NPC Clarification Report on EPC SRTP

Version History

Version	Date	Edited by	Comments
1.0	2022-01-21	NPC RTP WG	Agreed version for publication based on the SRTP Scheme v2.0.
2.0	2023-07-06	NPC RTP WG	Agreed version for publication based on the SRTP Scheme v3.1.

1   Background and purpose

This document is for a joint understanding and detail the use of the European Payments Council (EPC) SEPA Request-to-Pay (SRTP) Scheme. The EPC SRTP Scheme is currency agnostic which means that Request-to-Pay (RTP) messages denominated in DKK, NOK, SEK and any other SEPA area currency can be processed within the SRTP Scheme. The choice of currencies supported in the context of the Scheme is left to each Scheme Participant and should be notified to the Payees and the Payers by them. Since the EPC SRTP Scheme can be used by the Nordic actors as well, this is in line with the vision of the NPC to harmonise payments within the Nordics but also towards the euro-zone. Therefore, the Nordic Payments Council (NPC) will not create and publish an NPC (Request-to-Pay) RTP Scheme. The Nordic actors interested in participating in the SRTP Scheme should apply to the EPC.

This report is written to the Nordic actors to further explain the usage of SRTP Scheme. The following questions are discussed in the report. Which are the different actors involved and what are their roles and responsibilities? How does the EPC SRTP Scheme fit into the "eco-system" of Request-to-pay and services based on the SRTP Scheme? The report will also detail how the usage of the separate EPC SRTP Scheme relates to the payment processing, which is governed by payment schemes.

2   Roles and responsibilities

2.1   Scheme participants and agreement

To become a scheme participant, the scheme participant will sign an adherence agreement to the SRTP scheme. As part of the EPC adherence process the participant will be pre-assessed and "certified" by a so-called *Homologation* Body[1].

The EPC has appointed an external company, Sopra Steria Benelux, as the SRTP scheme Homologation Body.

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[1] Definition of homologation: to approve or confirm officially
Source: Homologate Definition & Meaning - Merriam-Webster

There are four homologation types applicable to the SRTP scheme applicants (one standard and three types of simplified homologation) and the possibility for a technical solution provider to pass a specific, optional homologation to become a 'Referenced Technical Solution Provider' (RTSP). The appropriate homologation type depends on whether the applicant has gone through a relevant formal authorisation/licensing process and/or is subject to specific regulatory/supervisory requirements or not, and whether the applicant is using a 'Referenced Technical Solution Provider' or not.

The SRTP Scheme Rulebook clarifies that the Rulebook is a multilateral agreement and that all participants of the scheme need to be reachable for all other participants adhering to the scheme. The participants, i.e., Payee's and Payer's RTP Service Providers, can be PSPs but also non-PSPs, such as e-invoice or commerce service providers. All participants adhering to the SRTP Scheme can process RTP messages but only PSPs can initiate or execute payment instructions though inter-PSP networks. The payment initiation and execution are out of the scope of the SRTP scheme. The PSP can as Payee's RTP Service Provider or Payer's RTP Service Provider be an ASPSP, a PISP or both.

The following list details the major obligations of EPC and the Participants of the SRTP Scheme.

- Service Providers **are obliged to comply with the Rulebook**, *EPC SRTP Rulebook section 1.7 Binding nature of the Rulebook* and *section 3.8.1 General*
  (Remark: *section 0.5 Implementation Guidelines*, the SRTP Implementation Guidelines which support the Scheme operationally by setting out the rules for implementing the RTP related ISO 20022 XML message standards, constitute binding supplements to the Rulebook. Next to these SRTP Implementation Guidelines, the EPC default SRTP related API specifications form integral part of the Rulebook.)

- Compliance with the Scheme rules **ensures interoperability between all Participants**, *EPC SRTP Rulebook section 1.10 Other features of the Scheme*

- All AOS must not compromise interoperability of the Scheme **nor create barriers to competition**, *EPC SRTP Rulebook section 1.12 Additional Optional Services*

- All eligible entities from all countries in SEPA shall be allowed to participate on the basis **that the level playing field principle between PSPs and non-PSPs is respected**, *EPC SRTP Rulebook section 3.1 The Scheme*

- **Each Participant needs to achieve full reachability for the Scheme**. To this extent, each Participant shall have in place technical arrangements that enable the Participant to send and/or receive RTPs to and/or from any other Participant in accordance with the rules of the Scheme. As of 30 November 2023, the RTP Service Providers must at the minimum exchange SRTP messages based on API and have the capability to access the SRTP related API of other SRTP scheme Participants.
  Participants may decide to use the EPC default API Specifications or other API specifications available on the market, as long as such API arrangements are consistent with the Rulebooks requirements and are interoperable with other arrangements, including the EPC one. For this purpose, to ensure this interoperability, Participants that use market APIs must at least ensure a translation into the EPC default API Specifications when exchanging messages with other Participants not using the same type of APIs.

  They should also 'understand' incoming EPC default API calls and be able to respond with the EPC default API responses.

To this end, the Participants may choose any means (e.g., develop their own translation tool; use a translator bench; use a (Referenced) Technical Solution Provider., *EPC SRTP Rulebook section 3.2 Reachability and interoperability*

- Have the capacity to build and maintain a secure and reliable technical infrastructure for the connection with the RTP eco-system in order to be able to exchange RTP messages; *EPC SRTP Rulebook section 3.3 Eligibility criteria*

- The EPC Secretariat will determine whether or not the applicant is able to satisfy the eligibility criteria and make a positive or negative decision regarding the application, *EPC SRTP Rulebook section 3.4.1 Application process*

- Each legal entity that seeks to adhere to the Scheme, in the role of RTP Service Provider of the Payee, of the Payer or both, must agree to accept the rights and obligations of a Participant in relation to the Scheme., *EPC SRTP Rulebook section 3.4.1 Application process*

- The EPC Secretariat shall maintain a Scheme register of RTP Participants, *EPC SRTP Rulebook section 3.5 Scheme register of Participants*

- 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, *EPC SRTP Rulebook section 3.11 Contractual provisions*

- Ensure adequate risk management and security, in particular compliance with the applicable provisions included in the Risk Management Annex (see Annex III), *EPC SRTP Rulebook section 3.6.1 Obligations of a Payee's RTP Service Provider.* Please note that the Risk Management Annex has a restricted distribution and is not available at the EPC web page (only delivered during the adherence process or under a non-disclosure agreement).

It should also be noted that a party who is not a party to the Rulebook shall have no rights or obligations under the Rulebook.

2.2   Actors involved in SRTP and payment processing

The following picture shows the actors and roles involved in a Request-to-Pay as well as the subsequent payment initiated based on the SRTP.

The orange section shows what is governed by the SRTP Scheme where the RTP is processed. The blue section shows that payment instruction from the Payer is governed by the rules of the payment schemes and the PSD2 rules and thus neither covered nor governed by the SRTP Scheme. The subsequent payment will be considered a Payer-initiated payment (any form of credit transfer or instant credit transfer).
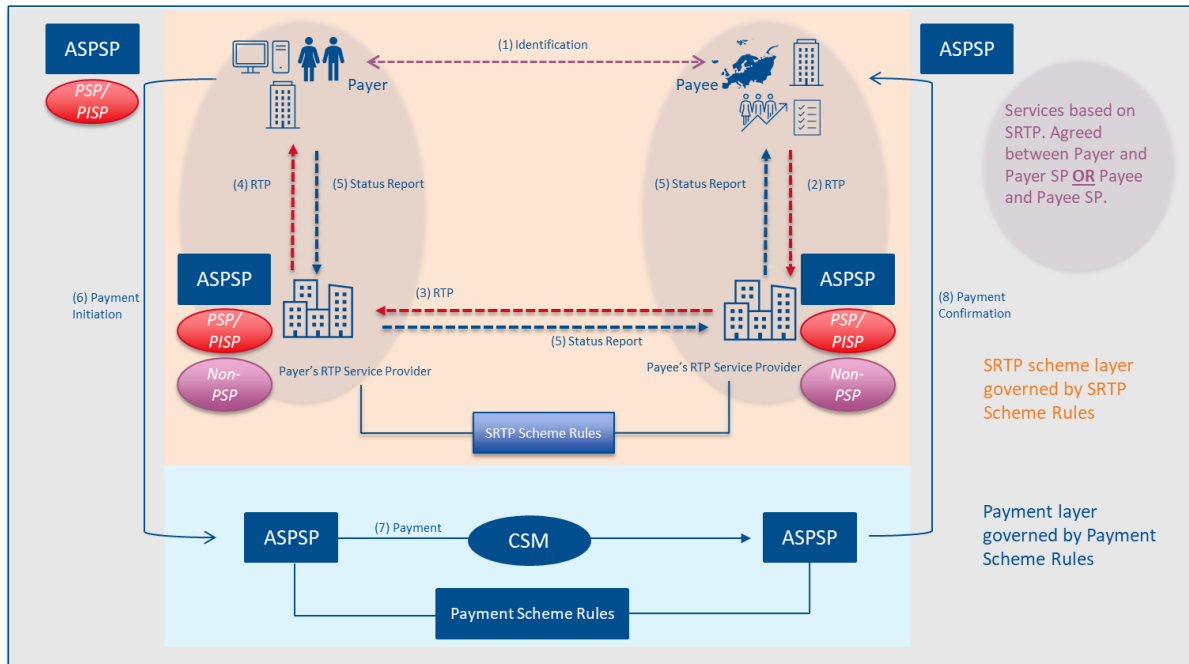
The grey area indicates that there can be service offerings based on the SRTP Schemes from Payer and Payee Service Providers. Payer's and Payee's RTP Service Providers can offer additional services, provided they do not contradict the scheme. Such services include e.g. Payee registries, linking between Payees and Payers.

The enrolment and activation of Payee and Payer by their Service Providers are mandatory but can be done in many ways left at the discretion of the actors.

The Enrolment is the actions and processes that must be performed by an RTP Service Provider to ensure a Payee's or a Payer's operational readiness for using an SRTP service.

The Activation is the mutual arrangement between one Payer which agrees to receive SRTP messages and one Payee that agrees to send SRTP messages, and the exchange of the required information (e.g., SRTP addresses) enabling the Payee and/or the Payee's RTP Service Provider to send SRTP messages to the Payer and enabling the Payer to receive SRTP messages from the Payee.

The different actors and roles involved in the processing are described in the table below the picture.

On top of the general flow, there can be additional steps when the identifier of the Payer and/or the identifier of the Payer's RTP Service Provider is not known by the Payee or its RTP Service Provider. Additional steps may be required to render the Payer's choice of RTP Servicer Provider or the Payer to identify him/herself in the chosen RTP Service Provider's application. Typical use cases include redirection in e-commerce as well as POS/POI use cases. Some scenarios are illustrated in the EPC SRTP Clarification Paper.

Actors and Roles	Description
Payee	The initiator of an RTP process and usually the beneficiary of the funds transferred in the resulting payment flow. Depending on the business domain we are referring to, this role can be identified as the beneficiary when it comes up to the payment processing or the creditor from a financial perspective.
Payer	It represents the party to whom the RTP is addressed, and the originator of the funds transferred in the resulting payment flow. In payment processing this role is usually identified with the originator of a payment, which can be also defined as the debtor

Actors and Roles	Description
	from a financial perspective. A Payer may activate receiving RTPs per Payee or giving an implicit activation. The Payer is responsible for the payment. A Payer shall always have the possibility to opt out from the RTP service as a whole and or for certain Payees.
Payee's RTP Service Provider	(who has adhered to the Scheme, scheme participant): Usually represented by a PSP but since the RTP can be part of end-to-end commerce processes, also other non-PSP entities can assume this role. Since the RTP message is not a payment message, this allows for non-PSP to be RTP Service Providers. Therefore, the Payee's RTP Service Providers can be for instance: PSPs, E-invoicing Service Providers, Commerce Service Providers.
Payer's RTP Service Provider	(who has adhered to the Scheme, scheme participant): Usually represented by a PSP but since the RTP can be part of end-to-end commerce processes also other non-PSP entities can assume this role. Since the RTP message is not a payment message, this allows for non-PSP to be RTP Service Providers. Therefore, the Payer's RTP Service Providers can be for instance: PSPs, E-invoicing Service Providers, Commerce Service Providers. The Payer RTP Service Provider must provide functionality for a Payer to opt out from the RTP service. In such a case, no RTP messages shall be forwarded to such a Payer through his/her defined SPs.
Solution Provider	Entity providing reliable solutions, networks and protocols for transmitting RTP data. A Solution Provider can offer additional services to the RTP Service Providers, e.g., a routing service assisting the RTP Service Providers to create reachability. A Solution Provider has the option to apply for homologation to become a "Referenced Technical Solution Provider" (RTSP).
PSP (payment service provider)	Could be either an ASPSP or a PISP.
ASPSP (account servicing payment service provider)	An entity that can adhere to the SRTP scheme in their own role and name acting as a Payer or Payee RTP Service Provider. For payment handling: The ASPSP, adhering to a payment scheme and the entity that on behalf of their customer will handle the initiated payment process and execute the payment according to a payment scheme (e.g. SCT, SCT Inst, NCT, NCT Inst etc.). If the ASPSP acts as the Payer RTP Service Provider as well, the ASPSP will also initiate the payment.
PISP (Payment initiating service providers)	An entity that can adhere to the SRTP scheme in their own role and name acting as a Payer or Payee RTP Service Provider. For payment handling:

Actors and Roles	Description
	PISP without own customer payment accounts can be instructed by the Payer to initiate a payment based on the RTP-message to an ASPSP in accordance with payment legislation and dedicated process in the Payment Service Directive (PSD2).
Non-PSP	An entity not being a PSP (not PISP or ASPSP) that have adhered to the SRTP scheme acting as a Payer or Payee SP. For payment handling: To arrange for payments, the non-PSP needs to have agreements with a PISP or an ASPSP.

2.3 Rulebook writing with regards to trust and security

It is very important to the SRTP Scheme to be trusted and secure. Rights and obligations of the Scheme participants, i.e. RTP SPs are found in section 3 in the Rulebook. The EPC RTP TF has in addition developed a "*Trust and Security Framework*" which is annex I in the SRTP Scheme Rulebook.

The Rulebook has a Risk Management Annex which is made available to candidates during the adherence process. In the Risk Management Annex risks associated with the use of the SRTP are described and assessed with suggestions for mitigation actions. All SRTP participants need to comply with the applicable provisions included in the Risk Management Annex. The Risk Management annex includes for example measures to detect and mitigate risks regarding suspicious or fraudulent RTP messages.

According to the Rulebook both the Payer and Payee SP are responsible for the trust and security of the scheme.

EPC SRTP Rulebook section 1.10 Other features of the Scheme

> • The Scheme rules ensure that responsibility for risk management is allocated to where the risk lies, and that liability falls where the fault lies (see Annex III Risk Management Annex);

Please note that the Risk Management Annex has a restricted distribution and is not available in the EPC web page (only delivered during the adherence process).

EPC SRTP Rulebook section 3.3 Eligibility criteria

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

1) fulfil the necessary identity verification requirements as part of the contractual relationship with its clients;
2) have the capacity to build and maintain a secure and reliable technical infrastructure for the connection with the RTP eco-system in order to be able to exchange RTP messages;
3) in case of outsourcing activities in the context of the SRTP service to third parties have in place legally binding agreements with all such third parties to ensure the correct provision of the SRTP service in accordance with the rules of the Scheme;
4) develop and effect operational and risk control measures appropriate to the business undertaken by the Participant;
5) follow the trust and security requirements outlined in Annex I (Trust and Security Annex);
6) fully comply with the applicable regulations in respect of data protection (GDPR);

EPC SRTP Rulebook section 3.6.1 Obligations of a Payee's RTP Service Provider (an extract)

4) Verify the identification and carry out KYC or equivalent checks of the Payees (i.e., Payee's identity, name, trade name…);
5) Ensure that the Payee is the account owner, directly or indirectly (i.e., financing firms or related (e.g., marketplace)), of the IBANs that are declared during the enrolment process;
6) For each RTP message, check that the IBAN of the Payee (AT-C001) matches with one of the IBANs declared and verified during the enrolment of the Payee;

13) Provide to Payees the means (e.g., SRTP address, secure electronic channel …) of initiating RTPs and accepting the applicable data and format requirements;

14) Provide Payees with adequate information on their risks as well as the respective rights and obligations of the Payee, Payer, Payer's RTP Service Provider and Payee's RTP Service Provider, where relevant, including those specified in the applicable legislation, in relation to the RTP 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 and information regarding the Activation principles, especially the obligations for the Payee to get the Consent of the Payer before sending an SRTP;

24) Ensure adequate risk management and security, in particular compliance with the applicable provisions included in the Risk Management Annex (see Annex III);
25) Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;

EPC SRTP Rulebook section 3.6.2 Obligations of a Payer's RTP Service Provider (an extract)

4) Ensure the identification of the Payers, where possible and applicable[13];

8) Provide the Payers with the means (e.g., SRTP address, secure electronic channel…) to receive SRTP messages and responding to them;

12) Provide Payers with adequate information on their risks as well as the respective rights and obligations of the Payee, Payer, Payer's RTP Service Provider and Payee's RTP Service Provider, where relevant, including those specified in the applicable legislation, in relation to the RTP 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 and information about the Activation principles, especially the obligations for the Payee to get the Consent of the Payer before sending an SRTP, and, if relevant, information of the connection to the payment to follow;

20) Ensure adequate risk management and security, in particular compliance with the applicable provisions included in the Risk Management Annex (see Annex III);

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

EPC SRTP Rulebook Annex I: Trust and Security Framework (TSF), section 1b

b. Homologation of applicant SRTP Service Providers

Once the 'identity' of an applicant SRTP Service Provider has been confirmed (Identification process), the EPC also needs to be assured regarding the fact that the applicant SRTP Service Provider has the 'capability' from an operational, security, and business continuity point of view to fulfil the following list of requirements:

- Provide a secure and reliable technical infrastructure for the connection with the SRTP eco-system (as of 30 November 2023, the SRTP Service Providers must at the minimum exchange SRTP messages based on API and have the capability to access the SRTP related API of other scheme Participants);
- Ensure reachability and interoperability with the other SRTP scheme participants. Participants may decide to use the EPC default API Specifications or other API specifications available on the market, as long as such API arrangements are consistent with the Rulebooks requirements and are interoperable with other arrangements, including the EPC one. For this purpose, to ensure this interoperability, Participants that use market APIs must at least ensure a translation into the EPC default API Specifications when exchanging messages with other Participants not using the same type of APIs.

They should also 'understand' incoming EPC default API calls and be able to respond with the EPC default API responses.
To this end, the Participants may choose any means (e.g., develop their own translation tool; use a translator bench; use a (Referenced) Technical Solution Provider;
- Be operational on a 24/7/365 basis;
- Ensure instant exchange of messages in the inter-SRTP Service Provider space;
- Have in place a business continuity plan which is tested on a regular basis;
- Ensure adequate risk management and security, via compliance with the applicable provisions included in the RMA;
- Ensure adequately fraud screening through monitoring and warning mechanisms;
- Use trusted Certificate Authorities;
- Be able to pass with success a Homologation before entering live;
- Be able to Authenticate securely their customers ;
- Capability to send the data to the Payer to perform the payment instruction.

The RTP SPs are responsible to identify and authenticate its own customers.

EPC SRTP Rulebook annex I: Trust and Security Framework (TSF), section 2

> A Payee's/Payer's SRTP Service Provider shall, in respect of each of its Payees/Payers, fulfil the necessary identity verification requirements as part of the contractual relationship with its customers (Payee and or Payer) as described in Section 3.6 of the SRTP Rulebook. An SRTP Service Provider will also put in place and maintain secured communication channels with its Customers Moreover, the enrolment of the Payee is under the responsibility of the Payee's SRTP Service Provider and the enrolment of the Payer is under the responsibility of the Payer's SRTP Service Provider.
>
> An SRTP Service Provider also needs to Authenticate its own customers each time they send an SRTP related message.

EPC SRTP Rulebook annex I: Trust and Security Framework (TSF), section 4

> An SRTP Service Provider is generally responsible for i) performing an adequate identity verification/Authentication of its clients, ii) checking that the 'counterparty' is indeed a scheme participant which is listed in the EPC's SRTP scheme register of participants and iii) correctly transmitting messages in accordance with the rules of the scheme. Nevertheless, the SRTP Service Providers need to ensure a traceability of the flows exchange.

3 Services/solutions based on SRTP Scheme

The ambition for this section is to describe the difference between the service level (services/solutions offered based on the SRTP Scheme) and the SRTP Scheme.

An SRTP compliant service may be offered either by Payer and/or Payee RTP Service Provider or by a supplier or solution provider to Payer and/or Payee RTP Service Provider. The supplier will not be a participant of the SRTP Scheme but will be compliant to the SRTP Scheme due to an agreement with the Payer and/or Payee RTP Service Providers. The solution provider may also request to be homologated by the Homologation Body to receive a status as a "Referenced Technical Solution Provider" (RTSP). An applicant using such an RTSP may be eligible to a simplified homologation. The Payer and/or Payee RTP Service Providers are participants of the SRTP Scheme and are fully responsible to the Scheme and will need to agree with all suppliers to comply with the Scheme to fulfil their responsibilities.

Services offered based on the Scheme cannot contradict the scheme. Rules and terms of the scheme as a whole need to be followed by the service. The service can provide additional features that does not contradict the scheme, for example allow additional messages.

If the RTP service is based on an Additional Optional Service (AOS) arrangement, the AOS is created to add value to a specific community and must be in line with the SRTP Scheme and cannot be more restrictive.

If a service states that it is an SRTP Scheme compliant service, all participants using this service will need to adhere to the SRTP Scheme.

Requirements for the services based on the SRTP Scheme:

- Comply with the SRTP Scheme and not create hindrance to interoperability and reachability

  o As a Payer RTP Service provider, you need to be able to receive RTP-messages from all SRTP participants and be able to forward them to your Payer customers

  o As a Payer RTP Service provider, you are only allowed to reject on reasons that are stated in the SRTP Scheme (rejection codes in AT-R004 in the SRTP Rulebook)

Identification:	AT-R004
Name:	**Reason code for non-acceptance of the RTP**
Description:	This code identifies the reason for the non-acceptance of the RTP.
Value range:	The reason codes for a Reject by the Payee's/Payer's RTP Service Provider are:
	▪ Payer Identifier incorrect (e.g., invalid IBAN)
	▪ RTP Service Provider Identifier incorrect (e.g., invalid BIC)
	▪ Duplicate RTP
	▪ Regulatory reason
	▪ Reason not specified
	▪ RTP not supported for this Payer
	▪ Payer or Payer's RTP Service Provider not reachable
	▪ Expiry date too long
	▪ Type of Payment instrument not supported
	▪ Expiry Date/Time reached
	▪ Suspicion of fraud
	▪ Technical reason
	▪ Attachments not supported
	▪ URL not supported (this code can only be used when AT-S010 is set in the RTP)
	▪ Redirect option not supported
	▪ Currency not accepted
	The reason codes for a Refusal by the Payer are:
	▪ Wrong amount
	▪ Duplicate RTP
	▪ Reason not specified
	▪ Non-agreed RTP
	▪ Unknown Payee
	▪ Incorrect Expiry Date/Time
	▪ Currency not accepted

  o As a Payee RTP Service provider, you are not allowed to limit the reach to Payer RTP Service providers. You must be able to send the RTP-message to all other participants that are SRTP service providers on the Payer side.

Going forward within the new SRTP context, there will still be a need for different solutions and services in the competitive area. Compared to now there will be a possibility to build these upon the standardised business and operational rules specified in the SRTP Scheme Rulebook.

The SRTP scheme supports various use cases in B2C, B2B and P2P for both pay now and pay later type of collections. Services developed based on the scheme can replace current services in those areas and offer value added features or even bring new services to the market compared to current offerings.

For exchanging the data between the Payee and Payer (collection files or e-invoice format) with the RTP message flow, the RTP messages can "carry" the required invoice information. The ways to "carry" or to convey the invoice information with the RTP message are e.g., via URL link to an external display service

or via an attachment. Both are optional features in the Rulebook. Both the Payee's and Payer's SP would need to support the options for them to work as expected. The different options included in the SRTP scheme and the possible related actions in case an option is not supported by a Payee's or Payer's SP are listed in the Annex III of the EPC SRTP Clarification Paper.

Commercial solutions and services provided by RTP SPs can either be provided as a "common" set up of a service by a separate (technical) solution provider to the RTP Service Provider or by the RTP Service Provider by themselves for their customer service offerings.

Create reach and reachability

As the SRTP Scheme is built as a 4-corner model open for the Scheme participants, interoperability between the participants is vital.

So, even though the RTP scheme in theory opens up the exchange of RTP messages for all participating actors, full functionality also requires specifications on how to exchange messages between the different actors. For that reason, the EPC has defined default API specifications and lets the market evolve parallelly to enable achieving full reachability.

EPC SRTP Rulebook section 1.9 Separation between the SRTP Scheme and infrastructure

> As of 30 November 2023, the SRTP Service Providers must at the minimum exchange SRTP messages based on API (Application Programming Interface) and have the capability to access the SRTP related API of other SRTP scheme participants to ensure full reachability between SRTP scheme participants. API must be exposed by the receiver and callable by the sender. The SRTP Participant shall ensure that its API arrangements are consistent with the requirements and obligations of the Rulebook and the related Implementation Guidelines.
>
> The SRTP scheme is infrastructure agnostic. Each Participant is free to arrange the way the messages are exchanged with other Participants and may use Solution Providers to this extent.
>
> Participants may decide to use the EPC default API Specifications or other API specifications available on the market, as long as such API arrangements are consistent with the Rulebooks requirements and are interoperable with other arrangements, including the EPC one. For this purpose, to ensure this interoperability, Participants that use market APIs must at least ensure a translation into the EPC default API Specifications when exchanging messages with other Participants not using the same type of APIs. They should also 'understand' incoming EPC default API calls and be able to respond with the EPC default API responses.
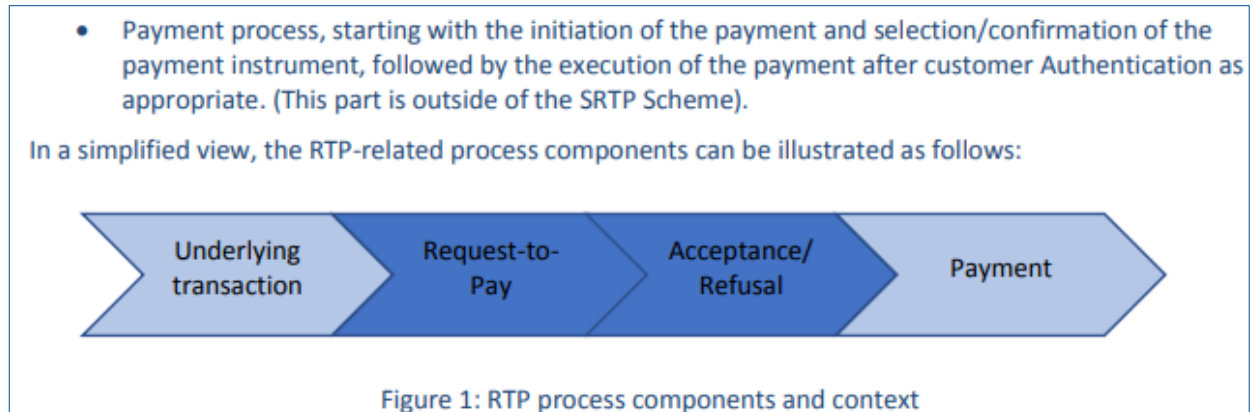> To this end, the Participants may choose any means (e.g., develop their own translation tool; use a translator bench; use a (Referenced) Technical Solution Provider.

4 Separation and connection of SRTP and Payment Schemes

4.1 SRTP is a messaging scheme

The SRTP Scheme is defined to be a messaging scheme covering the dark blue section of the arrow below and is separate from the payment processing.

EPC SRTP Rulebook section 1.2 RTP processes and relevant roles and entities for RTP

- Payment process, starting with the initiation of the payment and selection/confirmation of the payment instrument, followed by the execution of the payment after customer Authentication as appropriate. (This part is outside of the SRTP Scheme).

In a simplified view, the RTP-related process components can be illustrated as follows:

Underlying transaction → Request-to-Pay → Acceptance/Refusal → Payment

Figure 1: RTP process components and context

The separation between the operation of the RTP and payment is also clarified with regards to liability.

EPC SRTP Rulebook section 3.7.1 Liability of Participants for Breach of the Rulebook

3.7.1 Liability of Participants for Breach of the Rulebook

A Participant's liability under the Rulebook is limited to the operation of an RTP and shall be kept separate from any liability arising from the subsequent payment.

A Participant who is party to an RTP shall be only liable to the other Participant who is also party to that RTP 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 RTP by the relevant Participant, its employees or agents, and
2) Any negligent act or omission of the relevant Participant, its employees or agents relating to the RTP insofar as relevant to the operation of the Scheme, or
3) Any operational failure of the relevant Participant, its employees or agents relating to the RTP insofar as relevant to the operation of the Scheme, unless it is caused by Force Majeure.

4.2 How will payment transactions be initiated?

The payment processing is outside of the SRTP Scheme scope as stated earlier. There will be possibilities in the payment schemes e.g. SCT, SCT Inst, NCT and NCT Inst to indicate that the payment transaction was preceded by an RTP message. In the SRTP Rulebook section 2.5.1 *Attribute details* (AT-T009 RTP Remittance Information to be inserted in the payment), it is also stated which information

needs to be included in the payment message from the RTP message for the successful reconciliation by the Payee.

From a RTP perspective, the word initiate can for a PISP imply to connect the Payer to the ASPSP to initiate the payment process as part of the RTP service. This process is not automatically connected to the following payment. For the meaning of initiation of a payment as such see the example below.

Identification:	AT-T013
Name:	Requested Execution Date/Time of the payment to be initiated
Description:	This date/time corresponds with a date/time requested by a Payee by when the payment needs to be initiated at the latest.
	Depending on the date and time mentioned, it expresses "Pay now /Pay later" as described under 1.11. In combination with AT-S005 "Expiry Date/Time of the RTP", it allows to express the reaction asked for by the Payee, i.e., "Accept now / Pay now", "Accept now / Pay later" or "Accept later / Pay later".
	In case of instalment payments, the requested execution date/time of each instalment should be indicated together with the amount of each instalment.

Depending on which kind of entity the RTP Service Provider is, PSP or non-PSP, the process and possible payment services offered are different.

The SRTP rulebook allows in all use cases Payer's RTP Service Providers to transform the SRTP directly into payment initiation request to be presented to the Payer. It is stated in the EPC SRTP Clarification Paper as follows:

"The Payer's SRTP SPs are free to offer to the Payer any value-added service to initiate and execute a payment following/combined with the acceptance of the RTP by this Payer, such as with a simple and smooth customer journey for the Payer ("one click" concept = acceptance/initiation/execution). As an example, when the Payer's SRTP SP is an ASPSP/PISP or has an agreement with an ASPSP/PISP, the Payer's SRTP SP may decide to convert the SRTP into a payment initiation intended for the Payer. When the payment initiation is validated/rejected by the Payer, the SRTP SP may convert this validation/rejection into an SRTP acceptance/refusal and send it back to the Payee's SRTP Service Provider."

If the *Payer Service Provider* is a *PSP*, either a PISP or an ASPSP, they can provide payment services and initiate transactions on behalf of the Payer. It is always the Payer that is responsible for the payment. However, that is not a part of the SRTP Scheme message flow, but in the following payment.

The above-mentioned different types of PSP entities can by themselves offer services to connect the RTP with a subsequent payment. PSPs will need to see to that the information from the RTP is included in the payment transaction for the Payee to receive all necessary information for reconciliation, e.g., including the end-to-end reference or remittance information.

The *ASPSP* is adhering to a payment scheme and can handle the entire payment process.

The *PISP* is not adhering to a payment scheme and can only initiate the payment on behalf of a Payer to the Payer's ASPSP, i.e. as for all PISP processes, following the PSD2 as stated below. The ASPSP will then be responsible for the execution of the payment.

If the *Payer Service Provider is a non-PSP,* there are different possibilities. The non-PSP need to make an agreement with a PISP or an ASPSP, which will provide payment services and as a PISP to initiate and as an ASPSP also to execute transactions on behalf of the Payer.

If the *non-PSP agrees with a PISP* to provide the payment information needed for initiating the payment as the result of the Payer accepting the Request-to-Pay, this payment will be initiated by the PISP towards the Payer's ASPSP. The Payer needs also to authorise the PISP to initiate payments on the Payer's behalf. The PISP will use its normal payment initiating method according to the PSD2 directive to initiate the payment towards the ASPSP. There is the need to forward all information from the Request-to-Pay needed for the payment and reconciliation at the Payee side. The Payer's RTP SP needs to ensure with the PISP that the correct information is incorporated into the payment instruction.

If the *non-PSP agrees with an ASPSP* to provide the payment information to initiate the payment as the result of the Payer accepting the Request-to-Pay, this payment will be initiated and processed by the ASPSP. The Payer needs also to authorise the ASPSP to initiate payments on the Payer's behalf. The ASPSP will process the payment according to the process mandated by the associated payment scheme. The Payer's RTP SP needs to ensure with the ASPSP that the correct information is incorporated into the payment instruction.

If the *non-PSP Payer Service Provider has no agreement* to provide the payment information for initiating the payment, the Payer is responsible for payment initiation after accepting the RTP message. The non-PSP Payer Service Provider needs to instruct the Payer to transmit information from the RTP into his/her "ordinary" payment channel, e.g. a mobile banking app, for making the payment with the correct information.