

SEPA Direct Debits

Mandate Management Rules



The following mandate rules are applicable for all direct debits submitted in the SEPA scheme.

Although Creditors manage their own direct debit mandates AIB may on occasion request a copy of a mandate for investigation purposes.

The debtor and the creditor agree this mandate independently of AIB and the first AIB learn of this mandate is when a first collection is presented by the creditor.

AIB will store the details of the mandate in our system when a first collection is received regardless of it being submitted as (FRST) or (RCUR) payment. AIB will store the Creditor id (OIN) of the creditor, the Debtor IBAN and the UMR provided with the payment. In subsequent recurring collections these 3 details must be identical.

The UMR is the Unique Mandate Reference and creditors will assign this per mandate. This is usually the customer number or some other unique customer identification and can be up to 35 characters in length. This UMR must remain constant for the lifetime of the mandate and must be quoted on every collection. The UMR can only be composed using the following range of characters:

1. a b c d e f g h i j k l m n o p q r s t u v w x y z
2. A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
3. 0 1 2 3 4 5 6 7 8 9
4. / - ? : () . , ' +

(These characters are also valid characters but they should not be inserted as the first or last character within any field)

5. Space Characters outside this character set will not be supported in the SEPA schema e.g. @, á, Ü.
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There are 4 sequence types for Direct Debit collections. First Collection 'FRST', Once-Off Collection 'OOFF', Recurring Presentation 'RCUR' and Final Presentation 'FNAL'. However as a result of updates to SEPA Rulebook in November 2016 it is no longer a requirement to use the sequence type 'FRST', 'OOFF' or 'FNAL' when submitting a new direct debit mandate. Instead, if preferred you can use the sequence type 'RCUR' for all transactions be it the first payment collection or any of the payments in a series of collections for the lifetime of the mandate (i.e. where the direct debit mandate is recurring). It's important to note that the current sequence types will remain valid if you wish to continue using them.

OOFF is a once off collection. The same combination of Creditor ID (OIN), Debtor IBAN and UMR must not have been used in a previous collection, as an OOFF mandate will not allow for any repeat presentations.

RCUR is a recurring presentation that can follow a FRST and then repeat using RCUR until the last presentation of Mandate. RCUR can also be used without any FRST. AIB will create a new mandate if the mandate details i.e. combination of Creditor ID(OIN), Debtor IBAN and UMR are not present in the system.

FNAL is a final presentation of a mandate and can be presented when a creditor is closing the mandate. (If the last presentation of a mandate is made as a FRST or RCUR payment and no following presentations for 36 months the mandate will expire.)

Pre-settlement rejects (for Incoming SDD transactions) can occur when a request for payment is sent to AIB but we know prior to, or on, the debit date that this payment cannot be processed. E.g. No mandate present(for FNAL) or mandate already present (for OOFF) or incorrect account number.

Post-settlement returns or refunds can occur when a request for payment is sent to AIB but for some reason we need to reverse the payment after the debit date. E.g. Debtor requests refund or Insufficient funds.

When a payment is unpaid for a pre-settlement reject there has been no impact on AIB's mandate management system. E.g. If a collection is rejected pre-settlement due to an incorrect account number the creditor needs to correct the account number and send this payment through again.

If the FRST or RCUR collection on the Mandate is rejected pre-settlement or returned post-settlement then the Creditor must submit a FRST or RCUR transaction again - correcting information if necessary.

If a reject is received for a first transaction before the requested settlement date(D) next transaction can be issued as FRST or RCUR. If a return is received in postsettlement phase (after D) – the next transaction should be issued as FRST or RCUR as mandate details have been registered by the Debtor Bank.

Any failure to adhere to these mandate management rules will result in a payment failing. Each unpaid SEPA DD payment will result in a charge of €4.44 to the creditor. This would be the case, where both the creditor and the debtor are AIB customers. In cases where the creditor is AIB and debtor is a different bank, then the other bank's mandate management rules would apply.

Creditors of SEPA DD files need to ensure their ERP vendor that creates their files, has full knowledge of these mandate management rules. This will reduce the impact of unpaid fees hitting the creditor's account.

If a debtor or creditor wishes to make a change to an existing mandate, SEPA caters for this by using the mandate amendment field within a SEPA DD XML file. Setting this amendment indicator to “TRUE” will enable the creditor to change details of the mandate i.e. Debtor IBAN (within the same bank), UMR or OIN. If any of these details are changed without using the amendment indicator a new FRST/RCUR sequence type must be used – however the Creditor must be aware that if the transaction is sent as FRST/RCUR, a new mandate will be registered in Debtor Bank’s system and the original one will remain unchanged. This would mean that a new UMR is required from the Creditor when creating a new mandate – given that most Creditors will use the UMR as a unique customer number, this effectively means setting up a new customer number/UMR every time an amendment is required. This would likely not be a sustainable approach for a Creditor. However setting the mandate amendment tag to “TRUE” means that the Creditor can continue with the current sequence type that was being used e.g. RCUR payment being submit with Mandate Amendment indicator set to “TRUE” and changing the Debtor IBAN can continue to be sent as a RCUR payment.

Please refer to the SEPA Direct Debits amendments guide available [here](#).

ATTENTION: if the Debtor changes banks, first presentation to the new bank must be issued as FRST or RCUR.

How to get in touch

This brochure has been prepared by AIB for general guidance to business customers on SEPA Direct Debits. As ever, we would be very happy to answer any questions you may have or discuss any aspect in greater detail.

Please email sepa@aib.ie or visit our website: www.aib.ie/sepa for further information on SEPA Direct Debits.

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AIBSDDR 06/20

