

SEPA Guidelines

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1. SEPA (Single Euro Payments Area)

1.1. About SEPA

Through SEPA, consumers may perform cashless Euro payments – via direct debit and credit transfer – to anywhere within the European Union, as well as a number of non-EU countries in a fast, secure, and efficient manner (just like national payments).

SEPA was introduced for credit transfers in 2008, followed by direct debits in 2009, and fully implemented by 2014 in the Euro area (and by 2016 in non-Euro area SEPA countries). The payment integration triggered by SEPA has enhanced the competitiveness and efficiency of the European economy as a whole through the elimination of differences between national and cross-border payments by way of harmonising standards in all the participating countries.

1.2. IBAN (International Bank Account Number)

The International Bank Account Number is a unique identifier helping banks process payments from person to person automatically. The IBAN contains all necessary information of the owner of a bank account such as the account number, bank and branch information, and country code. Although no uniform length has been established for SEPA countries, the IBAN cannot exceed 34 characters. Most countries, however, have different fixed lengths.

The IBAN code in Malta consists of 31 characters as follows:

- 2 letter country code
- 2 digit check number
- 4 characters from the bank's bank code
- 5 digit code for the bank branch
- 18 digit code for the bank account number

Customers can find their APS IBAN on bank statements. Otherwise, they may use the Bank's online [IBAN Validator Form](#), whereby customers would be able to either generate their IBAN through inputting the APS Account Number or validate their IBAN and confirm that their IBAN is correct.

1.3. BIC (Bank Identifier Code)

The Bank Identifier Code is an international code that banks use for financial transactions. Each bank has its own BIC. Moreover, it is a unique identification code for each bank, used particularly when transferring money between banks.

Although it is optional for payments in Euro, for other currencies it is mandatory. Furthermore, the BIC may also be referred to as SWIFT Address or SWIFT Code.

The BIC can be 8 or 11 characters long depending on whether it supplies branch information.

APS Bank's BIC is: **APSBMTMTXXX**

1.4. SEPA Payment

A SEPA bank transfer is similar to a domestic transfer. Moreover, the following are the characteristics of a SEPA Payment:

- Payment is in Euro
- Made to and from any demand deposit account held with a bank located in the SEPA region (whether national or cross-border)
- Must contain a valid IBAN
- Each party to the transaction is charged separately by their respective bank

1.5. Receiving a SEPA Payment

In order to be able to receive national or cross-border SEPA payments, one would need to communicate their IBAN and bank's BIC.

1.6. SEPA Region

The SEPA Region consists of: The Member States of the European Union (EU), countries of the European Economic Area (EEA), the Non-EEA Countries to which the geographical scope has been extended, and some Non-EEA territories (such as the British Crown Dependencies).

The latest List of SEPA Scheme Countries can be downloaded from the European Payments Council (EPC) Website.

2. SEPA Direct Debits

2.1. Overview

2.1.1. Description

Direct Debits are instructions from consumers to their bank. It authorises the organisation they want to pay to collect varying amounts from their account. Once the amounts and dates of collection are agreed upon, they are deducted automatically.

Like all SEPA payments, these transactions must be in Euro.

Examples of Direct Debits include: Subscriptions, bills, memberships, etc.

Additionally, SEPA Direct Debit allows businesses to manage recurring payments alongside being cheaper than other forms of payments, which further decreases the cost of the product or service which consumers are buying.

2.1.2. Benefits

2.1.2.1 Businesses

SEPA Direct Debits drastically lower transaction costs for businesses, therefore reducing costs of working capital. Furthermore, revenue is more predictable and consistent, but is still flexible enough that payment amounts can be adjusted accordingly. Additionally, it is low risk: since businesses are in control of managing the recurring payment and notifying the consumer, payments are more likely to be completed on time and in full.

2.1.2.2 Consumers

It is a payment method that is incredibly convenient and straightforward to set up. Furthermore, it is easy to keep track of payments. Additionally, the pre-notification sent by the organisation (15 days in advance) means that debtors have time to add sufficient funds. Also, subscriptions are an increasingly preferred way to manage payments.

Moreover, there are a number of other benefits and rights for retail consumers who use direct debits e.g. a payment can be returned within eight (8) weeks or disputed within thirteen (13) months.

Furthermore, this is one of the safest forms of payments, especially in relation to bills. Additionally, it is also a better alternative to making certain payments by cheque or cash.

2.1.2.3 Payment Structure

SEPA Direct Debits use a 'Pull System' as the payment structure type.

A 'Pull System' is a payment system that allows payees to pull funds out of a payer's account into their own.

2.2. Extras offered by APS Bank

- IBAN Validator & Generator for both Retail and Commercial Customers
- Cut-Off Timetable for both Retail and Commercial Customers
- Technical Manual for SEPA Bulk Upload for Commercial Customers
- SEPA Bulk Upload Guidelines on Request for Commercial Customers

2.3. Cut-Off Timetable

The latest cut-off timetable is available for download [here](#).

This is a guide to cut-off-times for cash deposits, inward bulk / single payments and outward bulk / single payments. The cut-off-time for services not listed here will be advised on request or when the service is provided. Furthermore, this timetable explains when funds will be made available.

3. SEPA Credit Transfers

3.1. Overview

3.1.1. Description

Credit transfers are an electronic payment from one bank account to another.

Like all SEPA payments, these transactions must be in Euro.

Examples of Credit Transfers include: Transfers to third parties, standing orders, salaries, pensions, children's allowances, dividend warrants, etc.

Furthermore, SEPA Credit Transfers allow businesses to receive cross border revenue. As a result, cross border payments are executed just as they would be for national level transfers. For SEPA Credit Transfers, the payment is initiated by the payer, which sends funds directly into the bank account of the payee. Furthermore, such payments are commonly used to make periodic compensation payments to employees.

3.1.2. Benefits

3.1.2.1 Businesses

Businesses can be paid by a consumer located in another SEPA country as easily and rapidly as if this consumer were located in their own country. Furthermore, businesses can make faster Euro credit transfers in SEPA. Hence, business management is simplified as businesses can carry out all financial transactions through one bank account and avoid holding several bank accounts in multiple countries.

3.1.2.2. Consumers

Consumers can enjoy the simplicity, efficiency, and convenience of making payments anywhere in the SEPA region. Accordingly, consumers can make payments at any time of day or night.

Furthermore, consumers can also enjoy peace of mind when making payments based in other SEPA countries.

3.1.3. Payment Structure

SEPA Credit Transfers use a 'Push System' as the payment structure type.

A 'Push System' is a payment system that requires payers to send the desired payment out of their account into the account of the receiver. In a 'Push System', only a payer can serve as the originator of a transaction.

3.1.4. Making a SEPA Credit Transfer

SEPA utilises each person's IBAN to enable transfers between different bank accounts. To make a SEPA payment, one will need:

- To know the amount to be paid;
- To know own account details;
- To know the IBAN of the receiver;
- To ensure that the bank receiving the money is a member of the Single Euro Payments Area (SEPA)

To make a SEPA bank transfer, one will either need to log onto myAPS and set up the transfer as they would normally do or by visiting any one of the Bank's branches.

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3.3. Cut-Off Timetable

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The amount of the SEPA Credit Transfer will be credited to the account of the Beneficiary Payment Service Provider within one Banking Business Day as long as the payment is received within the stipulated cut-off time.

It should be noted that some payments will not be processed by the Bank until the proper screening of the said payment and any requested supporting documentation or information is received and vetted by the Bank.

3.4. Tariffs

For the charges incurred when using SEPA, please download the Bank's latest Tariff of Charges [here](#).

4. Commercial Customers & Bulk Uploads

4.1. Bulk Upload SEPA Credit Transfers Manual for Commercial Customers

At On-Boarding or during the banking relationship, for further information on SEPA Credit Transfers, commercial customers can request the SEPA Credit Transfers Manual from their monitoring unit. Additionally, this document delves into great detail about the following:

- An explanation on procedures, mainly:
 - SEPA Credit Transfers Agreement
 - Service Accounts
 - File Transfer Procedure including a description of the whole cycle of a Credit Transfer file
 - myAPS Internet Banking Procedure
- Validations (including file naming convention)
- Reports

4.2. Bulk Upload Queries for Commercial Customers

During the onboarding process of new Commercial Customers, the assigned Relationship Manager will be able to explain the process of Bulk Uploads as well as any queries in this regard.

Likewise, for existing customers who come across additional queries while carrying out the transaction, it would be ideal to call the Bank's Contact Centre on 21226644 where a representative of the Bank will be in a position to assist further.

5. General Disputes & What to Do

Should an issue arise, customers are requested to call the Bank's Contact Centre on 21226644. A representative of the Bank will assist accordingly.

5.1. Transaction and Daily Limits

The bank has the amount and limits on myAPS transactions, the latest version can be downloaded [here](#). As per the Bank's Terms and Conditions, customers can temporarily or permanently request to change the default Transaction Limit of myAPS Service as outlined.

5.2. Unprocessed Payments

The Bank may request supporting documentation and information pertaining to any transaction.

Hence, a transaction might not be processed by the Bank until supporting documentation pertaining to such transaction is provided to the Bank and vetted by the respective Bank Official.

5.3. myAPS

When carrying out transactions through the myAPS platform, customers are guided to ensure that all inputted data is correct. Also, customers are kindly requested to ensure that they have sufficient funds within the account which they want the payment to be made from.

5.4. Recalls, Cancellations, & More

Whether a payment would have been processed by the Bank or not, customers can request a reimbursement. The Bank would then check on the eligibility and possibility of returning the funds to the originator.

For further information, customers are requested to call the Bank's Contact Centre on 21226644. A representative of the Bank will be in a position to assist accordingly.

For the charges incurred relating to recalls, cancellations, and more please download the Bank's latest Tariff of Charges [here](#).

6. Other Useful Links and Additional Documentation

Central Bank of Malta - SEPA Information page	CBM - SEPA
Central Bank of Malta - IBAN Information page	CBM - IBAN
Malta Financial Services Authority - Information page	MFSA - Direct Debit
Malta Financial Services Authority - Information page	MFSA - Credit Transfer
European Commission - SEPA Information page	European Commission - SEPA
European Central Bank - Oversight Framework	ECB - Oversight Framework
APS - Cut-off Times page	APS - Cut-off Timetable
APS - Tariff of Charges	APS - Tariff of Charges
APS - IBAN Generator / Validator page	APS - IBAN Generator / Validator

Approved and issued by APS Bank plc, APS Centre, Tower Street, B'Kara BKR 4012. APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act 1994 and to carry out Investment Services activities under the Investment Services Act 1994. The Bank is also registered as a Tied Insurance Intermediary under the Insurance Distribution Act 2018.