

# Start using standard European direct debit

## For new creditors

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# Introduction

## Why a new European direct debit

The start of the Single Euro Payments Area (SEPA<sup>1</sup>) marked the beginning of a new phase in our payment transactions system. Instead of each country using its own payment products and procedures, Europe developed uniform payment products for payments in euros. This makes it much easier to arrange for payments to and from the various European countries. The new European payment products will also be used in The Netherlands. The European direct debit makes it possible to carry out direct debit collections from a single account, on the basis of a single direct debit contract, both within The Netherlands and across national borders.

## What is the standard European direct debit

The European direct debit<sup>2</sup> enables you, as a creditor, to arrange for amounts to be 'automatically' debited from the accounts of your debtors and credited to your own account. A major advantage is that you decide when you will receive the money.

The use of the European direct debit is subjected to rules. For example, as a creditor you must conclude a European direct debit contract with your own bank. Once this has been set up, you must obtain authorisation forms (mandates) from your customers. These may be either for recurrent or one-off direct debit collections. Your clients must be in possession of a bank account in one of the SEPA countries. As soon as you have correctly registered the mandates, you can inform your customers about the date on which you will start debiting their account and the amount of the debit. You then submit your direct debit orders to your own bank. Your bank forwards these direct debits to your customers' banks. These banks then debit the amount you have specified from the accounts concerned on the date you have chosen, and remit the amounts to your bank. Finally, your bank credits the amount received to your account.

Your customers have a right of refund. If they do not agree with a debited amount, they may contact their own bank within a period of 8 weeks to ask their bank to refund the amount concerned. Your bank will then debit the amount from your account. In addition to this standard European direct debit, banks also can offer a business-to-business variant of the European direct debit. Contact your bank for more information.

**Customers have  
right of refund**

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1 All countries of the European Union, supplemented with Norway, Iceland and Liechtenstein (which are members of the European Economic Area), Switzerland and Monaco.

2 Each bank may use its own name for the European direct debit, such as 'SEPA incasso', 'Euro-incasso' etc..

## What you need to do

Plan of approach  
sets starting date

Creditor Identifier required  
for standard European  
direct debit

Various ways of creating  
standard European  
direct debit orders

Technical information for  
developing your own IT solution

### 1. Gather information about the standard European direct debit

Read this roadmap or go to [www.betaalvereniging.nl](http://www.betaalvereniging.nl). Contact your bank for detailed information.

### 2. Appoint a project manager and draw up a plan of approach

Decide who will be responsible within your own organization for the implementation of the standard European direct debit. Often several departments are involved, such as the financial accounting department and the IT department. Draw up a plan of approach in order to ensure a smooth start to your standard European direct debit operations. Of course, it is up to you to decide exactly when you will start.

### 3. Conclude a standard European direct debit contract with your bank

You conclude a standard European direct debit contract with your bank. You will receive a Creditor Identifier. The Creditor Identifier ensures that you will be recognized as creditor in a uniform manner throughout the SEPA area. You must send this Creditor Identifier with every direct debit instruction. Your debtor's bank will provide your Creditor Identifier to the debtor whenever it processes a standard European direct debit for you. If you change banks, you must continue using the Creditor Identifier originally issued to you. You hand over the certificate of your original Creditor Identifier to your new bank.

### 4. Decide how you wish to generate your direct debit orders

In due course you must be able to instruct your bank about your direct debit orders, but first you have to generate them. You can do this in various ways:

- by using internet banking or a software package of your bank;
- by using a supplier's software package;
- by using software you have developed yourself. The description of the file format XML ISO 20022 and the manual explaining how to use this when submitting instructions through a Dutch bank, can be found at [www.betaalvereniging.nl](http://www.betaalvereniging.nl)<sup>3</sup>.

You should also contact your own bank for any additional information concerning the submission of European direct debit instructions. It is important to check the options regarding payment information about direct debits and refunds you receive from the bank, as well as the automatic reconciliation of such refunds in your software package.

### 5. Design your authorisation forms (mandates)

Before you start delivering direct debit instructions you must obtain valid mandates. Therefore you have to send your customers a request to make their payments by means of standard European direct debit in future, and to sign the enclosed mandate for this purpose. You may design the mandate yourself, but it should comply with a number of rules. At the next page you will find an overview of the obligatory elements that should, in any event, be included in a standard European direct debit authorisation form.

<sup>3</sup> Check the document 'XML messages for SEPA Direct Debit Initiation Implementation Guidelines for The Netherlands'.

Mandates contain a number of obligatory elements

## Mandatory elements of standard European direct debit mandates

The word SEPA

In case of recurrent direct debit collections:

- statement that the mandate is for recurrent collections
- period of refund

In case of one-off direct debit collections:

- statement that the mandate is for a one-off collection
- period of refund

Creditor Identifier

<to be received from the bank with which the direct debit contract is concluded>

The unique mandate reference to be entered by the creditor

<maximum of 35 alphanumeric positions. Combined with the Creditor Identifier, this is the unique reference of the mandate; You can assign this in advance when you send the mandate or afterwards, after you have received the signed mandate. In the latter case, you must inform your customer of this reference before sending the first direct debit instruction to your bank>

Standard text stating that the debtor authorises the creditor and the debtor's bank to debit his bank account

<consult the exact text as mentioned in the examples of the authorisation forms in this roadmap>

Name, address, city and country creditor

IBAN debtor

BIC of the bank of the debtor

<fill out until February 1st 2016 for non-Dutch IBAN>

Name, address and city debtor

<if the creditor and debtor are not resident in the same country, specify the country as well>

Place and date of signature

Signature debtor

Examples of authorisation forms for single (one-off) and recurrent collections

Examples of authorisation forms for the standard European Direct Debit

The document 'Voorbeelden van machtigingsformulieren' at [www.betalvereniging.nl](http://www.betalvereniging.nl) contains an overview of all examples.

**Machtiging voor standaard Europese incasso**
**SEPA**

Machtigen is gemakkelijk:

- U vergeet niet te betalen;
- U houdt zeggenschap doordat u een afgeschreven bedrag binnen 8 weken terug kunt laten boeken;

€ Een betaling met een standaard Europese incasso kan plaatsvinden als u daar zelf toestemming voor geeft door het afgeven van een machtiging. Noteer uw persoonlijke gegevens en datum op de aangehechte **Groene machtigingskaart**, zet uw handtekening en stuur de machtiging naar degene die u wilt betalen. Deze kan daarmee de betalingen automatisch van uw rekening laten afschrijven.

€ U wordt voorafgaand aan een afboeking door de incassant geïnformeerd over het bedrag en moment van afschrijving. Als u het niet eens bent met een betaling, kunt u deze binnen 8 weken zonder opgaf van reden terug laten boeken. Zie de **Gele kaart** voor nadere informatie.

**Machtigen: de makkelijke manier van betalen.**

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**Terugboeken? Neem contact op met uw bank.**
**SEPA**

Indien u een doorlopende machtiging heeft afgegeven en u bent het niet eens met een afschrijving, kunt u deze laten terugboeken. Neem hiervoor binnen 8 weken na afschrijving contact op met uw bank.

U kunt uw bank ook vóór het moment van afschrijving verzoeken om een standaard Europese incasso-opdracht tegen te houden.

Als u van mening bent dat een bedrag ten onrechte van uw rekening is afgeschreven, omdat u geen machtiging heeft afgegeven, kunt u tot 13 maanden na datum afschrijving een verzoek indienen bij uw bank om dit te corrigeren.

Informeer bij uw bank naar de voorwaarden.

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**Enmalige machtiging**
**SEPA**

SEPA 006 Deze kaart in een envelop verzenden naar het bedrijf of instelling waaraan de betaling wordt gedaan.

Naam	Stichting DES
Adres	Stationsstraat 17
Postcode	4336 XG Plaats Hoofddorp Land Nederland
Incassant ID	NL00ABC123456780000
Kenmerk machtiging	
Reden betaling	Donatie

Door ondertekening van dit formulier geeft u toestemming aan **Stichting DES** om een eenmalige incasso-opdracht te sturen naar uw bank om een bedrag van uw rekening af te schrijven en aan uw bank om eenmalig een bedrag van uw rekening af te schrijven overeenkomstig de opdracht van **Stichting DES**.

Als u het niet eens bent met deze afschrijving kunt u deze laten terugboeken. Neem hiervoor binnen 8 weken na afschrijving contact op met uw bank. Vraag uw bank naar de voorwaarden.

Naam	A. van den Bos	
Adres	Beethovenstraat 34	
Postcode	3851 AF	Plaats Amstelveen Land Nederland
IBAN	NL99 BANK 1234 5678 90	
BIC	BNK NL21	
Plaats en datum	Amstelveen, 16 September 2013	Handtekening

\* Geen verplicht veld bij Nederlands IBAN.

## Machtiging voor standaard Europese incasso

SEPA

Machtigen is gemakkelijk:

- U vergeet nooit te betalen;
- U bespaart uzelf de rompslomp van het steeds regelen van terugkerende betalingen;
- U houdt zeggenschap doordat u een afgeschreven bedrag binnen 8 weken terug kunt laten boeken;
- U kunt een machtiging ook weer eenvoudig intrekken.

€ Een betaling met een standaard Europese incasso kan plaatsvinden als u daar zelf toestemming voor geeft door het afgeven van een machtiging. Noteer uw persoonlijke gegevens en datum op de aangehechte **Groene machtigingskaart**, zet uw handtekening en stuur de machtiging naar degene die u wilt betalen. Deze kan daarmee de betalingen automatisch van uw rekening laten afschrijven.

€ U wordt voorafgaand aan een afboeking, bijvoorbeeld via het contract of bij een jaaroverzicht, door de incassant geïnformeerd over het bedrag en moment van afschrijving. Als u het niet eens bent met een betaling, kunt u deze binnen 8 weken zonder opgaaf van reden terug laten boeken. Zie de **Gele kaart** voor nadere informatie.

€ U kunt de automatische betaling ook stoppen, bijvoorbeeld omdat u uw lidmaatschap of abonnement opzegt. U kunt dan de **Rode kaart** 'Intrekken machtiging' gebruiken. U vult de kaart in, stuurt deze op naar de incassant en de afschrijvingen stoppen. Houd rekening met enige tijd voor verwerking.

Machtigen: de makkelijke manier van betalen.

## Intrekken machtiging

SEPA

Deze kaart in een envelop verzenden naar het bedrijf of instelling waaraan de betaling wordt gedaan.

Ondergetekende trekt hierbij de machtiging in die is verleend aan

Naam \_\_\_\_\_  
Adres \_\_\_\_\_  
Postcode \_\_\_\_\_ Plaats \_\_\_\_\_ Land \_\_\_\_\_  
Incassant ID \_\_\_\_\_

om van zijn/haar bankrekening bedragen af te schrijven wegens:

Reden betaling \_\_\_\_\_  
Kenmerk machtiging\* \_\_\_\_\_

\* Deze gegevens staan op uw rekeningafschrift of het overzicht dat u van de incassant heeft ontvangen.

Naam \_\_\_\_\_  
Adres \_\_\_\_\_  
Postcode \_\_\_\_\_ Plaats \_\_\_\_\_ Land \_\_\_\_\_  
IBAN                  
BIC\* \_\_\_\_\_  
Plaats en datum \_\_\_\_\_ Handtekening \_\_\_\_\_

\*\* Geen verplicht veld bij Nederlands IBAN.

## Terugboeken? Neem contact op met uw bank.

SEPA

Indien u een doorlopende machtiging heeft afgegeven en u bent het niet eens met een afschrijving, kunt u deze laten terugboeken. Neem hiervoor binnen 8 weken na afschrijving contact op met uw bank.

U kunt uw bank ook vóór het moment van afschrijving verzoeken om een standaard Europese incasso-opdracht tegen te houden.

Als u van mening bent dat een bedrag ten onrechte van uw rekening is afgeschreven, omdat u geen machtiging heeft afgegeven, kunt u tot 13 maanden na datum afschrijving een verzoek indienen bij uw bank om dit te corrigeren.

Informeer bij uw bank naar de voorwaarden.

## Doorlopende machtiging

SEPA

Deze kaart in een envelop verzenden naar het bedrijf of instelling waaraan de betaling wordt gedaan.

Naam **Assurantiekantoor G. van Witzén**  
Adres **Rozenlaan 104**  
Postcode **4336 XG** Plaats **Aalsmeer** Land **Nederland**  
Incassant ID **NL00ABC123456780000**  
Kenmerk machtiging **5000056789012345**  
Reden betaling **Levensverzekering**

Door ondertekening van dit formulier geeft u toestemming aan

**Assurantiekantoor G. van Witzén**

om doorlopende incasso-opdrachten te sturen naar uw bank om een bedrag van uw rekening af te schrijven en aan uw bank om doorlopend een bedrag van uw rekening af te schrijven overeenkomstig de opdracht van

**Assurantiekantoor G. van Witzén**

Als u het niet eens bent met deze afschrijving kunt u deze laten terugboeken. Neem hiervoor binnen 8 weken na afschrijving contact op met uw bank. Vraag uw bank naar de voorwaarden.

Naam **A. van den Bos**  
Adres **Beethovenstraat 34**  
Postcode **3851 AF** Plaats **Amstelveen** Land **Nederland**  
IBAN                  
BIC\* **BANK NL2A**  
Plaats en datum **Amstelveen, 16 september 2013** Handtekening \_\_\_\_\_

\* Geen verplicht veld bij Nederlands IBAN.

So-called 'stoplichtkaarten'  
remain available

Mandatory data must be  
recorded digitally as well

Paper mandate must be  
kept as official record

### Standard forms to provide/withdraw mandates

Debtors are more likely to issue a mandate if they can also easily withdraw it. For this purpose so called 'Stoplichtkaarten' were developed (only in Dutch). Creditors are not obliged to use these standard cards. However, they may be used as a tool for obtaining the mandates.

The 'Stoplichtkaarten' are only available for the standard European direct debit and contain three sections:

- 'Green' for the issuance of a mandate;
- 'Yellow' for the refund of an individual transaction. This part is practically no longer in use. Using the standard European direct debit debtors may always ask their bank for a refund of a transaction within 8 weeks after the debit date;
- 'Red' for the withdrawal of the mandate.

The "Stoplichtkaarten" are available in different file-types. There is a print file for the purpose of merging customer data with mandates forms, but there is also an electronic version which can be filled individually. These, and other variants, can be downloaded from [www.betaalvereniging.nl](http://www.betaalvereniging.nl).

If a creditor decides to use "Stoplichtkaarten" we recommend to inform - prior to distribution - at the bank whether this fits within the terms of the current European direct debit contract as agreed with the bank.

### 6. Register the details of the mandates in your electronic records

The mandate is sent to and recorded by the creditor. The precise terms and conditions for use are part of the contract of the creditor and his bank.

Once you have received the signed mandates from your customers, it is important to at least carefully record (digitally) the obligatory data from the mandates in your accounting system. You must send these data with every direct debit instruction. Data concerned are:

- Creditor Identifier. You will receive this identifier from your bank when concluding the European direct debit contract;
- unique mandate reference. This reference (in combination with your Creditor Identifier) ensures that all direct debit orders can be related to a specific mandate. You determine how the mandate reference is composed. However, the reference - in combination with your Creditor Identifier - should be unique, while it may consist of a maximum of 35 positions (alphanumeric). We recommend that you use existing data from your own accounting system for the mandate reference, for example a debtor number, a contract number or a policy number. If you have no data suitable for this purpose, you may use serial numbers;
- IBAN and BIC<sup>4</sup> of your debtor. You can use the IBAN BIC Service of the joint Dutch banks to request for the IBAN and the accompanying BIC. More information is available at [www.ibanbicservice.nl](http://www.ibanbicservice.nl);
- name and address of the debtor. If you receive mandates from customers in other countries, you should also record the country of the debtor;
- type of mandate: recurrent or one-off;
- date of signature of the mandate concerned.

You have to record the data digitally and you have to archive the original mandates. The filing time is at least 14 months after a mandate has been withdrawn by a debtor. Complaints concerning an invalid debit can be filed until 13 months after the date of the direct debit. In order to settle these correctly, it is necessary that the original mandate is available.

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<sup>4</sup> Until February 1st 2016 a BIC is mandatory in case of a non-Dutch IBAN.

**Make allowance for the period of refund of 8 weeks**

**7. Determine the impact of the refund period to your business processes**

In the standard European direct debit system your debtors have the right to request that their bank arranges a refund within 8 weeks of a direct debit. This period of refund of 8 weeks may possibly affect your business processes. You should not only consider your ability to process refunds up to 8 weeks after your direct debit batch has been credited, but also the payment terms you have agreed with your debtors (and possibly also with your suppliers). In some situations it may be advisable to change these payment terms and/or other contractual obligations.



## Additional information

Combine pre-notification  
with other customer  
communication

Time limits

### Guidelines for invoicing and pre-notification

Before you actually present the batch of the European direct debits for processing, you have to inform your debtors in advance about the amount and the date of the collection. We advise you to mention your Creditor Identifier and the unique mandate reference as well. The bank of the debtor is obliged to mention these data when debiting the account for the standard European direct debit. You do not need to inform your debtors about this separately. A notification on the invoice or in another form of regular correspondence with your debtors is sufficient.

You may send a separate pre-notification however most of the time an invoice or other regular correspondence with your debtors is the best solution. The European direct debit rules prescribe that you must send the invoice at least 14 days prior to the due/collection date, unless you have agreed a different period (shorter or longer) with your debtors. For example, it is possible to agree a set date (e.g. the 27th of each month) for fixed periodic amounts when the agreement is concluded. Naturally, you must give timely notice of any change in the amount and/or date. Check whether you and your debtor have agreed for a certain time limit or if you still want to capture it in this agreement or in the pre-notification.

### Points for attention when submitting standard European direct debit batches

For sending the standard European direct debit orders different time limits apply.

5 business days before the desired collection date for:

- all one-off direct debit orders
- the first transaction from a series of recurrent direct debit orders

2 business days before the desired collection date for:

- all subsequent transactions from a series of recurrent direct debit orders

Ask your bank about the exact time limits for supplying European direct debit batches and whether you can make a test delivery of a batch.

### Switching Service

Banks in The Netherlands offer the Switching Service which makes it easier for customers to switch from one bank to another. If you submit an European direct debit batch, the bank checks whether the account numbers have been submitted to the Switching Service. If so, the bank will forward the direct debit to the new bank. The bank will specify the new account number, so that the direct debit can be performed in the usual manner. You will subsequently receive notice from your own bank that the relevant account number has been changed. You will also receive the new IBAN and BIC. This notification of change is, is to be considered as a personal notification from your customer. You must enter the new data in your accounting system and file this notification of change with the original mandate. When performing the next direct debit order for the customer concerned, you must use the new account data and respect the timeline of a first transaction.

### Direct debit rejected; contact your customer

It may occur that some direct debit orders cannot be processed. E.g. the account balance of the debtor is not sufficient, or the debtor's account has been blocked for direct debits. You will then be notified by your own bank. If the account is blocked you should always contact your customer. Perhaps the account has been blocked temporarily, and you can resume the collections in the normal way for the following period. In other cases, however, you may find that the debtor is no longer willing or able to permit the direct debit. In that case you must switch to a different means of payment.

On the next page you will find an overview of the differences between the standard European direct debit and the European business-to-business direct debit.

Switching Service operational

Contact your customer  
if the direct debit  
cannot be processed

### Differences between the standard European direct debit and the European business-to-business direct debit

Reference	Standard European direct debit	European business-to-business direct debit
To be used by	Both private and business debtors	Business debtors only
Action debtor	-	Registers the mandate before the due date by his own bank
Checks by the bank of the debtor	Does the debtor's account accept the standard European direct debit	<ul style="list-style-type: none"> <li>• Does the debtor's account accept the European business-to-business direct debit</li> <li>• Has the debtor registered the mandate and thus authorised the execution of the direct debit(s)</li> <li>• Does the mandate information in the direct debit transaction match the mandate information as registered by the debtor by his own bank</li> </ul>
Time limit for delivery of direct debit batches <sup>5</sup>	5 business days for the desired collection date: <ul style="list-style-type: none"> <li>• all one-off direct debit orders</li> <li>• the first transaction from a series of recurrent direct debit orders</li> </ul> 2 business days before the desired processing date for: <ul style="list-style-type: none"> <li>• all subsequent transactions from a series of recurrent direct debit orders</li> </ul>	1 business day before the desired collection date: <ul style="list-style-type: none"> <li>• all direct debit orders</li> </ul>
Time limit for refusal by the debtor	Before the collection date of the direct debit	Up to and including the day of the collection date
Refund by the bank of the debtor	Up to and including 5 business days after debit date	Up to and including 2 business days after debit date
Refund by debtor	Up to and including 8 weeks after settlement	Not permitted

<sup>5</sup> Note: According to European direct debit rules, the direct debit transactions should reach the bank of the debtor within the prescribed time limits. Ask your own bank about the exact time limits for supplying European direct debit batches.

**Contact**

Contact your bank or visit [www.betalvereniging.nl](http://www.betalvereniging.nl).