

SEPA payments in Handelsbanken

SEPA can benefit all companies with euro payments. Regardless of whether a payment is being sent or received within a country, or within Europe, the process will be simpler with SEPA.

What is SEPA?

SEPA means Single Euro Payment Area and is the result of a collaboration between the EU Commission, the European Central Bank and the European banks. The objective of the collaboration is that all euro payments in Europe are to be processed in the same way. SEPA covers the EU's 28 member states, the EEA countries – Iceland, Liechtenstein and Norway – and also Monaco and Switzerland

Using a common standard for euro payments, it is now easier to process payments in the whole SEPA area. Benefits for a company include the need for fewer euro accounts. The procedure is the same, regardless of whether a euro payment is made within one country or between two countries which are connected to SEPA.

SEPA payments

SEPA covers the following payment types: SEPA Credit Transfer and SEPA Direct Debit. Handelsbanken offers both payment types.

SEPA Credit Transfer

Using SEPA Credit Transfer, a company can send a payment which incorporates a unique customer identification (end-to-end reference). This reference can then be used in areas such as back-reporting which makes it easier to track the payment.

Pre-conditions:

- the currency must be euro
- it must be a commercial payment – either to a company or a private individual
- the beneficiary's IBAN (International Bank Account Number) must be stated
- the division of fees must be SHA (shared)

SEPA Direct Debit

A euro account is required to be able to use the SEPA Direct Debit service. This applies for both the remitter and the beneficiary.

Beneficiary

To be able to debit money from a customer's account, the company which will receive the money requires a mandate from the customer in question. The structure of the mandate varies depending on whether the customer is an individual or a company. As with SEPA Credit Transfer, a unique customer reference (end-to-end reference) can be used. Since it is the beneficiary that decides the reference to be used, it will also be easier to reconcile incoming payments.

Remitter

If bills or invoices are to be settled using Direct Debit, a written mandate is required from the paying company. This is required for the beneficiary to have the right to debit the account in question.

File format – ISO 20022 XML

ISO 20022 XML is a file format for electronic messages which is used worldwide. It is also the file format which is used within SEPA. In association with the migration to SEPA, the local file formats used in all euro countries will disappear. ISO 20022 XML is a requirement for all outgoing SEPA payments sent via file.

Updated version of the file formats supported by Handelsbanken can be found at handelsbanken.com/globalgateway.