

# **SEPA (Single Euro Payments Area)**

## **Irish Life Changes from 6<sup>th</sup> January 2014**

### **Background**

#### **What is SEPA?**

SEPA (Single Euro Payments Area) will standardise euro electronic payments across Europe. There are 33 participating countries.

#### **What is SEPA's main aim?**

SEPA is looking to make all electronic cross-border payments in euro between participating countries as easy, inexpensive and secure as national payments. This means a customer will be able to make electronic payments to any beneficiary located anywhere in the Euro Area using a single bank account and a single set of payment instructions.

#### **When do Euro zone countries have to be ready for SEPA?**

Euro zone countries will have to be SEPA-compliant by 1<sup>st</sup> February 2014.

#### **What changes is SEPA introducing?**

SEPA will introduce a simple and cost-efficient way to collect funds using a single payment instrument across European countries.

#### **Will local bank account numbers and sort codes be required when making an electronic payment?**

No, local bank account numbers and sort codes will no longer be required as these will be replaced by IBANs and BICs.

#### **What will customers have to have in order to make or receive a payment?**

Customers will have to provide an IBAN and BIC when making or receiving an electronic payment in euros.

### Where will customers find their IBAN and BIC?

IBAN and BIC can be found on bank statements or can be “converted” (see details of useful websites below).

### Will customers need their bank account numbers and sort codes in the futures?

Customers will need to provide their bank account and sort code when making a non-electronic payment.

### Will customers be asked for their IBAN and BIC before 1<sup>st</sup> February 2014?

Yes, customers may be asked to provide these details as some businesses are preparing to introduce SEPA before this date. Irish Life is introducing SEPA on **6th January 2014**.

### Do customers need to do anything if they have an existing direct debit up and running?

No, there is no action required from the customer for existing direct debits as the business will look after the changeover.

### What is an IBAN?

IBAN stands for *International Bank Account Number*. The IBAN is the standard format for bank account numbers in cross-border payments within Europe. It looks like this:



### Who will issue the IBAN?

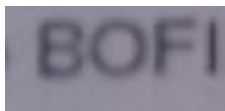
EU banks will issue IBANs to their customers.

### Will there be one IBAN for all my bank accounts?

No, EU banks will issue an IBAN for each bank account.

## What is a BIC?

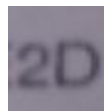
The BIC is the *Bank Identifier Code* (also known as the Swift Address). It is a unique address which in payment messages identifies the precise bank involved in the financial transaction. When used in conjunction with the IBAN, it identifies the bank at which the account is held. It looks like this:



Bank Code



Country Code



Location code

## What will the IBAN and BIC allow your bank to do?

Using both IBAN and BIC, your bank can process cross-border payments in an efficient and safe manner.

## What will happen if the payment instructions do not include the IBAN and BIC?

From 1<sup>st</sup> February 2014, Irish banks will not accept payment instructions if they do not include the beneficiary's IBAN and BIC.

## Other than on bank statements, where can you find your IBAN and BIC?

[www.ipso.ie/section/ipsepaservices](http://www.ipso.ie/section/ipsepaservices)

## Where can you find additional information about SEPA?

[www.ipso.ie/section/SEPA](http://www.ipso.ie/section/SEPA)

## What are the features of the new SEPA direct debit mandate?

The new SEPA direct debit mandate will have a new section to include the IBAN and BIC. The UMR and Credit Identifier will be on the very top of the mandate.

### **What is the UMR?**

This is the *Unique Mandate Reference* and is an exclusive reference that is assigned to the mandate i.e. a mandate ID

### **What does the UMR do?**

It identifies each direct debit mandate signed by the customer and ensures that the instructions can be traced to a specific mandate.

### **Who will issue the UMR and as a customer do I need to do anything here or include the number in my direct debit mandate?**

Irish Life will issue the UMR. As a customer, you do not have to include the UMR in the direct debit mandate.

### **When will the customer receive correspondence confirming the UMR?**

A customer will receive details of the UMR if:

- They change the direct debit mandate
- They set up a new SEPA direct debit mandate online or by telephone
- They take out a new policy

## **IMPORTANT DATES FOR IRISH LIFE NEW BUSINESS**

### **When will Irish Life introduce changes regarding SEPA?**

The changeover will take place on **Monday 6th January 2014**. This means that any new business applications received by Irish Life from 6th January onwards must be accompanied by the new SEPA-compliant direct debit mandate.

### **Where will I get the new SEPA direct debit mandate in time for 6th January 2014?**

For online applications, changes will be made to ePOS in time for 6th January 2014. From 6th January 2014, the customer will have to have their IBAN and BIC available in order to complete the ePOS application correctly.

For paper applications, the new SEPA direct debit mandate must be used from 6th January 2014. If you do not have a supply in your office, it is available to download on b-line under the Compliance section.

## What happens with new business applications (ePOS or paper) that have been submitted *before* 6th January 2014 with the old-style direct debit mandate?

For any new business applications that have been received *before* 6th January 2014 but have not yet issued, Irish Life will process the old-style mandate as normal. There is no need to complete a SEPA-compliant mandate.

However, if the policy has not issued before 1<sup>st</sup> February 2014, we will then have to ask the customer to complete a SEPA-compliant mandate. **Old style mandates will not be acceptable for pipeline business which will issue on or after 1<sup>st</sup> February.**

### Important Additional Information

- From 6th January 2014 , BIC and IBAN will need to be entered into ePOS or on paper application forms instead of bank sort code and bank account number
- ePOS will also ask who the Payer of premiums is on the policy.
- If the customer is signing electronically, they will be asked to sign a direct debit mandate. This will be captured as part of the Single Signature in a new section in Sign Now and Record of Conversation.
- If the customer is signing electronically but the premiums are being paid by a third party, they will not be able to sign the direct debit mandate on behalf of a third party. This means that the third party will have to manually sign a paper SEPA-compliant direct debit mandate.
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### New Payment details Fields on Epos:

**Pinnacle**

How are Regular Premiums to be paid?

Will direct debits be paid from a third party bank account?

On what date in the month do you want direct debits to be collected from this bank account?

Direct Debit Bank Identifier Code

Direct Debit International Bank Account Number

Name of account holder to be debited

Direct Debit Payer

This field is required

**NEXT**