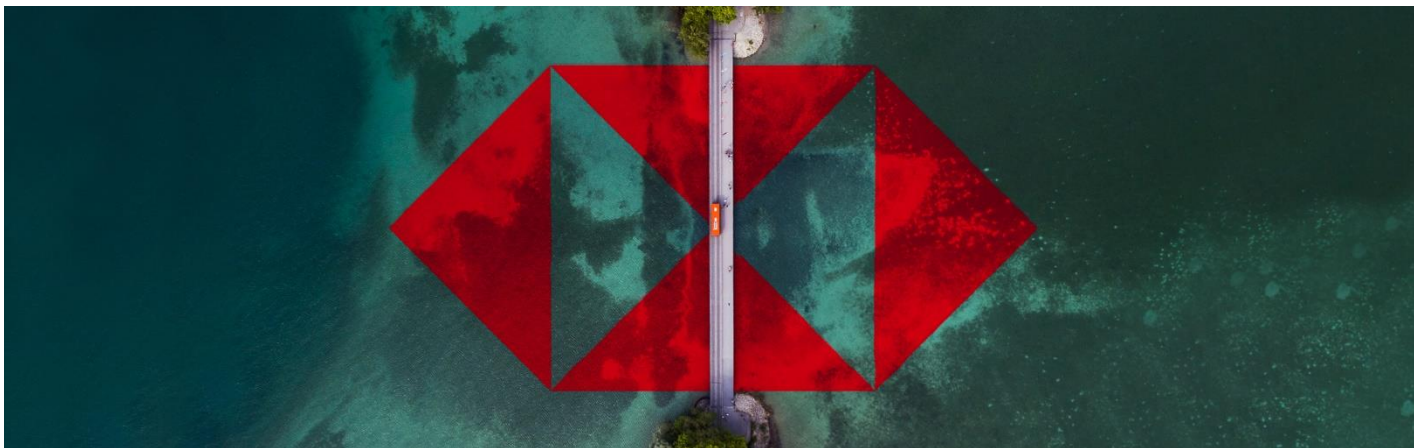


SEPA Credit Transfer (SCT)



SEPA Credit Transfer (SCT) is the Pan European Credit Transfer scheme that has replaced domestic and cross border Euro Credit Transfers throughout the SEPA zone. It provides a consistent approach for making payments across Europe and makes these as easy to send and receive as domestic ACH transactions.

About SEPA

Developed by the European Payments Council ('EPC'), the Single Euro Payments Area ('SEPA') expands on the vision behind the Euro to establish a single monetary and economic union.

Specifically, SEPA creates a borderless system of Euro payments throughout SEPA countries and territories by putting a consistent set of standards, rules and conditions in place. The ultimate goal is to make sending and receiving SEPA zone payments as easy and cost effective as non-urgent domestic payments.

Contact HSBC

HSBC understands the opportunities and challenges that your business is facing with the advance of SEPA. This factsheet has been prepared for general guidance to business customers on our SEPA proposition. As ever, we would be very happy to answer any questions you may have or discuss any aspect in greater depth.

Please contact your HSBC Representative or visit our website: www.hsbcnet.com/sepa for more information.

Important Information on SCT

- ◆ SCT requires ISO 20022 XML format in the SEPA zone
- ◆ SCT requires the Remitter to provide IBAN details of the Payees/Beneficiaries

Steps towards SEPA implementation

- ◆ Ensure you obtain IBAN¹ details from your Payees (e.g. suppliers)
- ◆ Add your IBAN¹ details to your invoice for customers to use
- ◆ Check that your back office or ERP (Enterprise Resource Planning) system is able to manage SEPA data
- ◆ Plan for a testing phase in your implementation

36 SEPA countries:

Eurozone members of EU

Austria	Belgium	Croatia
Cyprus	Estonia	Finland
France	Germany	Greece
Ireland	Italy	Latvia
Lithuania	Luxembourg	Malta
Netherlands	Portugal	Slovakia
Slovenia	Spain	

EEA members

Iceland	Lichtenstein	Norway
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Additional SEPA members

Monaco	Switzerland	San Marino
Andorra	UK	Vatican City State/ Holy See

Non-Eurozone members of EU

Bulgaria	Czech Republic	Denmark
Hungary	Poland	Romania
Sweden		

Key Features of SEPA Credit Transfer:

Geographic zone	EBA Clearing reachable banks in the SEPA region (List available on: ebaclearing.eu/)
Currency	Euro
Bank details required	IBAN ¹
Credit/Debit in Full	Payment made in full with no deduction at any stage (Remitter and Beneficiary are charged separately by their respective banks)
Maximum amount	EUR 999.999.999,99 per transaction
Format required	ISO 20022 XML standard messaging
Submission timing	SEPA credit transfers initiated via HSBCnet, HSBC Connect and other Channels (Business Internet Banking, Country/Local E-Channels) by the Customer before the Bank's cut-off time are processed the same Banking Business Day ² with the same settlement day on the beneficiary's bank account. Submissions after the Bank's cut-off time are processed on a 'best-efforts' basis, which may be on the next Banking Business Day ²
Remittance Information	Up to 140 characters transferred to the beneficiary in full. End-to-end ID (35 characters) is forwarded without alteration to the beneficiary.
Transmission of rejected transactions	At latest 3 Banking Business Days ² following the settlement day
Recalls by the Bank³	In exceptional circumstances (duplicated sending or technical error) a recall of a payment can be requested up to 10 Inter-Bank Business Days ² after the settlement date Recall for fraud reasons can be done within 13 months after the execution of the initial SCT Transaction
Request for Recall by the Originator ('RFRO')³	Request for Recall by the Originator ('RFRO') for reasons other than those listed above can be done within 13 months after the execution of the initial SCT Transaction.
Claim of Non-Receipt by the Beneficiary	Should a beneficiary claim to have not received the initial SEPA Credit Transfer, a claim of 'non-receipt' may be initiated by the HSBC client on behalf of the beneficiary. HSBC will then be asked to investigate whether the initial SEPA Credit Transfer instruction was executed.
Claim for Value Date Correction by the Beneficiary	Should a beneficiary consider the SEPA Credit Transfer has been credited with a value date later than the date the amount would have been value dated had the transaction been correctly executed, a claim for value date correction can be made. The claim must be initiated within 13 months after the debit date on your account. The bank of the beneficiary has to provide an answer to HSBC within 10 Banking Business Days of receiving the request

To make a payment, make sure you include the following items in the instruction:

1. the IBAN¹ of the account from which the payment should be made;
2. the amount of the payment;
3. the IBAN¹ of the account of the Beneficiary to which the payment is to be made;
4. the name of the Beneficiary to whom the payment is to be made;
5. the Originator's reference for the payment, if applicable; and
6. any other data or information required to be included under the SEPA Rulebook or requested by the Bank from time to time

Our Services

- ◆ A full XML offering which extends to accounts beyond the SEPA zone. Our SEPA experts can advise you on technical aspects of XML 20022 formats and best practice
- ◆ A range of SEPA reports - We provide you with improved reporting information to make reconciliation easier

SEPA Opportunities

- ◆ SCT allows you to make payments to suppliers and receive payments from customers in Euros from anywhere in the SEPA zone
- ◆ SCT is HSBC's cheapest cross border payment scheme in Euro currency
- ◆ In non EUR zone countries SCT could be processed from local currencies and EUR accounts, please contact HSBC teams for more information. Benefit from standardisation and error reduction: a single format for the entire SEPA zone based on the ISO 20022 XML simplifies multi country payments
- ◆ Simplify your reconciliation process with up to 140 characters of narrative information
- ◆ Consolidate redundant low volume Euro bank accounts from several countries into fewer or even a single location.
- ◆ Centralise your internal operations and transactions into one point (e.g. to a Payment Factory or Shared Service Centre)
- ◆ Assess Euro flows to leverage SEPA payments instead of high value payments where possible (e.g. trade invoices)
- ◆ Forecast your cashflow and manage internally generated liquidity more efficiently for reduction in bank debt with guaranteed next day settlement
- ◆ Use the same account for suppliers and payroll payments - HSBC's 'Salary' capability ensures payment instructions are treated confidentially by masking the beneficiary's name and IBAN in case of rejections or returns⁴

Why choose HSBC to help you implement SEPA Credit Transfers?

Our presence in Europe gives us a real advantage in providing a coordinated delivery of SEPA. We can offer you the right solution and expertise:

- ◆ **A network of offices across Europe, with extensive payments capabilities** - We can help you manage and centralise payments from many locations across Europe

- ◆ **Thought Leadership and Expertise** - We can keep you informed on the latest SEPA market news and talk to you about what this means for your business
- ◆ **State of The Art Technical Capabilities** - We have invested heavily in SEPA compliant payment systems and can deliver payments through a wide range of our award winning electronic channels

To find out more about SEPA speak to your Bank Representative or go to hsbcnet.com/sepa

Contact Information

Find out more about SEPA by visiting our website at: hsbcnet.com/sepa

Alternatively, speak with your usual HSBC representative. Features and functionality may vary by country. Please confirm availability with your local HSBC Representative. HSBC Bank endeavours to ensure the information in this document is correct and doesn't accept any liability for error or omission. You're solely responsible for making your own independent appraisal of, and investigations, into the products and services referred to in this document and you shouldn't rely on any information in this document as constituting investment advice. This document does not constitute any form of legal, tax or account advice from HSBC Bank plc to you. HSBC Bank isn't responsible for the content of third-party websites. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Bank plc.

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¹ The BIC code of the Beneficiary Bank' will be requested if HSBC is technically not able to derive the BIC from the IBAN of the account of the Beneficiary when held at a Beneficiary Bank in a non-EEA SEPA country or territory.

² A day other than a Saturday, a Sunday or a public holiday where HSBC is open for business.

³ Please note that neither the Request for Recall by the Originator, nor the Recall is a guarantee of the return of the funds to the Originator. In all the cases, the decision of fund return should be taken by the Beneficiary and/or Beneficiary Bank.

⁴ not compatible with unitary booking account statements and PSR (pain.002) reports