clearing and settlement* mean as laid down by the law governing payment services.

3. The provisions of this Decision shall not apply to the following payment transactions:

1) internally processed payment transactions and those executed between payment service providers, including their representatives or branches, for their own account;

2) payment transactions executed in large-value payment systems, except direct debit which the payer did not request to be executed via the large-value payment system;

3) payment transactions executed by using a payment card or a similar device, including cash withdrawal, unless the payment card or that device are used only for obtaining necessary information for direct credit transfer or direct debit to and from a payment account identified by the IBAN;

4) payment transactions executed via telecommunication or digital or IT devices, provided that they do not result in credit transfer or direct debit to and from a payment account identified by the IBAN;

5) money remittance;

6) payment transactions transferring electronic money unless they result in a credit transfer or direct debit to and from a payment account identified by the IBAN.

In case that the SEPA payment scheme insofar as it relates to credit transfers or direct debits has additional optional features or services, and/or enables the use of such features or services, this Decision shall apply only to the underlying credit transfers or direct debits, i.e. underlying activities directly related to the provision of those services.

4. Payment service providers shall execute credit transfers and direct debits in accordance with the regulations governing payment services, foreign exchange operations and the prevention of money laundering and terrorism financing, provided that the following additional obligations are met:

1) regardless of the territory from which these payment services are provided, payment accounts are identified through the IBAN;

2) the format and elements of an electronic message executing a payment transaction toward other payment service provider or in a low-value payment system are based on the ISO 20022 XML standard;

3) payment service providers shall ensure that a payment service user uses the IBAN to identify the payment account, regardless of whether the payer's payment service provider or the payee's payment service provider provides payment services in the Republic of Serbia or in another SEPA country;

4) when a payment service user which is a legal person initiates or receives individual credit transfers or direct debits that are not transmitted individually but bundled together, the ISO 20022 XML standard for the development of electronic financial messages shall be applied;

5) the financial message field in which payment transaction information is entered must allow for 140 characters;

6) the payment transaction reference information and other data elements provided in accordance with Sections 5 and 6 of this Decision shall be passed in full and without alteration to the payment service provider in the payment chain;

7) once the data required for the execution of a payment transaction are available in electronic form, payment service providers shall ensure a fully automated, electronic processing of a payment transaction in all process stages throughout the payment chain (end-to-end straight through processing), without the need for re-keying or manual intervention. This shall also apply to exceptional handling of credit transfers and direct debit transactions, whenever possible (e.g. in case of payment order rejection or refund of the payment transaction amount);

8) no minimum threshold for the amount of the payment transaction allowing for credit transfers and direct debits is set and there is no requirement to process payment transactions with zero amount;

9) credit transfers and direct debits not exceeding the amount of EUR 999,999,999.99 are carried out, though transactions exceeding that amount may also be carried out;

10) payment service providers shall not require from payment service users to specify the BIC for the payer's payment service provider or the BIC of the payee's payment service provider.

Apart from the obligation specified in paragraph 1, item 2) of this Section, the payment service provider shall use, at the special request of the payment service user, the ISO 20022 XML standard for the development of electronic financial messages in the relations with that payment service user.

Apart from the obligations from paragraph 1 of this Section, the payer's payment service provider shall ensure that the account of the payee's payment service provider is credited with the amount of the payment transaction at the latest by the end of the next business day after the business day on which the payer's payment service provider received the payment order in accordance with the regulations from that paragraph. The time limit for the execution of a payment transaction may be extended by one business day for the payment service user's paper-initiated payment transactions.

Apart from the obligations from paragraph 1 of this Section, if the account of the payee's payment service provider has been credited with the amount of the payment transaction intended for the payee and if this provider has received all the information necessary for crediting the payee's payment account in accordance with the regulations from that paragraph – the payee's payment service provider shall immediately credit the payee's payment account.

5. When executing a credit transfer, the payer's payment service provider shall obtain the following data from the payer:

- 1) the payer's name and surname, and/or business name;
- 2) the IBAN of the payer's payment account;
- 3) the amount of the credit transfer;

- 4) the IBAN of the payee's payment account;
- 5) the payee's name and surname, and/or business name;
- 6) other information related to the payment transaction.

In the case from paragraph 1 of this Section, the payer's payment service provider shall submit to the payee's payment service provider the data from that paragraph, as well as the following data:

- 1) remittance information;
- 2) the payee's identifier;
- 3) the payee reference party's name and surname, and/or business name (if such information is available);
- 4) the purpose of the payment transaction;
- 5) the category of the purpose of the payment transaction;
- 6) the BIC of the payee's payment service provider – if not agreed otherwise by the payment service providers involved in the payment transaction;
- 7) the BIC of the payer's payment service provider – if not agreed otherwise by the payment service providers involved in the payment transaction;
- 8) the identification code of the SEPA payment scheme;
- 9) the settlement date of the payment transaction;
- 10) the reference number of the payment transaction of the payer's payment service provider.

In order to initiate and execute a payment transaction, the payee accepting the credit transfer shall provide to the payer the data from paragraph 1, item 4) of this Section.

When executing a credit transfer, the payee's payment service provider shall submit or make available to the payee the following data:

- 1) the payer's name and surname, and/or business name;
- 2) the amount of the payment transaction;
- 3) remittance information.

6. When executing a direct debit, the payee's payment service provider shall obtain the following information from the payee:

- 1) the type of direct debit (recurrent, one-off, first, last or reversal);
- 2) the payee's name and surname, and/or business name;
- 3) the IBAN of the payee's payment account;

- 4) name and surname, and/or business name of the payer, if this information is available;
- 5) the IBAN of the payer's payment account;
- 6) the unique mandate reference for direct debit (hereinafter: mandate);
- 7) the date on which mandate was given (signed) by the payer;
- 8) the amount of the collection;
- 9) where the mandate has been taken over by a payee other than the payee who issued the mandate – the unique mandate reference as given by the original payee who issued the mandate;
- 10) the payee's identifier;
- 11) where the mandate has been taken over by a payee other than the payee who issued the mandate, the identifier of the original payee who issued the mandate;
- 12) the payment transaction information from the payee to the payer;
- 13) the purpose of the collection;
- 14) the category of the purpose of the collection;
- 15) other information related to the collection.

The payee's payment service provider shall ensure that the payer issues mandate and any modifications thereof both to the payee and to the payer's payment service provider (directly or indirectly via the payee), and that the mandates, together with later modifications, are stored by the payee or by a third party on behalf of the payee, and that the payee is informed of this obligation.

In the case from paragraph 1 of this Section, the payee's payment service provider shall transmit to the payer's payment service provider data specified in items 1) to 8) and items 10) and 12) of that paragraph, as well as the following data:

- 1) the BIC of the payee's payment service provider if not agreed otherwise by the payment service providers involved in the payment transaction;
- 2) the BIC of the payer's payment service provider if not agreed otherwise by the payment service providers involved in the payment transaction;
- 3) name and surname, and/or business name of the payer's reference party (if present in dematerialised mandate);
- 4) the payer reference party's identification code (if present in dematerialised mandate);
- 5) the payee reference party's name and surname, and/or business name (if present in dematerialised mandate);
- 6) the payee reference party's identification code (if present in dematerialised mandate);

- 7) the identification code of the SEPA payment scheme;
- 8) the settlement date of the collection;
- 9) the payee's payment service provider's reference for the collection;
- 10) the type of mandate;
- 11) the unique mandate reference as given by the original payee who issued the mandate (if the mandate has been taken over by a payee other than the payee who issued the mandate);
- 12) the identifier of the original payee who issued the mandate (if the mandate has been taken over by a payee other than the payee who issued the mandate).

When executing a direct debit, the payer's payment service provider shall submit or make available to the payer the following data:

- 1) the unique mandate reference;
- 2) the payee's identifier,
- 3) the payee's name and surname, and/or business name;
- 4) the amount of the collection;
- 5) the remittance information;
- 6) the identification code of the SEPA payment scheme.

7. In relation to direct debits where the payer and/or the payee is a consumer, the payer shall require from its payment service provider the following:

- 1) to limit a direct debit collection to a certain amount and/or periodicity;
- 2) where a mandate under the SEPA payment scheme does not provide for the right to a refund, to verify each direct debit transaction i.e. check whether the amount and periodicity of the initiated direct debit transaction is equal to the amount and periodicity agreed in the mandate – before debiting the payer's payment account, based on the mandate-related information;
- 3) to block any direct debits to the payer's payment account or to block any direct debits initiated by one or more specified payees or to authorise direct debits only initiated by one or more specified payees.

The payer's payment service provider shall inform the payer of their rights referred to in paragraph 1 of this Section in accordance with the provisions of the law governing payment services, regulating the content and form of the framework contract and information provided to the payment service user prior to contract conclusion.

Upon the first direct debit transaction or a one-off direct debit transaction and upon each subsequent direct debit transaction, the payee shall send the mandate-related information to their payment service provider and the payee's payment service provider shall transmit that mandate-related information to the payer's payment service provider with each direct debit transaction.

Where the framework contract between the payer and the payer's payment service provider does not provide for the right to a refund, the payer's payment service provider shall, without prejudice to the obligation from Section 6, paragraph 2 of this Decision verify each direct debit transaction, i.e. check whether the amount and periodicity of the initiated direct debit transaction is equal to the amount and periodicity agreed in the mandate – before debiting the payer's payment account, based on the mandate-related information.

8. This Decision comes into force on the eighth day following its publication in the RS Official Gazette and shall apply as of the date of the Republic of Serbia's accession to SEPA.

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8 August 2024
Belgrade

Chairperson
Executive Board of the National Bank of Serbia
G o v e r n o r
National Bank of Serbia
Dr Jorgovanka Tabaković