

Preparing for Single Euro Payments Area (SEPA)

This document describes the current timeline when certain planned capabilities for the SEPA credit transfer and direct debit payment formats within Microsoft Dynamics AX will be delivered. At this time, there are no plans to support the SEPA Cards Framework for SEPA countries/regions and SEPA Direct Debit for Finland. For information about the support that is available for the different payment instruments within Microsoft Dynamics AX, see the overview section of this document.

White Paper

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Executive Summary for SEPA

The Single Euro Payments Area (SEPA) is an initiative by the European Commission in which all electronic payments are considered domestic, regardless of the country/region where the individual, business, or organization, and the bank are located. Within this area, there is no difference between national and cross-border payments. The SEPA includes the 27 European Union (EU) member states, plus Iceland, Liechtenstein, Norway, Switzerland, and Monaco. The SEPA helps form a single market for payment transactions within the European Economic Area (EEA). Ultimately, the SEPA is expected to reduce the number of payment formats that banks, businesses, and individuals must work with.

The European Commission established the legal foundation for SEPA payments through the Payment Services Directive (PSD). The European Payments Council (EPC) supports the SEPA by:

- Setting standards for SEPA electronic payments by using the ISO 20022 Universal financial industry message scheme XML format.
- Setting rules and guidelines for handling euro payments.

The EPC, which consists of European banks, develops the commercial and technical frameworks for the SEPA payment instruments.

The EPC is committed to delivering three pan-European payment instruments:

- For credit transfers – SCT – SEPA Credit Transfer
- For direct debits – SDD – SEPA Direct Debit
- For cards – SEPA Cards Framework

For information about the support that is available for the different payment instruments within Microsoft Dynamics AX, see the [overview section](#) of this document.

This document describes the current timeline for delivering certain planned capabilities for the SEPA credit transfer and direct debit payment formats within Microsoft Dynamics AX. At this time there are no plans to support SEPA Card Framework. For more information, see the [development plan section](#).

Overview of SEPA support within Microsoft Dynamics AX

SEPA Credit Transfer

A SEPA credit transfer is a payment from one company or individual to another company or individual.

Payments must be in euros.

Payments must include the International Bank Account Number (IBAN) and the Bank Identifier Code (BIC), also known as the Society for Worldwide Interbank Financial Telecommunication (SWIFT) code, for both parties. Also, transaction costs must be shared between both parties.

Credit transfers that occur between parties should use XML files that comply with ISO 20022 payment processing standards and the XML format, as specified by the EPC.

SEPA Credit Transfers in Microsoft Dynamics AX

The SEPA credit transfer payment format is implemented by using the payment format functionality in Microsoft Dynamics AX. Nine SEPA export file formats are available in Microsoft Dynamics AX. These export formats conform to the SEPA ISO 20022 XML standard that is specified in version 3.2 of the SEPA Credit Transfer Scheme Rulebook that the EPC releases and are currently supported in Microsoft Dynamics AX 4.0 SP2, Microsoft Dynamics AX 2009 SP1, and Microsoft Dynamics AX 2012.

The following SEPA export file formats are currently available:

- The SEPA ISO20022 CredTrans export format is used for most countries/regions within the Single Euro Payments Area.
- Support is provided for eight countries that have special requirements, and a separate export format is provided for each of these countries: Austria, Belgium, Finland, France, Germany, Italy, Spain, and The Netherlands.

SEPA Direct Debit

A SEPA direct debit lets a creditor collect funds from a customer's bank account, provided that a signed mandate has been granted by the customer to the creditor. The customer signs a mandate that authorizes the creditor to collect a payment and instructs the customer's bank to pay the collection.

SEPA direct debits create, for the first time, a payment instrument that can be used for both national and cross-border euro direct debits throughout the 32 SEPA countries/regions.

Beginning on February 1, 2014, SEPA Direct Debits will be mandatory for direct debits within the euro area. In this context, the euro area is the economic area that is made up of the 17 countries that have adopted the euro as their common currency.

There are two schemes available: the SEPA Core Direct Debit Scheme (B2C) and the SEPA Business to Business (B2B) Direct Debit Scheme. Both SEPA schemes use the same file format.

SEPA Direct Debits in Microsoft Dynamics AX

The SEPA direct debit generic payment format is currently supported in Microsoft Dynamics AX 2012 and follows the EPC Core DD Rulebook version 4.0. The ability to deal with pre-notification and handle direct debit mandates is currently supported in Microsoft Dynamics AX 2012 and Microsoft Dynamics AX 2009 with the hotfix available from [KB2786631](#). (Password required.)

Additional SEPA support for direct debits will be added to the other Microsoft Dynamics AX applications that are currently supported under the [Microsoft support lifecycle policy](#). Such support will include:

- An update to the generic version of SEPA direct debit to the latest rulebook version.
- Support for seven countries that have special requirements and separate export format for each of these countries/regions: Austria, Belgium, France, Germany, Italy, Spain, and The Netherlands.

SEPA Credit Transfer and Direct Debit format support

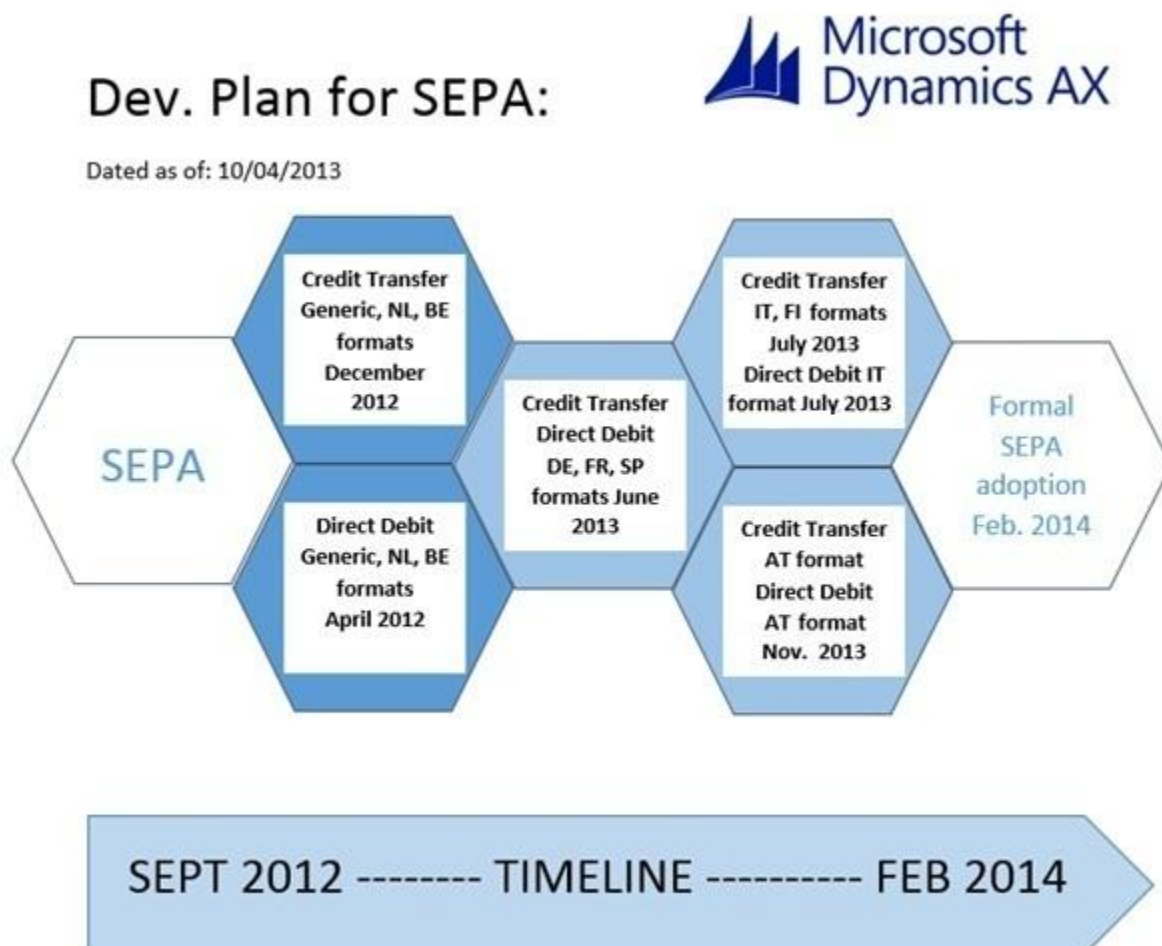
For both credit transfers and direct debits in SEPA, three levels of support are possible:

- **Generic** – Supports for Euro payments across the SEPA region
- **Country** – Supports Euro and non-Euro payments for a specific country
- **Bank** – Bank-specific formats used by individual bank or bank associations

Microsoft Dynamics AX will support only generic and country formats for the specified countries/regions: Austria, Belgium, Finland (support only for credit transfer), France, Germany, Italy, Spain, and The Netherlands.

Development Plans for SEPA in Microsoft Dynamics AX

The following diagram and table show the current development plans for the delivery of functionality to support SEPA credit transfer and direct debit payment formats for Microsoft Dynamics AX that are currently supported under the [Microsoft support lifecycle policy](#). These plans are subject to change without notice.



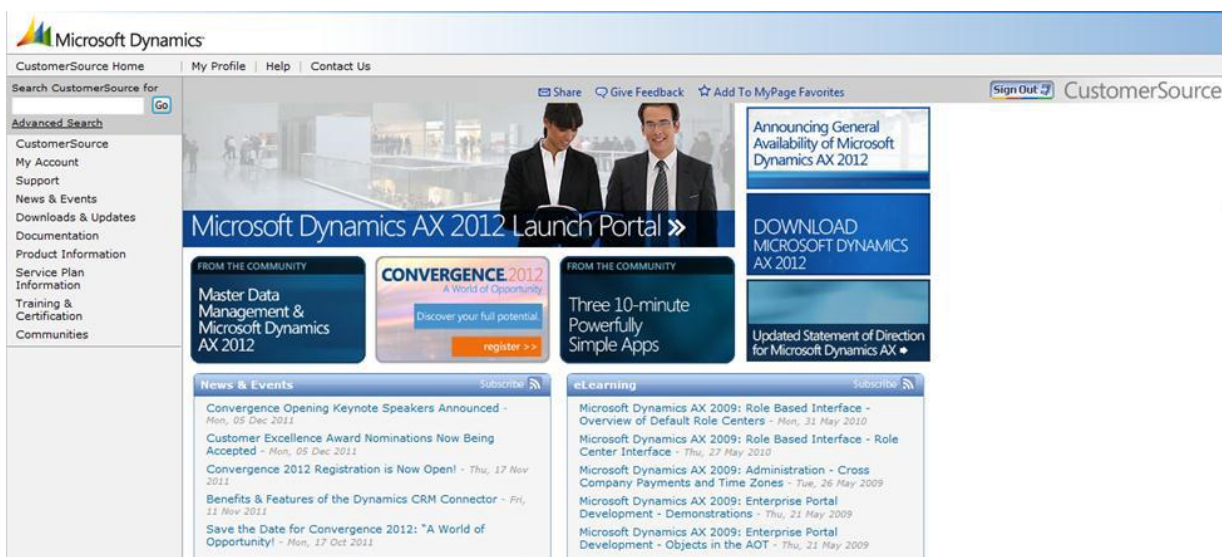
Number	Country/Region	SEPA Credit Transfer	SEPA Direct Debit
1	Germany	30 June 2013	30 June 2013
2	France	30 June 2013	30 June 2013
3	Spain	30 June 2013	30 June 2013
4	Italy	31 July 2013	31 July 2013
5	Finland	31 July 2013	N/A
6	Austria	30 November 2013	30 November 2013

Note: The Federation of Finnish Financial Services and banks that operate in Finland have jointly decided not to offer SEPA Direct Debit but instead have recommended e-Invoicing and Direct Payment services as a new national direct debit solution. As a result, in Microsoft Dynamics AX, Finnish Direct Debit is not

supported as a country-specific format. Although e-Invoice is not required and is suggested as a replacement for common European Direct Debit, there are no current plans to develop Finnish e-invoice. Please refer to the [overview section](#) of this document for more information on what will be supported.

Resources

We aim to provide information about the Microsoft Dynamics products and services through our online resources – PartnerSource and CustomerSource. Both of these are web portals that provide a wealth of product information, online training, and access to the wider community of Microsoft Dynamics AX.



For more information about SEPA you can visit the download center:

Download Center: <http://www.microsoft.com/en-us/download/details.aspx?id=30326>

Alternatively, go to either CustomerSource or PartnerSource to download the whitepapers:

SEPA Credit Transfer

CustomerSource:

https://mbs.microsoft.com/customersource/documentation/whitepapers/ax2012_sepacredittransferpayments_wp.htm?printpage=false&sid=ivkgstzofuctxnb0nycfezui&stext=SEPA

PartnerSource:

https://mbs.microsoft.com/partnersource/deployment/documentation/whitepapers/ax2012_sepacredittransferpayments_wp

SEPA Direct Debit

PartnerSource:

https://mbs.microsoft.com/partnersource/deployment/documentation/whitepapers/ax2012_sepadirectdebitpayments_wp

SEPA Direct Debit mandates

Download Center:

<http://www.microsoft.com/en-us/download/details.aspx?id=37035>

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