



Frequently Asked Questions - Transfers

Use of transfers

1. Which communication model should be used to interact with the payment service provider to process payment batches? Can the PS2 file format still be used?
2. To make SEPA credit transfers, which communication model should be used to interact with the payment service provider to process payment batches? Can the PS2 file format still be used?
3. Must all collection files state the date on which the direct debit mandate was signed/given?
4. Is there a technical manual laying out rules governing communication between payment service users and providers, in compliance with the ISO 20022 XML standards?
5. What does IBAN mean?
6. Is it mandatory to accept credit transfers?
7. What is the difference between an intrabank and an interbank transfer?
8. Are transfers processed across Europe under the same requirements?
9. What data is required to order a SEPA credit transfer?
10. What is the time limit for the execution and release of funds in a credit transfer in euro within SEPA?
11. Does the same price list apply to credit transfers across Europe?
12. When I order my payment service provider to make a transfer to a foreign payment service provider am I required to pay all the related charges?
13. Does the SEPA scheme also apply to payments in currencies other than the euro?

Use of transfers

1. Which communication model should be used to interact with the payment service provider to process payment batches? Can the PS2 file format still be used?

Enterprises (except for microenterprises) and general government bodies must use the ISO 20022 XML format whenever they transmit payment batches to their payment service providers. However, payment service providers and software companies may provide services to their customers that convert PS2 (or similar) files to the ISO 20022 XML format in line with SEPA requirements. The potential use of conversion services will only be allowed if the following conditions are met: conversion services must be operationally independent from the payment service offered by the payment service provider; conversion services must be carried out before the point in time of acceptance by the payment service provider of a payment order; the file converted to the ISO 20022 XML format should be provided to the enterprise before the payment service is initiated; conversion services must be priced separately.

2. To make SEPA credit transfers, which communication model should be used to interact with the payment service provider to process payment batches? Can the PS2 file format still be used?

Enterprises (except for microenterprises) and general government bodies must use the ISO 20022 XML format whenever they transmit payment batches to their payment service providers. However, payment service providers and software companies may provide services to their customers that convert PS2 (or similar) files to the ISO 20022 XML format in line with SEPA requirements. The eventual use of conversion services will only be allowed if the following conditions are met: conversion services must be operationally independent from the payment service offered by the payment service provider; conversion services must be carried out before the point in time of receipt by the payment service provider of a payment order; the file converted to the ISO 20022 XML format should be provided to the enterprise before being initiated as a payment; conversion services must be separately priced.

3. Must all collection files state the date on which the direct debit mandate was signed/given?

Yes. Pursuant to the technical requirements established in Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 all files reporting collections must state the date when the direct debt mandate was signed/given.

4. Is there a technical manual laying out rules governing communication between payment service users and providers, in compliance with the ISO 20022 XML standards?

Yes. Payment service providers must implement a Customer-to-Bank (C2B) channel compatible with SEPA standards, offering their customers a file layout compatible with standard ISO 20022 XML messages. Against this background, to simplify links between customers and payment service providers, the Portuguese

banking community has developed a harmonised communication format applicable to SEPA credit transfers and SEPA direct debits. On Banco de Portugal's website there is a customer-bank communication manual (C2B – Customer to Bank Services), recommended in order to maximise one of the advantages offered by SEPA: the use of a harmonised communication format, facilitating execution of payment transactions via several payment service providers or even to replace a support payment service provider.

5. What does IBAN mean?

IBAN means "International Bank Account Number" and is a standardized structure for payment account identifiers. The IBAN makes possible to identify and validate a payment account within SEPA and may contain up to 34 characters. In Portugal, the IBAN consists of 25 alphanumeric characters and starts with 'PT50', followed by 21 digits, which correspond to the Bank Identification Number.

6. Is it mandatory to accept credit transfers?

No. No one is obliged to accept credit transfers as a means of payment for any good or service. In Portugal, only euro banknotes and coins are legal tender, and must be accepted as a means of payment.

7. What is the difference between an intrabank and an interbank transfer?

While in intrabank transfers the payer's and the payee's accounts are domiciled in the same payment service provider, in interbank transfers the accounts are domiciled in different payment service providers. Interbank transfers may also be domestic, if both providers are located in the same country, or cross-border, if providers are located in different countries.

8. Are transfers processed across Europe under the same requirements?

Yes. Following the publication of Regulation (EU) No 260/2012 of the European Parliament and of the Council, of 14 March 2012 (amended by Regulation (EU) No 248/2014 of the European Parliament and of the Council, of 26 February 2014), technical and business requirements for credit transfers and direct debits in euro were established. Therefore, in countries across the Single Euro Payments Area (SEPA) (i.e. in EU Member States, Andorra, Iceland, Liechtenstein, Monaco, Norway, San Marino, Switzerland, United Kingdom and Vatican), payment service users may make and receive credit transfers in euro via a single payment account, subject to the same rules and obligations as in Portugal. This means that, as regards execution times, value dates, costs, fees and information needed to initiate credit transfers, the execution of a credit transfer between accounts domiciled in Portugal is similar to that of a credit transfers between, for instance, an account in Portugal and an account domiciled in France. Currently, only technical and business standards of SEPA credit transfer and SEPA direct debit schemes established by the European Payments Council in its Rulebooks and implementation guidelines meet the conditions specified in the aforementioned Regulation. These schemes are based on the ISO 20022 XML standards and aim for the fully automated processing of payments between the payer's payment service provider and the payee's payment service provider (end-to-end straight-through processing).

9. What data is required to order a SEPA credit transfer?

To execute credit transfers payment service providers must be informed of the following: name of the payer and/or IBAN of the payer's payment account; amount to be transferred; IBAN of the payee's payment account. Where available, the name of the payee and any remittance data (additional information on the transaction) must also be provided.

10. What is the time limit for the execution and release of funds in a credit transfer in euro within SEPA?

In credit transfers domiciled in the same payment service provider (intrabank transfers), the payee's account must be credited on the same day, with the simultaneous release of funds and allocation of a value date. In credit transfers between payment accounts domiciled in different payment service providers (interbank transfers), the account of the payee's payment service provider must be credited by the end of the business day following receipt of the order. The payee's payment account must be credited by his payment service provider immediately and funds released on that day (with the allocation of a value date of that day). This applies to credit transfers in euro and, unless otherwise agreed, also to transfers denominated in the currencies of non-euro area EU Member States (in any case, the payee's account must be credited within four business days). In the case of paper-based transfers, the time limit can be extended by one business day.

11. Does the same price list apply to credit transfers across Europe?

No. Prices of credit transfers vary depending on the payment service provider's price list. The principle of equality of charges only applies to similar transactions executed by the same provider. This means that, provided that the customer indicates the IBAN for the payee's payment account, domiciled in a SEPA country, charges on cross-border credit transfers cannot exceed those that the same payment service provider applies to domestic credit transfers. Rules on charges for consumers on cross-border transfers within the EU are laid down in Regulation (EC) No 924/2009 of the European Parliament and of the Council, of 16 September 2009, on cross-border payments in euro, Swedish kronor or Romanian lei, in the following countries: the 27 EU Member States: Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Slovenia, Cyprus, Malta, Slovakia, Estonia, Czech Republic, Denmark, Latvia, Lithuania, Hungary, Poland, Sweden, Bulgaria, Romania and Croatia; Iceland, Norway and Liechtenstein (countries that form the European Economic Area, together with the countries listed in the previous subparagraph); Andorra, Monaco, San Marino, Switzerland, United Kingdom and Vatican.

12. When I order my payment service provider to make a transfer to a foreign payment service provider am I required to pay all the related charges?

For the execution of a credit transfer the payer and the payee are only required to pay the charges levied by the respective payment service provider. Moreover, the payment service provider executing a credit transfer must transfer the full amount indicated by the payer to be transferred.

13. Does the SEPA scheme also apply to payments in currencies other than the euro?

Technical requirements of the so-called 'SEPA scheme', i.e. the requirements established in Regulation (EU) No 260/2012 of the European Parliament and of the Council, of 14 March 2012, apply only to transactions in euro.