

# SEPA Direct Debits

Mandate Management Rules



# The following mandate rules are applicable for all direct debits submitted in the SEPA scheme.

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Creditors manage their own direct debit mandates and no longer send mandates into AIB, unless requested by AIB.

AIB do not store SEPA Mandates.

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The debtor and the creditor agree this mandate independently of AIB and the first AIB learn of this mandate is when a first collection is presented by the creditor.

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AIB will create a mandate in our system when a first collection is received regardless of it being submitted as (FRST) or (RCUR) payment. AIB will store the Creditor ID (OIN) of the creditor, the Debtor IBAN and the UMR provided with the payment. In subsequent recurring collections these 3 details must be identical.

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The UMR is the Unique Mandate Reference and creditors will assign this per mandate. This is usually the customer number or some other unique customer identification and can be up to 35 characters in length. This UMR must remain constant for the lifetime of the mandate and must be quoted on every collection. The UMR can only be composed using the following range of characters:

1. a b c d e f g h i j k l m n o p q r s t u v w x y z
2. A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
3. 0 1 2 3 4 5 6 7 8 9
4. / - ? : ( ) . , ' +

(These characters are also valid characters but they should not be inserted as the first or last character within any field)

6. Space Characters outside this character set will not be supported in the SEPA schema e.g. @, á, Ü.

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There are 4 sequence types for Direct Debit collections. FRST, OOFF, RCUR and FNAL. There is a single submission timeline implemented by SEPA for processing these different collection types. FRST/OOFF/RCUR/FNAL must be submitted to AIB a minimum of 2 business banking days prior to collection date.

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OOFF is a once off collection. The same combination of Creditor ID (OIN), Debtor IBAN and UMR must not have been used in a previous collection, as an OOFF mandate will not allow for any repeat presentations.

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RCUR is a recurring presentation that can follow a FRST and then repeat using RCUR until the last presentation of Mandate. RCUR can also be used without any FRST. AIB will create a new mandate if the mandate details i.e. combination of Creditor ID(OIN), Debtor IBAN and UMR are not present in the system.

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FNAL is a final presentation of a mandate and should only be presented when a creditor is closing the mandate. (If the last presentation of a mandate is made as a FRST or RCUR payment and no following presentations for 36 months the mandate will expire.)

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Pre-settlement rejects (for Incoming SDD transactions) can occur when a request for payment is sent to AIB but we know prior to, or on, the debit date that this payment cannot be processed. E.g. No mandate present (for FNAL) or mandate already present (for OOFF) or incorrect account number.

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Post-settlement returns or refunds can occur when a request for payment is sent to AIB but for some reason we need to reverse the payment after the debit date. E.g. Debtor requests refund or Insufficient funds.

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When a payment is unpaid for a pre-settlement reject there has been no impact on AIB's mandate management system. This means that the sequence type used to collect this payment needs to be used again when the payment is sent a second time. E.g. If a FRST collection is rejected pre-settlement due to an incorrect account number the creditor needs to correct the account number and send this payment through as a FRST/RCUR again.

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If the FRST or RCUR collection on the Mandate is rejected pre-settlement or returned post-settlement then the Creditor must submit a FRST or RCUR transaction again - correcting information if necessary.

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If a reject is received for a first transaction before the requested settlement date(D) next transaction can be issued as FRST or RCUR. If a return is received in post-settlement phase (after D) – the next transaction should be issued as FRST/RCUR as mandate details have been registered by the Debtor Bank.

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Any failure to adhere to these mandate management rules will result in a payment failing and an unpaid SEPA DD payment will result in a charge of €4.44 to the creditor per unpaid payment. This would be the case, where both the creditor and the debtor are AIB customers. In cases where the creditor is AIB and debtor is a different bank, then the other bank's mandate management rules would apply.

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Creditors of SEPA DD files need to ensure their ERP vendor that creates their files, has full knowledge of these mandate management rules. This will reduce the impact of unpaid fees hitting the creditor's account.

See the below rule tables for the use of transaction sequence types and detail of situations where transactions will either process successfully or reject.

FRST or RCUR sequence type to be used on 1st presentation of a mandate. Debtor IBAN, OIN, and UMR will be stored to create a mandate once a pre-settlement reject does not occur.

Previous Sequence type used for Mandate	Current sequence type being used	Transaction process successfully or reject
None	FRST	Successful
FRST	FRST	Successful
OOFF	FRST	Reject
RCUR	FRST	Successful
FNAL	FRST	Reject

OOFF sequence type to be used for once off presentations only. Debtor IBAN, OIN, and UMR will be stored as mandate details once a pre-settlement reject does not occur. These details cannot be used again for presentations.

Previous Sequence type used for Mandate	Current sequence type being used	Transaction process successfully or reject
None	OOFF	Successful
FRST	OOFF	Reject
OOFF	OOFF	Reject
RCUR	OOFF	Reject
FNAL	OOFF	Reject

FRST/RCUR sequence type can be used from 1st presentation of a mandate until the last presentation of a mandate. Debtor IBAN, OIN, and UMR that was sent with FRST and or previous RCUR payments will be checked to ensure the details match with the RCUR payment.

Previous Sequence type used for Mandate	Current sequence type being used	Transaction process successfully or reject
None	RCUR	Successful
FRST	RCUR	Successful
OOFF	RCUR	Reject
RCUR	RCUR	Successful
FNAL	RCUR	Reject

FNAL sequence type to be used for the final presentation of a mandate. Debtor IBAN, OIN, and UMR that was sent with FRST and or RCUR payments will be checked to ensure the details match with the FNAL payment.

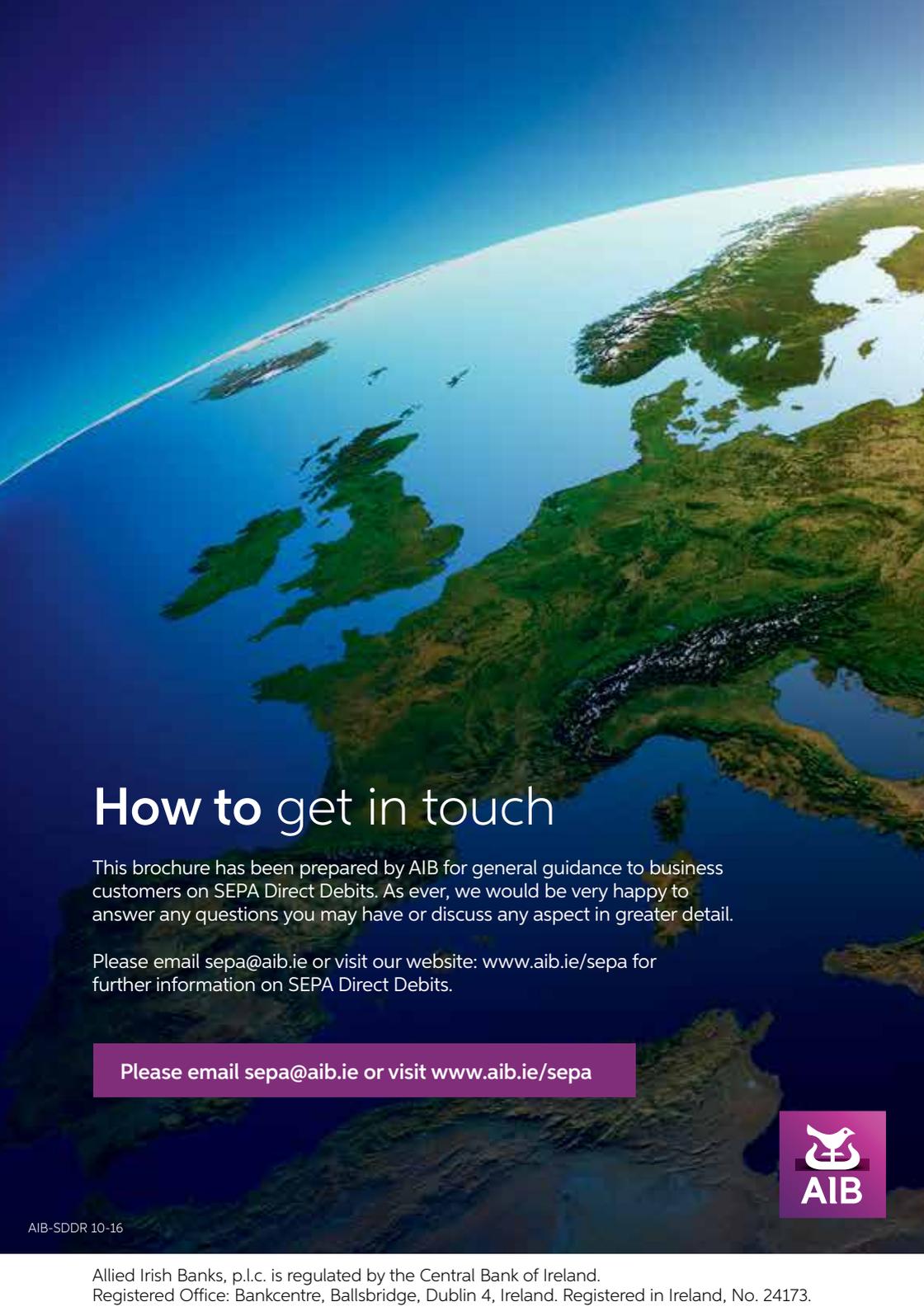
Previous Sequence type used for Mandate	Current sequence type being used	Transaction process successfully or reject
None	FNAL	Successful
FRST	FNAL	Successful
OOFF	FNAL	Reject
RCUR	FNAL	Successful
FNAL	FNAL	Reject

If a debtor or creditor wishes to make a change to an existing mandate, SEPA caters for this by using the mandate amendment field within a SEPA DD XML file. Setting this amendment indicator to “TRUE” will enable the creditor to change details of the mandate i.e. Debtor IBAN (within the same bank), UMR or OIN. If any of these details are changed without using the amendment indicator a new FRST/RCUR sequence type must be used – however the Creditor must be aware that if the transaction is sent as FRST/RCUR, a new mandate will be registered in Debtor Bank’s system and the original one will remain unchanged. This would mean that a new UMR is required from the Creditor when creating a new mandate – given that most Creditors will use the UMR as a unique customer number, this effectively means setting up a new customer number/UMR every time an amendment is required. This would likely not be a sustainable approach for a Creditor. However setting the mandate amendment tag to “TRUE” means that the Creditor can continue with the current sequence type that was being used e.g. RCUR payment being submit with Mandate Amendment indicator set to “TRUE” and changing the Debtor IBAN can continue to be sent as a RCUR payment. Please refer to the SEPA Direct Debits amendments guide available [here](#).

**ATTENTION: if the Debtor changes banks, first presentation to the new bank must be issued as FRST or RCUR.**

Overview of the different scenarios concerning the impact of rejects/returns on payment sequences:

Sequence type of the original SDD sent by the Creditor	Type of R-transaction Before Due Date: – Reject/Refusal Pain.002/ Pacs.002 After Due Date: – Return/Refund Pacs.004	Sequence type of the Re-presented collection (with same mandate based on R-transaction)
FRST	Reject/Request for cancellation	First/Recurrent
FRST	Return	First/Recurrent
FRST	Refund	First/Recurrent
RCUR	Reject/Return/Refund/Request for cancellation	First/Recurrent
FNAL	Reject/Request for cancellation	Final
FNAL	Return/Refund	Mandate expired
OOFF	Reject/Request for cancellation	One-off
OOFF	Return/Refund	Mandate expired

A satellite-style image of Europe and the Atlantic Ocean, showing the continent's green and brown terrain and the blue of the sea and sky.

# How to get in touch

This brochure has been prepared by AIB for general guidance to business customers on SEPA Direct Debits. As ever, we would be very happy to answer any questions you may have or discuss any aspect in greater detail.

Please email [sepa@aib.ie](mailto:sepa@aib.ie) or visit our website: [www.aib.ie/sepa](http://www.aib.ie/sepa) for further information on SEPA Direct Debits.

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