

Bulk Payment Files SEPA Direct Debits

Direct Debits in Ireland and across Europe



What is a SEPA Direct Debit?

A SEPA Direct Debit (DD) is the standard across Europe for the collection of funds between a debtor (payer) and the creditor (payee). The SEPA DD Scheme allows you to collect direct debit payments across all 34 SEPA countries.

SEPA DD Scheme

- Creditors may have an account anywhere in the SEPA zone and can debit bank accounts across the SEPA zone.
- Debtor account details are in BIC and IBAN format. The debtor account can be held anywhere in the SEPA zone.
- A SEPA DD payment file must be submitted to AIB a minimum of one business banking day before the collection of funds for all sequence types, subject to 11am cut off time.
- 'No Questions Asked' refund applies to authorised debits for eight weeks after the debit date and up to 13 months for unauthorised debits. Claims for 'No Questions Asked' refunds must be honoured by the creditor.

Mandates

- The original mandate is physically held and managed by the creditor.
- Creditors must hold the original mandate for the entire lifetime of the agreement and a minimum of 13 months after the last debit is presented. Retention of paper is subject to national legal requirements (seven years in the RoI).
- Mandate default is in paper format. There is a service available for the RoI only, whereby mandates can also be given online or by telephone. Cross border mandates must be in paper format.
- AIB offer a mandate cancellation service to customers, however, AIB does not advise the creditor directly of mandate cancellations. The debtor is ultimately responsible for cancelling the mandate and informing the creditor.
- The Unique Mandate Reference (UMR) must be unique for each mandate and must be submitted unchanged for each collection.

Key features of SEPA Direct Debits

IBAN

Under SEPA, creditors are required to use International Bank Account Number (IBAN) as the primary identifier of a debtor's account.

Mandate Management

Under the SEPA DD scheme, creditors are required to manage their direct debit mandates. This means the creditor must physically store the mandate in paper and/or electronic format. All direct debit originators in the RoI must design internal processes to cope with these mandates. Certain mandate related information will have to be collected and submitted with each SEPA DD collection (i.e. Debtor Name, debtor IBAN, UMR, type of payment, date of signing, SEPA Originator Identification Number and Creditor Name).

Unique Mandate Reference

Creditors are required to give every mandate they hold a unique mandate reference. Creditors can generate this mandate number, with a maximum of 35 alphanumeric characters, in a free format. It could be a contract number, a client number or just an ascending or descending number. AIB recommends using something similar to a client number, so that it is easy to recognise individual client mandates. It is important to note that this unique mandate reference number must remain the same for each transaction submitted under the customer mandate. Creditors are also required to make this available to their customers.

SEPA Originator Identification Number / Creditor Identifier

Creditors will need to obtain their SEPA Originator Identification Number (OIN), also known as the SEPA Creditor Identifier, which will uniquely identify each creditor through an alphanumeric code. AIB will provide new originators with their SEPA OIN / Creditor Identifier when they are supplied with their Payment files functionality.

Return Transactions

For return transactions (R-transactions), SEPA DDs have different reason codes on the account returns file. Based on the reason code for a return transaction a creditor can decide whether to generate a new direct debit, call the client or choose from a number of other actions.

Please see our [IBB Reconciliation Guide](#) for further information.

Unauthorised Debits

A direct debit is deemed to be unauthorised in the following situations; 1) no mandate exists; 2) the mandate was invalid; or 3) the mandate has expired (no transactions for 36 months).

What do you need to become a SEPA Direct Debit Originator?

Key SEPA requirements from AIB

1. Files submitted to AIB to collect direct debits must be in SEPA compliant XML files. Information about the XML file format is available on our website, www.aib.ie/sepa.
2. AIB requires that all direct debit originators, download and complete the “AIB SEPA Direct Debit Creditors Agreement” form (available on www.aib.ie/sepa). The completed form should be returned to your account holding branch. If you have any questions in relation to the AIB SEPA Direct Debit Creditors Agreement, please email sepa@aib.ie or visit our website www.aib.ie/sepa.
3. AIB also requires that all direct debit originators send a sample of their new SEPA customer direct debit mandate form for validation. A sample SEPA mandate form and ‘how to’ guide is available on www.aib.ie/sepa. Please send your sample SEPA DD mandate to your account holding branch for validation. You will not be able to start processing live SEPA DD transactions until this task is completed.
4. Once your company is able to produce a SEPA-compliant XML Standard file, it is important that you engage with AIB to test and ensure your new SEPA DD payment file meets the correct standards. AIB has two key checks that should be done ahead of the submission of a live payment file to AIB:
 - A sample SEPA DD output file should be sent to sepa.testfile@aib.ie to confirm that your XML Standard file format meets SEPA specifications.
 - Once confirmation is given, a penny test file (e.g. a sample file) should then be uploaded through iBB to ensure it processes successfully through the new iBB payments platform. Should the penny test file fail, you should get in touch with the iBB Customer Support Team on 0818720000 or by email on sepa@aib.ie.Once your penny test file has been successful, you can proceed to create an upload your live payment file.



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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