SEPA Direct Debit
Instructions on the initiation format in case of amendments

Occasions leading to mandate amendments

During the use of the SEPA Direct Debit (SDD) product there are a number of occasions, either initiated by yourself or your debtor, that lead to changes in the mandate you agreed upon with your debtor. This subsequently leads to changes in the initiation of the direct debit. The occasions are:

1. Your debtor changes its IBAN from which the funds are collected;
2. Your company's entity changes, for example due to a merger or an acquisition;
3. Your company undergoes internal organisational changes;
4. You change your administration and provide your debtors with new mandate references (MandateIDs).

The occasion that you as a creditor switch account of which you initiate SDD's does not lead to mandate amendments. Only following needs to be taken into account:

- Either a new contract is needed or the current contract needs to be adjusted. Subsequently ING will implement the new account in her systems.
- The Creditor ID and the Mandate ID's you were already using can remain the same (for both core & B2B).
- Therefore the mandates of the debtor (either core or B2B) do not have to change and the debtor consent, in case of B2B, stays intact and your debtor does not need to give a 'new' debtor consent to his debtor bank.
- You as a creditor can keep on initiating with RCUR.
- You as a creditor could inform the debtor on change of the creditor IBAN, but it's not necessary as:
  - The debtor does not see the creditor account on the mandate that has been signed (the creditor account is not part of the mandate only the mandate ID, creditor ID and creditor name are.
  - When the debtor is debited with either the core or B2B direct debit transaction, the new account is shown to the debtor in the reporting. Especially in case the name of the accountholder stays the same, it is not expected that debtors pay attention to this IBAN and therefore the creditor does not need to be informed upfront.

In case you change your own debit account on which SDD collections occur, you should inform the creditor (preferable in writing for legal validity).

- In case you are debited with core Direct Debits the creditor then can amend the mandate without asking a new mandate from you as debtor.
- In case you use this debtor account to be debited with B2B Direct Debits a new mandate between you and the creditor is needed and the consent for debiting this particular account should be given by you as debtor to the (new) debtor bank.

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The four occasions mentioned in the opening paragraph on page one can lead to the following amendments in the recurrent direct debit mandate that was agreed upon with your debtor:

- Your debtor informs you about the change of
  1. his (debtor) IBAN
- You initiate the change of one of the following items:
  2. Mandate Reference (mandateID);
  3. Creditor Reference (creditorID);
  4. Creditor Name

Before changing the Mandate Reference, Creditor Reference or the Creditor Name we kindly ask to contact your ING contact person. These changes are often a result of a merger, acquisition, organisational changes or changes in your administration and possibly impact your SEPA Direct Debit contract, limits and other aspects of the SEPA Direct Debit.

The four amendments mentioned above need to be agreed between you and your debtor.

This can be done in the following ways:

- Debtor signs amended mandate;
- Inform your debtor about the amendment (on paper). You can choose to use an 'opt out', which means that debtors agree with the amendment unless they state otherwise;
- If your debtor informs you about a change which is lawfully signed, you can amend the mandate without asking a new mandate from your debtor.

After acceptance of the amendment, you as a creditor must dematerialise the amended mandate, archive the document and send the information on the mandate to the creditor bank as part of the next collection. Read for instructions the next item 'implement amendments…'.

ATTENTION
In case of B2B SEPA Direct Debit we advise to always get a new mandate from your debtor and let the debtor register the new mandate at its bank. Consequently you initiate the following direct debit (including new mandate information) as a FRST.

As from 20 November 2016 the sequence type FRST will be become optional due to the SEPA Direct Debit rulebook changes.

Implement amendments in your XML initiation format (pain.008 for SDD):

If the changes mentioned in this document occur and you want to continue to collect your debtors without any trouble, you will have to adapt the Mandate Related Information part 2.79 (SEPA DDT CORE SCHEME C-TO-B Implementation Guidelines V8.0) in your XML initiation format. In this part you find the above mentioned attributes like the IBAN, the mandateID, the creditorID and the creditor name.

The following paragraph describes how to include the amendments in the XML initiation format. Steps 1-3 are general steps you have to follow independent of the kind of amendment. At step 4 you will have to choose which option is relevant, depending on the kind of amendment.

Step 1:   check with your accountancy software supplier or IT division how it deals with mandate amendments.

Step 2:   include both the original and the new mandate information in the initiation format. Only when the debtor IBAN changes to an IBAN of another bank (see example 1).

Step 3:   Include the amendments in the tag 'Mandate Related Information' <MndtRltdInf> (index 2.79) in the initiation format as follows:

The so called 'amendment Indicator' <Amdmntlnd> (index 2.82) in the initiation format needs to be 'true'. In case the transaction with the mandate amendment is rejected before settlement of the direct debit the mandate amendment would have to be initiated again.

```
<MndtRltdInf>
        <MndtId>[mandateID]</MndtId>
        <DtOfSgntr>[sign date]</DtOfSgntr>
        <AmdmntInd>true</AmdmntInd>
        <AmdmntInfDtls>
```

Step 4:   next to the general steps depending on the kind of amendment you will have to follow one of the steps below.

Ad1.1. Change of the IBAN of the debtor (to another bank)

The other (new) bank does not know whether the (recurrent) mandate is already existing or not, which means you have to send the first direct debit from the new IBAN with sequence type FRST.

```
<MndtRltdInf>
        <MndtId>[mandateID]</MndtId>
        <DtOfSgntr>[sign date]</DtOfSgntr>
        <AmdmntInd>true</AmdmntInd>
        <AmdmntInfDtls>
                <OrgnlDbtrAgt>
                        <FinInstnId>
                                <Othr>
                                        <Id>SMNDA</Id>
                                </Othr>
                        </FinInstnId>
                </OrgnlDbtrAgt>
        </AmdmntInfDtls>
</MndtRltdInf>
```

In this case only the new IBAN should be included in the usual tag for the debtor IBAN, DebtorAccount <DbtrAcct> (index 2.157 of the pain.008). The original IBAN does not have to be included.

SDD Rulebook changes

Due to rulebook changes this particular item 1.1 (but also 1.2) will change as from 20 November 2016. From this date the code SMNDA will be defined as 'Same Mandate with a New Debtor Account' instead of 'Same Mandate with a New Debtor **Agent**'. The main reason for changing from agent to account is the 'IBAN only' rule, making the BIC in the mandate and in the Customer-to-Bank (C2B) data optional. As the amended mandate may not indicate the BIC anymore, the Creditor will not always be able to identify whether or not the Debtor Bank has changed. Therefore, the code SMNDA will be defined as 'Same Mandate with a New Debtor Account' to indicate a different IBAN whether this account has changed within the same bank or between other banks.

As of 20 November 2016 the only way for initiating SDD's in case your debtor has changed account from one bank to another bank will be:

Change of the IBAN of the debtor (to another bank)

```
MndtRltdInf>
        <MndtId>[mandateID]</MndtId>
        <DtOfSgntr>[sign date]</DtOfSgntr>
        <AmdmntInd>true</AmdmntInd>
        <AmdmntInfDtls>
                <OrgnlDbtrAcct>
                        <Id>
                                <Othr>
                                        <Id>SMNDA</Id>
                                </Othr>
                        </Id>
                </OrgnlDbtrAcct>
        </AmdmntInfDtls>
</MndtRltdInf>
```

The new IBAN should be included in the usual tag for the debtor IBAN, DebtorAccount <DbtrAcct> (index 2.157 of the pain.008). The original IBAN does not have to be included. Although a (new) bank does not know whether the (recurrent) mandate is already existing or not, you can initiate with RCUR since the sequence type FRST has become optional.

Ad1.2. Change of the IBAN of the debtor (within the same bank)

If the debtor changes its IBAN of a recurring mandate to an IBAN of the same bank the original IBAN that has been modified should be placed in the 'AmendmentInformationDetails' <AmdmntInfDtls> (index 2.83) in the XML tag OriginalDebtorAccount:

```
<MndtRltdInf>
        <MndtId>[mandateID]</MndtId>
        <DtOfSgntr>[sign date]</DtOfSgntr>
        <AmdmntInd>true</AmdmntInd>
        <AmdmntInfDtls>
                <OrgnlDbtrAcct>
                        <Id>
                                <IBAN>[original IBAN ]</IBAN>
                        </Id>
                </OrgnlDbtrAcct>
        </AmdmntInfDtls>
</MndtRltdInf>
```

The new IBAN should be included in the usual tag for the debtor IBAN, DebtorAccount <DbtrAcct> (index 2.157 of the pain.008). The sequence type should be RCUR.

Ad 2. Change of the mandateID

This change is usually the consequence of organisational changes. Attention: the combination of the mandateID and the creditorID must be unique. Therefore, it is very important to use a unique series of mandateIDs.

If the mandateID changes this leads to the following amendment:

```
<MndtRltdInf>
        <MndtId> new mandateID</MndtId>
        <DtOfSgntr>[sign date]</DtOfSgntr>
        <AmdmntInd>true</AmdmntInd>
        <AmdmntInfDtls>
                <OrgnlMndtId>old mandateID</OrgnlMndtId>
```

The new mandateID needs to be placed in the tag 'MandateIdentification' <MndtId> (index 2.80) and the original one in the tag OriginalMandateIdentification <OrgnlMndtId> under 'AmendmentInformationDetails' in the tag <OrgnlMndtId> (index 2.84). The sequence type should be RCUR.

Ad 3. Change of creditorID
This change usually occurs from internal organisational changes. Attention: the combination of the mandateID and the creditorID must be unique.

If the creditorID changes this leads to the following amendment:

```
<AmdmntInfDtls>
        <OrgnlCdtrSchmeId>
                <Id>
                        <PrvtId>
                                <Othr>
                                        <Id>old creditorID</Id>
                                <Othr>
                        </PrvtId>
                </Id>
        </OrgnlCdtrSchmeId>
</AmdmntInfDtls>
```

The new creditorID needs to be placed in the usual creditorID tag (index 2.88 of the pain.008) and original creditorID in the amendment details as above. The sequence type should be RCUR.

Attention:
Amendments of the mandateID and the creditorID can be initiated in the same batch.
Combinations of other amendments in the same batch are not possible.

Ad 4. Change of company name
If your company name changes, this usually means the ascription of the bank account changes as well. Basically, a change of ascription leads to the initiation of a mandate amendment.
And, even though most (Dutch) banks do not oblige you to do this, we strongly advise you to initiate a mandate amendment in this case. By this way the debtor bank is able to change its administration and share the amended mandate information with its clients that are debited.

```
<MndtRltdInf>
        <MndtId>[mandateID]</MndtId>
        <DtOfSgntr>[sign date]</DtOfSgntr>
        <AmdmntInd>true</AmdmntInd>
        <AmdmntInfDtls>
                <OrgnlMndtId>1234567890</OrgnlMndtId>
                        <OrgnlCdtrSchmeId>
                        <Nm>[old company name]/Nm>
                </OrgnlCdtrSchmeId>
        </AmdmntInfDtls>
</MndtRltdInf>
```

The new company name should be included in the usual creditor name tag (index 2.83 of the pain.008) and original creditor name in the amendment details as above. The sequence type should be RCUR.