Functional specifications for Nordea XML Direct Debit (NDD)

Corporate eGateway

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Version change history

Version	Date	Description of the changes
Version 0.9	2015-01-15	Creation of document.

1   Introduction

This document is a functional description of Nordea's Direct Debit solution offered via Corporate eGateway and is referred to in this document as NDD. The aim is to provide detailed understanding of how Corporate eGateway will process instructions and Messages, including local variations, towards the local Account Clearing Houses (ACH) regarding Direct Debit services throughout Nordea Bank.

For further information on the business functionality of the Direct Debit service in each country, requirements and how to get started, please contact your local cash management adviser at your department or branch of the bank.

This document is primarily for financial staff, but it is also useful for those who will implement messages and install the Corporate eGateway service Direct Debit at the Creditor.

1.1   NDD documents

Sets of documents are developed for the NDD service in order to guide the Creditor in using the services. Below you will find a list of these documents:

Document name	Description	Reader
Cut-off times list	A manual describing the cut-off times in Corporate eGateway for each service provided	Project manager, functional manager, technical manager, Programmers
Functional Specification	A specification of local services and how these function in the NDD solution. Issues related to reconciliation, updating of customer ledgers, time limits, etc. are also covered.	Management and accounting staff, project manager, functional manager.
MIGs	A MIG (Message Implementation Guidelines) document has been developed for each XML Message to be implemented as a part of the NDD solution.	Project manager, functional manager, technical manager, programmers
Message flow and use of XML ISO20022 Messages	Description of Message flows in Corporate eGateway	Project manager, functional manager, technical manager, Programmers

The terms and definitions used here are defined in a separate document, *Glossary for Corporate eGateway,* which is available on Nordea's website: www.nordea.com/eGateway.

2   Basic description of the NDD service

The NDD solution covers Direct Debit solutions in Denmark, Sweden and Norway. The functions covered include mandates, direct debit transactions and report of credit advice.

2.1   Basic architecture

Corporate eGateway is physically located in Stockholm in Nordea Bank Sweden and handles all NDD transactions.
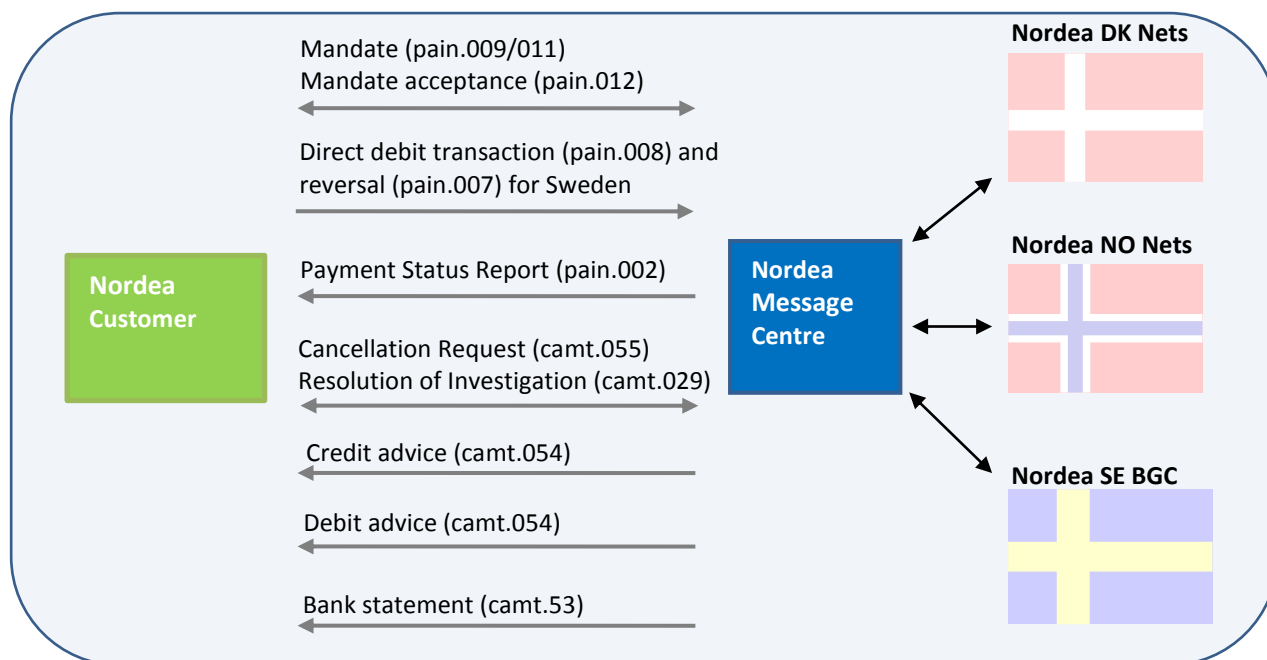
Explanation to the diagram:
- Nordea transforms the messages and routes the files to the local Service Provider.
- The camt.053 Message is a standard functionality in Corporate eGateway and is not part of this description.

2.2 Terms used in this description

Following terms are used in the NDD for direct debit Creditor services.

Term	Definition	Message
Cancellation	Cancellations are requests by the Creditor to recall the instruction for a Collection prior to Settlement.	camt.055
Reject	Rejects are Collections that are diverted from normal execution, prior to inter-bank Settlement.	pain.002
Refusal	Refusals are claims initiated by the Debtor before Settlement, for any reason, requesting the Debtor Bank not to pay a Collection.	N/A
Return	Returns are Collections that are diverted from normal execution after inter-bank Settlement and are initiated by the Debtor Bank.	N/A
Reversal	When the Creditor concludes that a Collection should not have been processed a Reversal may be used after the Clearing and Settlement by the Creditor to reimburse the Debtor with the full amount of the erroneous Collection.	pain.007
Refunds	Refunds are claims by the Debtor for reimbursement of a direct debit.	N/A

2.3   Overview of services implemented

The following services are implemented in the NDD solution:

Country	Service	Service Provider	Business segment
Denmark	Betalingsservice (BS)	Nets	BS is a collection service mainly used in the consumer market (B2C). It consists of two (2) different types of services, which is optional to use by Creditor.
Denmark	LeverandørService (LS)	Nets	LS are a collection service only for use in the corporate market (B2B).
Sweden	Autogiro (AG)	BGC	AG is a service for collection both in the consumer market and in the corporate market (B2C and B2B).
Norway	AvtaleGiro	Nets	AvtaleGiro is a service for collection both in the consumer market and in the corporate market (B2C and B2B).

Please note that Nordea is not responsible for any services from Service Providers outside of Nordea. The customer must enter into separate agreements with the service providers on the services provided by them and such services are governed by separate agreements.

2.4   NDD standard Message flow

In this chapter the general Message flow for the NDD service is described. Please note possible differences for each country.

A Message flow is included in the chapters for each service describing local deviations to the standard Message flow presented here.

2.4.1   Message compliance validation

For each message sent to Nordea Direct Debit service a message compliance check is done. The message compliance check contains schema validation and validation that the message creation timestamp is within the agreed limits. A Payment Status Report (pain.002) is created either of the acceptance or the rejection of the message.

2.4.2 Mandates
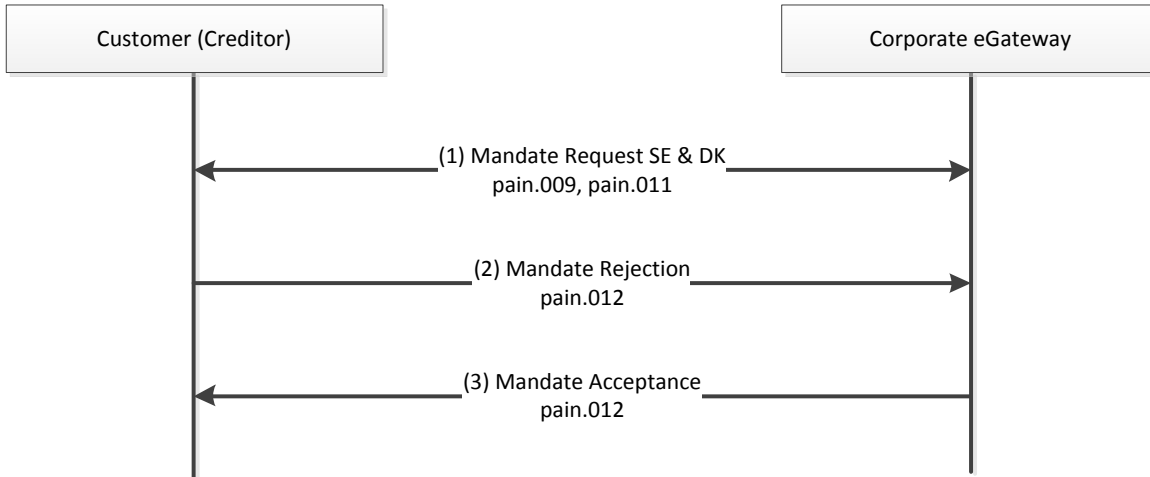
(1) New and cancelled mandates for Denmark and Sweden. In Norway, rejections of mandates are sent by the Creditor (or by the Debtor, depending on service).
(2) Rejections of mandates sent by the Creditor (or by the Debtor, depending on service).
(3) New, changed and cancelled mandates sent by the Service Provider.

2.4.3 Direct Debit transactions

Direct Debit Messages
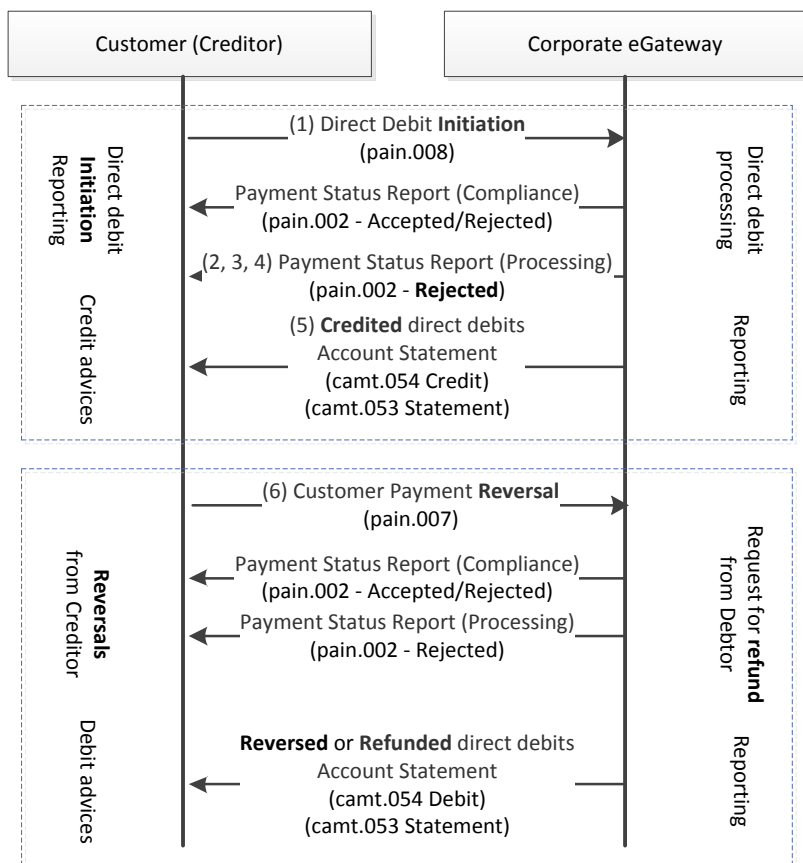
(1) New Direct Debit transactions.
(2) Report of all rejected transactions in the validation made by Corporate eGateway.
(3) Report of all rejected transactions in the validation made by the Service Provider. This report cannot be given in pain.002 for AvtaleGiro in Norway, but instead a validation report is sent in paper form directly to the customer from Nets.
(4) Rejected payments due to rejection by the debtor or the debtor's bank, due to insufficient funds etc. (note: Transactions rejected before payment is executed. Rejected payments are not relevant for Norway).
(5) All collections credited to the Creditor's account.
(6) Reversals - i.e. all withdrawn (returned) payments due to refund request by the Debtor. Note: Only relevant for Sweden.

2.4.4 Cancellations
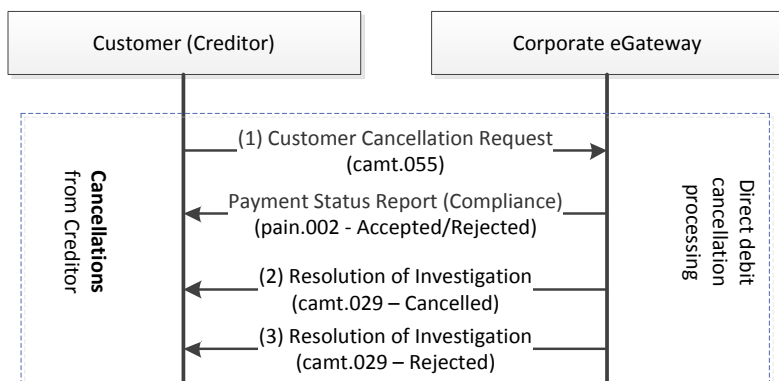
(1) Cancellations of previously sent Direct Debit transactions from the Creditor.
(2) Status of the cancelled transaction. This status cannot be given in camt.029 for AvtaleGiro in Norway, but instead a validation report is sent on paper directly to the Creditor from the Service Provider Nets.
(3) Status of rejected cancellation request. This status cannot be given in camt.029 for AvtaleGiro in Norway, but instead a validation report is sent on paper directly to the Creditor from the Service Provider Nets.

2.4.5 Reversal (only valid for Sweden)
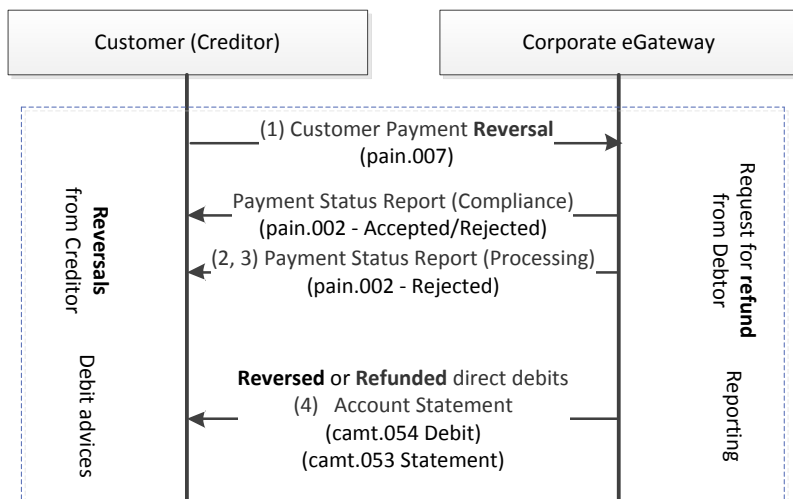
(1) New payment instruction for reversing Debtor (pain.007) (only valid for Sweden).
(2) Report of all rejected reversed transactions in the validation made by Corporate eGateway.
(3) Report of all rejected reversed transactions in the validation made by the Service Provider.
(4) Executed reversed transactions by ACH – reported to Creditor in a debit advice Message

2.5 Corporate eGateway

The Creditor will exchange payment information in the XML format with Corporate eGateway. Corporate eGateway will convert data between XML and the local format provided by the different Service Providers.

2.5.1 Cut-off

The cut-off time for Corporate eGateway is generally one hour before the cut-off of the local Service Provider. If transactions are received by Corporate eGateway later than one hour before local cut-off, they will be rejected by Corporate eGateway in a Payment Status Report (pain.002) Message.

Cut-off times for Corporate eGateway are described in a separate document.

2.5.2 Use of references

Identification references in a pain.002 Message
In order for the Creditor to be able to identify any rejections (pain.002), on total credit amount levels in a NDD transaction Message, both the Message Identification (*) and the Payment Information Identification (**) must be unique.

Note: Corporate eGateway does not check the uniqueness of these references.

Customer reference number in a NDD transaction Message
The Instruction Identification (***) is used by Corporate eGateway to uniquely identify all rejected transactions (pain.002) or revoked payments from Denmark and Sweden (camt.054 Debit Notification).

If a payment reference is used, see below, Nordea strongly recommends use of the payment reference as Creditor reference as well.

Note: Corporate eGateway does not check the uniqueness of these references.

Payment reference in a NDD transaction Message
The payment reference (****) (Debtor identification) must be present for all countries, except Denmark, for each NDD transaction. Corporate eGateway will perform a duplicate control of the payment reference in relation to the Creditor number used for each service.

If a duplicate is detected for a payment reference by Corporate eGateway, the transaction will be rejected and reported to Creditor in a Payment Status Report (pain.002).

References will be stored in the Corporate eGateway systems for 90 days for duplicate control. After 90 days, or if a rejection has occurred, the transaction references can be used for new transactions.

*	= Message Identification on Group Header level
**	= Payment Information Identification on Payment Information level
***	= Instruction Identification on Direct Debit Transaction level
****	= Creditor Reference of the debit side on the Direct Debit Transaction level

2.5.3 Validation

In principle the local Service Provider executes all validations on the content data. However, Corporate eGateway will execute basic validations for NDD transactions to ensure the best quality service to the Creditor. If errors of content are detected in Corporate eGateway, these are reported to the Creditor in a Payment Status Report (pain.002).

Transactions rejected by Corporate eGateway are not processed further, i.e. they are not sent to the ACH.

Note that Corporate eGateway makes no validations for mandates.

Note that Message Creation Date cannot be older than five (5) days.

If errors are detected in Corporate eGateway, a pain.002 Message is (normally) returned within 30 minutes. If errors are detected locally, the time of response will depend on the local Service Provider.

In addition to content validation, a compliance check is performed.

The following is a description of the different validations performed by Corporate eGateway.

Duplicate control
Each NDD transaction received is stored in Corporate eGateway. If two transactions are received with the same creditor number and the same OCR reference (or for Denmark, the same creditor number, debtor number and date – and for BetalingsService also debtor group number), the most recently received transaction will be rejected if detected in Corporate eGateway.

Transactions will be stored for duplicate control in Corporate eGateway for 90 days.

Payment date validation
Creditors using the NDD services in Corporate eGateway are able to choose whether to state the payment execution date for collection from the Debtor's account on either:

1. The Creditor detail information in the pain.008 Payment Information level. This means that the payment date stated at credit level will apply to all direct debit instructions.
2. On each direct debit instruction in the pain.008 Direct Debit Transaction level.

Corporate eGateway must be informed of the option chosen before entering the NDD service and the option will be validated for each NDD file.

Content validation:
Corporate eGateway will perform a content validation for all services implemented in NDD. If for example data elements required by the service provider are missing in the transactions from the Creditor, or if certain elements that require numeric values contain non-numeric characters, the relevant transaction will be rejected if these errors are detected in Corporate eGateway.

See also: Appendix A

Validation and time limits:
The most frequent error for all services implemented concerns the Creditor's ability to meet the specified time limits of the service provider for when transactions must be received. If time limits and cut-off times are exceeded, the transactions will be rejected.

For more details, see the country specific description from the following chapters.

2.5.4 Payment hotel

There is no functionality for storing direct debit transactions in Corporate eGateway (payment hotel). All transactions are forwarded to the Service Provider as soon as possible after accepted validation in Corporate eGateway.

The payment hotel function is available in all solutions, but is covered by the Service Provider. The payment hotel function will be limited to 60 days for all services when using Corporate eGateway. This limit is set so that Corporate eGateway can facilitate correct handling of references to all services.

2.5.5 Change and cancellations

It is not possible to change previously sent NDD transactions or mandates. If a change is required the transaction/mandates must be cancelled and then sent as new transaction/mandates.

Corporate eGateway will forward cancelled NDD transactions and mandates and successful execution depends on the processing at the local Service Provider.

For more details, see the description for each service.

2.5.6 Payments

Some of the services offer functionality to credit the customer's (Debtor's) account. This functionality is implemented for Sweden. For other countries this is not implemented in the NDD service. A separate service in Corporate eGateway offers payment functionality (pain.001).

2.5.7 Questions between the Creditor and the local Service Provider

In general, all questions should be directed to Nordea's Service Support.

If for some reason the local Service Provider needs to contact the Creditor, the Service Provider will contact Corporate eGateway. Corporate eGateway will evaluate the question and give an answer if possible. If required, Nordea's Service Support may contact the Creditor in order to solve the problem.

If the Creditor has any questions related to a specific service, these questions should be directed to Nordea's Service Support.

2.6 Use of Direct Debit in XML format

The following XML Messages are used:

Message name	Technical Message Name	Description (ISO 20022 definitions)
MandateInitiationRequest	Pain.009.001.01	The MandateInitiationRequest message is sent by the initiator of the request to his agent. The initiator can either be the debtor or the creditor. The MandateInitiationRequest message is forwarded by the agent of the initiator to the agent of the counterparty. The MandateInitiationRequest message is used to set-up the instruction that allows the debtor agent to accept instructions from the creditor, through the creditor agent, to debit the account of the debtor.
MandateCancellationRequest	Pain.011.001.01	The MandateCancellationRequest message is sent by the initiator of the request to his agent. The initiator can either be the debtor or the creditor. The MandateCancellationRequest message is forwarded by the agent of the initiator to the agent of the counterparty.

Message name	Technical Message Name	Description (ISO 20022 definitions)
		A MandateCancellationRequest message is used to request the cancellation of an existing mandate. If accepted, this MandateCancellationRequest message together with the MandateAcceptanceReport message confirming the acceptance will be considered a valid cancellation of an existing mandate, agreed upon by all parties.
MandateAcceptanceReport	Pain.012.001.03	The MandateAcceptanceReport message is sent from the agent of the receiver (debtor or creditor) of the MandateRequest message (initiation, amendment or cancellation) to the agent of the initiator of the MandateRequest message (debtor or creditor). A MandateAcceptanceReport message is used to confirm the acceptance or rejection of a MandateRequest message. Where acceptance is part of the full process flow, a MandateRequest message only becomes valid after a confirmation of acceptance is received through a MandateAcceptanceReport message from the agent of the receiver.
CustomerCancellationRequest	camt.055.001.01	The Customer Payment Cancellation Request message is sent by a case creator/case assigner to a case assignee. This message is used to request the cancellation of an original payment instruction. The Customer Payment Cancellation Request message is issued by the initiating party to request the cancellation of an initiation payment message previously sent (such as CustomerCreditTransferInitiation or CustomerDirectDebitInitiation).
CustomerPaymentStatusReport	Pain.002.001.03	The CustomerPaymentStatusReport message is sent by an instructed agent to the previous party in the payment chain. It is used to inform this party about the positive or negative status of an instruction (either single or file). It is also used to report on a pending instruction.
CustomerDirectDebitInitiation	pain.008.001.02	The CustomerDirectDebitInitiation message is sent by the initiating party to the forwarding agent or creditor agent. It is used to request single or bulk collection(s) of funds from one or various debtor's account(s) for a creditor.
BankToCustomerDebitCreditNotification	camt.054.001.02	The BankToCustomerDebitCreditNotification message is sent by the account servicer to an account owner or to a party authorised by the account owner to receive the message. It can be used to inform the account owner, or authorised party, of single or multiple debit

Message name	Technical Message Name	Description (ISO 20022 definitions)
		and/or credit entries reported to the account.
BankToCustomerStatement	camt.053.001.02	The BankToCustomerStatement message is sent by the account servicer to an account owner or to a party authorised by the account owner to receive the message. It is used to inform the account owner, or authorised party, of the entries booked to the account, and to provide the owner with balance information on the account at a given point in time.

3   Denmark - Betalingsservice (BS)

Betalingsservice (BS) is a service that automatically executes payments from the Debtor's account to the Creditor's account on the basis of a payment agreement between the Debtor and the Creditor.
A Debtor who has not entered into a payment agreement with the Creditor may not be debited through this service. The Creditor has to print and send Invoices/Bank transfer forms to these Debtors himself.

Betalingsservice functions offered in NDD are:
* Mandates
* Direct Debit transactions (debit of the Debtor's account)
* Credit advice

Betalingsservice functions not offered by NDD
* Returned payments (payment returned to the Debtor's account from the Creditor)
* Function for liquidity management (Likviditetsstyring).
* Function for possible change of ownership (formodet ejerskifte).
* Additional information enclosure ('Medsend bilag')
* Possibility to have more than one debtor group per creditor number
* Automatic card payment via Betalingsservice

3.1   Additional services – transfer forms (FIK)

Nets offers a service for collection of debtors who have not entered a payment agreement with the Creditor. Nets can either print and distribute Invoices/Bank transfer forms (FIK) or send e-invoices to debtor's Netbank.

The first time Nets sends a transfer form to your debtors, they will include all the information necessary for registration with Betalingsservice. The second time, they will include a registration coupon and urge recipients to authorise direct debit via Betalingsservice.

When connected to this service it is also possible to collect outside the normal billing cycle for example in case of new debtors or dun. When Betalingsservice prints and sends a transfer form (FIK) it will automatically be sent in electronic form to debtor's Netbank if the customer has approved of this.

3.2   Time limits and cut-off times

Mandates to Nets	The Creditor may send new, changed and cancelled mandates any time of the month. Nets must receive new mandates no later than on the same day as Nets receives the direct debit transactions.
Mandates – Cancellations	Cancellations will be valid from the date stated. In order to stop a payment, Nets must receive the cancellation no later than two days before the payment date.
Mandates from Nets	Mandates from Nets are only sent if new information exists in Nets (that is new or cancelled mandates).
NDD transactions – notification to the Debtor	Same as specified for "NDD transactions – delivery".
NDD transactions – delivery	All NDD transactions to be credited to the Creditor's account in the next

	month must be delivered within eight business days prior to the first day of the coming month. A list of valid delivery dates is available at: Nets
NDD transactions – late delivery	If the transactions are received between six (BS Basis) / eight (BS Total) and three business days prior to the first day of the coming month, the transactions are processed, but to other conditions (price and delivery) than normal. Later deliveries are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is one hour before cut-off in the local Service Provider. For further information, see *Cut-off times list* for Corporate eGateway.
Non-banking days	Direct debit transactions received on non-banking days (weekends or other banking holidays) will be rejected by Corporate eGateway.
Cancellations	Cancellations of previously sent NDD transactions may be executed if received by Nets two days before the payment day. For further information see *Cut-off times list* for Corporate eGateway.
Credit date	The total amount will be credited to the Creditor's account on the payment date.
Credit advice	The Credit advice, including the total credited amount and details for each transaction, is sent to the Creditor on the payment date.
Rejection and repayment	The Debtor may reject transactions until the seventh day of each month, or by the debtor's bank up to two days after the payment day. For more information, see section 3.5.5 Debtor action. Notification of rejected and reversed transactions will be sent at the time of rejection or when the amounts are returned.

3.3   Validations

Nets validates all transactions on receipt. Response is returned in a Payment Status Report pain.002 or Mandates Acceptance Report pain.012.

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to Nets. It is therefore important to send transactions in due time to Corporate eGateway to minimise the number of errors. If time limits and cut-off times are exceeded, the transactions will be rejected.

All transactions that are not received within the time limits specified in the previous chapter are rejected. Transactions may also be rejected if Nets detects errors upon receipt.

It is possible for Nets to run a modulus check on the Creditor's Customer number on the Debtor. A separate agreement has to be entered into between the Creditor and Nets.

3.4   Mandates

To use this service the Debtor must sign a payment agreement (mandates for the Creditor to debit the Debtor's account) with the Creditor, allowing the creditor to collect amounts from the Debtor's account. The mandates can be given in one of the following ways:

- **Directly to the Creditor:** The Debtor sends signed mandate directly to the Creditor. The Creditor may need to document the mandate on the request of Nets.
- **Coupon:** The Debtor uses a "Betalingsservice-coupon" that is sent by the Creditor to the Debtor together with a transfer form (FIK). The Debtor sends the coupon to either the Creditor or to Nets.
- **Through the bank:** The Debtor requests his bank to establish the mandate on behalf of the Creditor.

- **Via Netbank.** Debtors who use Netbank can easily register their bills for direct debit.
- **Web** Nets can provide a standard Betalingsservice module free of charge that allows your customers to register their bills for direct debit via a pop-up window on your website. For a charge, the module can also be fully integrated with your website in any design you wish.

Please contact your cash management adviser in Nordea Bank Denmark for more information on how to enter a mandate for BS with the Debtor.

In order for the Debtor to enable automatic collections from his account by use of BS, the Debtor has to enter into an agreement for the use of BS with his bank. If this agreement is not in place when Nets processes the mandate, a request is sent to the Debtor's bank in order to register the Debtor as a BS user. The Debtor's bank performs a validation.

3.4.1 Mandates
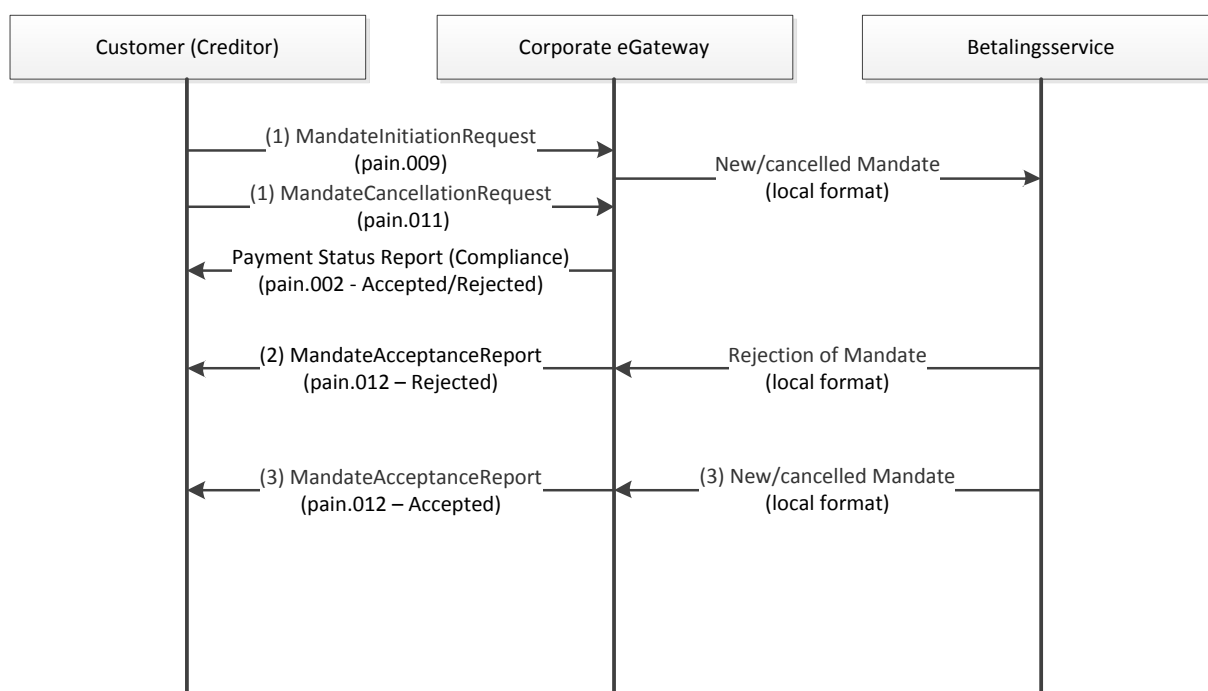
(1)   New and cancelled mandates from the Creditor.
(2)   Rejections of mandates sent by the Creditor if mandates are rejected by the Debtor's bank or directly by Nets.
(3)   New and cancelled mandates from Nets. These can be both confirmations of mandates sent by the creditor, and mandates added or deleted by the Debtor. Note: mandates will not be sent when using Transfer Form (FIK) as an additional service.

3.4.2 Mandates from Nets

For new mandates, Nets will check if the Debtor has a payment agreement with his bank. If the Debtor is new, the Debtor's bank will evaluate the Debtor as a new BS user.

For mandates not sent by the Creditor, the Creditor must store the information stated in the mandates. This information must be stated in the direct debit transactions.

The information that must be stored is:
• The Service and creditor number to which the new mandate belongs
• The Debtor's identification with the creditor
• Debtor group number
• Agreement number

A file can be ordered with all active mandates from Nets. This is available as a Mandate Acceptance Report. Please contact Nordea's Service Support to order such information.

Creditors using Betalingsservice with both direct debit service and transfer forms will normally not send in new mandates. However, because of a lower price per transaction some creditors prefer automatic withdrawal. Creditors using Betalingsservice with both direct debit and transfer forms are therefore allowed to send in new mandates in the NDD service.

When using the transfer form service in addition to Betalingsservice, Nets will not distribute mandates to the Creditor. However, mandates data may be ordered separately for all registered debtors.

Contact your local cash management adviser in Nordea Bank Denmark for more information.

3.4.3 Cancellation and change of a mandate

If the Debtor is no longer a customer of the Creditor, the Creditor should cancel the mandate in Nets. If there have been no collections for a period of 15 months, Nets will cancel the mandate.

Note: Functions for changing mandates are not part of the NDD solution. Instead of a change, cancel the mandate and send a new one.

3.5 Direct Debit transactions
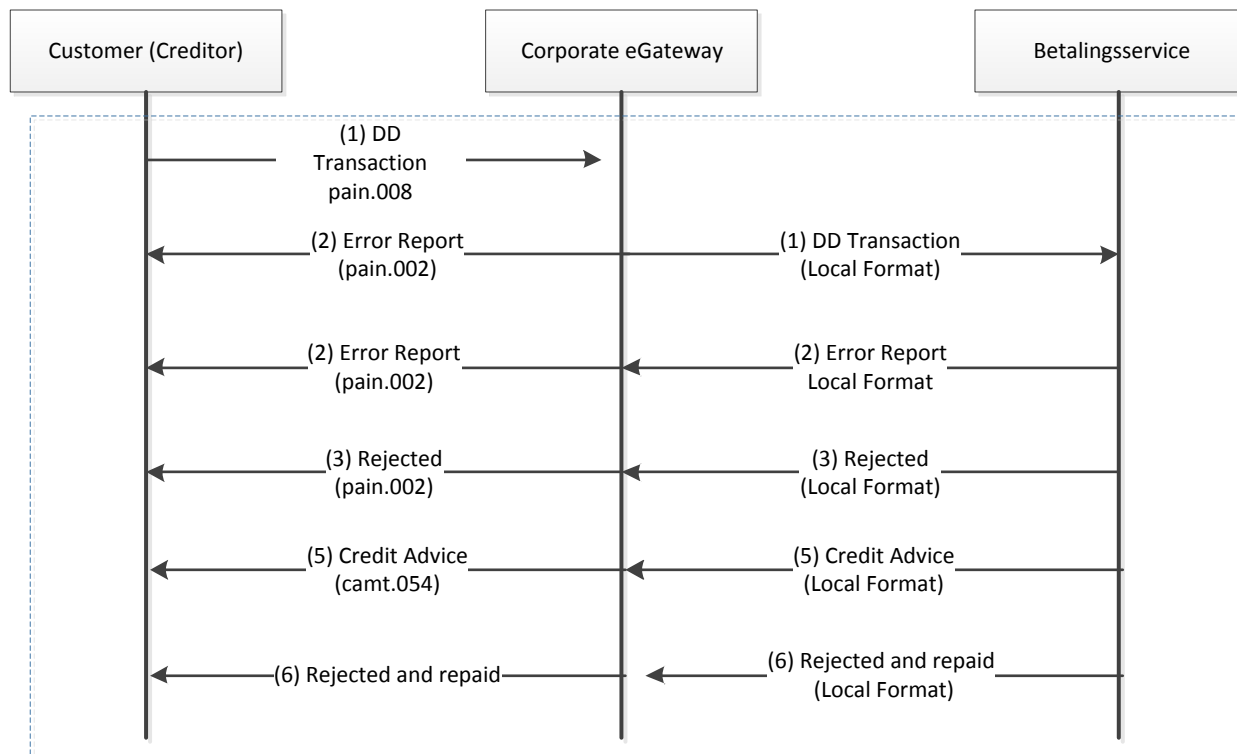
The Direct Debit transactions are stated in a separate delivery to Nets:

(1) New and cancelled Direct Debit transactions from the Creditor.
(2) Error report for invalid transactions sent by Corporate eGateway.
(3) Changed and rejected transactions:
  1. Transactions that have been changed automatically by Nets.
  2. Transactions rejected by Nets (i.e. non-existing customer reference etc.).
  3. Transactions that are changed, rejected and cancelled will be stated separately with details for each transaction.
(4) NDD transactions rejected by the Debtor or mandate cancelled, before the payment day.
(5) Credit advice, containing details of the incoming collections.
(6) NDD transactions rejected by the Debtor or the Debtor's bank or mandate cancelled after the payment day.

3.5.1 Rejected payments

Incoming Direct Debit transactions will be booked to creditor's account in a lump sum. If Debtor has rejected a Direct Debit transaction before payment day the amount will be reduced in the incoming amount.

Example:

Direct debit transactions sent to Nordea	DKK 450,000.00 (pain.008)
Transactions rejected on receipt	DKK 20,000.00 (pain.002)
Transactions rejected afterwards but still before due date:	DKK 25,000.00 (pain.002)
Amount reported in a credit advice on due date:	DKK 405,000.00 (camt.054)

Transactions rejected for a different due date   DKK   35,000.00 (camt.054)
Amount booked to the Creditor's account on due date   DKK 370,000.00 (camt.053)

3.5.2   Creditor number

The Creditor number for Denmark must always be stated to Corporate eGateway and consists of the account number used for each service in Nordea Denmark together with the Creditor's unique Nets Creditor agreement number.

3.5.3   Payment day

The payment day (due date) may be any business day of the month. The earliest payment day may be the first business day of the following month, after Nets has received the direct debit transactions.

A Creditor can only execute one payment per day per Debtor. If two separate transactions to the same Debtor have the same payment date, then the last arrived transaction will be rejected if detected in Corporate eGateway. This is validated in the duplicate control validation in Corporate eGateway and will result in a pain.002 Message from Corporate eGateway.

If the payment date is a bank holiday or a weekend, the transactions will be rejected by Corporate eGateway. The principles for payment dates are defined in the agreement between the Creditor and Nets and, when using Corporate eGateway, **must** always be stated as described above.

3.5.4   Information to the Debtor

Before the beginning of every month, the Debtor will receive a summary of all transactions from all Creditors, due in the coming month. The summary is produced by Nets and may be used as an invoice to the Debtor.

The Creditor may also send an invoice/notice directly to the Debtor.

3.5.5   Debtor action

After the NDD transactions have been received and validated by Nets, there are two situations that may influence the final amount credited to creditor's account:

1. The transactions may be rejected.
    The Debtor may reject the payments on or before the seventh day of each month. If this is not a business day, the first succeeding business day is the limit. Rejection may be executed before, on or after the payment date.

2. The payment may be withdrawn (reversed payment).
    The Debtor's bank may withdraw (reverse) the payment two days after the payment date (if, for instance, the account is overdrawn).

3.5.6   Cancellations

Cancellations of NDD transactions may be executed if received by Nets two days before the payment date.

A Cancellation Message can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nets for further processing. Reference to the original transaction must be stated. Changes are not possible in the NDD service. If changes are required on NDD

transactions already sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

3.6   Transfer form (FIK) transactions

When connected to the additional service transfer form through Betalingsservice debtors without a payment agreement will get a bank transfer form (FIK) by mail or as an e-invoice from Nets. To use this service, the creditor must have a FIK creditor number. The FIK creditor number can be achieved by entering into a separate agreement with Nordea.

For these transactions the Debtor's name, address and a valid postal code must be stated. Otherwise, Nets will reject the total interchange.

3.6.1   Credit advice for transfer form (FIK) payments

Credit advice for bank transfer form payments are reported in the same way as NDD collections. See the figure in chapter 3.5 Direct Debit Transactions.

4   Denmark - LeverandørService (LS)

LeverandørService is automatic collection of recurring payments in the business-to-business segment.

LeverandørService is based on the Debtor authorising the Creditor to debit his account. Payment is then transferred to the Creditor's account automatically.

LS functions offered in NDD are:
- Mandates
- Direct debit transactions (debit of the Debtor's account)
- Credit advice

LS functions not offered in NDD
- Re-payments (payment returned back to the Debtor's account by the Creditor)

4.1   Time limits and cut-off times

Mandates to Nets	The Creditor may send new mandates at any time of the month. The data must reach Nets no later than seven business days prior to the first date of payment.
Mandates – Cancellations	The Creditor may send cancelled mandates any time of the month.
Mandates from Nets	Mandates from Nets are only sent if new information exists in Nets (i.e. new or cancelled mandates.)
NDD transactions – notification to the Debtor	Notification to the Debtor of collections must have reached the Debtor no later than three business days before the date of payment.
NDD transactions – delivery	The data must reach Nets on the business day prior to the date of payment.
NDD transactions – late delivery	Transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is one hour before cut-off in the local Service Provider. For further information see *Cut-off times list* for Corporate eGateway.
Non-banking days	Direct debit transactions received on non-banking days (weekends or other banking holidays) will be rejected by Corporate eGateway
Cancellations	Cancellations will be executed if received by Nets on the day before the payment date.

Credit date	The total amount will be credited to the Creditor's account on the payment date.
Credit advice	The total credited amount and details of each transaction are sent on the payment date to the Creditor.
Rejection and repayment	NDD transactions may be rejected before the payment date, or withdrawn (reversed payment) up to two days after the payment date. Notification of rejected and reversed transactions will be sent at the time of rejection or when funds are returned.

4.2   Validations

Nets validates each transaction. In case of several or severe errors, Nets may contact Corporate eGateway by phone to solve the problems.

Customers should be aware of the Nordea cut-off schedule. If time limits and cut-off times are exceeded, the transactions will be rejected.

4.3   Mandates

To use this service the Debtor must sign a payment agreement (mandate to the creditor to debit the debtor's account) with the Creditor, allowing the creditor to collect amounts from the Debtor's account. The Debtor must be a registered company, for which reason the Debtor's business registration number is required. There are two possibilities for the Debtor to give a mandate to the Creditor:

1. The Debtor contacts his bank and fills out and signs the form LS11
2. The Creditor sends an instruction directly to the Debtor using the form LS11 (contact Nordea Bank Denmark to order the form). The Debtor must send the form either to his bank or directly to the Creditor that is responsible for registration in Nets.

Debtors who have not entered into a payment agreement with the Creditor must be invoiced directly by the Creditor.
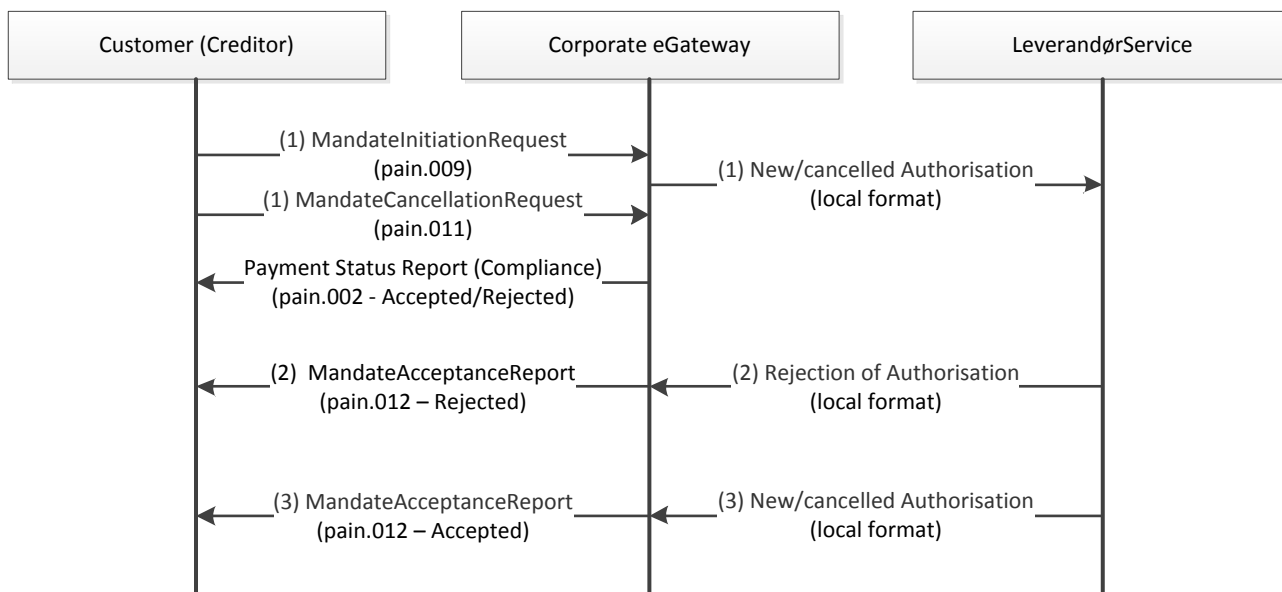
(1)   New and cancelled mandate from the Creditor.

(2) Rejections of mandates.
(3) New and cancelled mandates from Nets. These can be both confirmations of mandates sent by creditor, and mandates added or deleted by the Debtor.

4.3.1 Mandates from Nets

For mandates not sent by the Creditor, the Creditor must store the information stated in the mandate agreement. This information must be stated in the direct debit transactions.

For LS the information that must be stored is:

- The Service and Creditor number to which the new mandate belongs
- The Debtor's identification with the creditor

A file can be ordered with all active mandates from Nets. This is available as an pain.012 Mandate Acceptance Report. Please contact Nordea's Service Support for ordering such information.

4.3.2 Cancellation and change of mandate

If the Debtor is no longer a customer of the Creditor, the Creditor should cancel the mandate in Nets.
If there have been no collections for a period of 12 months, Nets will automatically cancel the mandate.

Note: Functions for changing of mandates are not part of the NDD solution. Instead of a change, cancel the existing mandate and then send a new one.

4.4 Direct Debit transactions

Exchange of data related to the Direct Debit transaction:
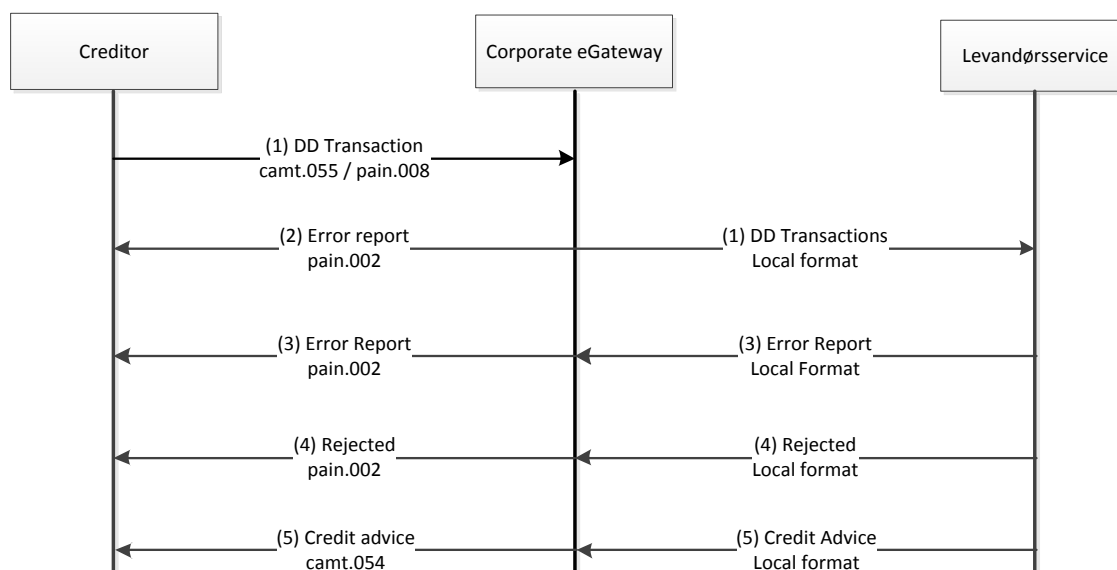
(1) New and cancelled Direct debit transactions from the Creditor
(2) Error report for invalid transactions sent by Corporate eGateway.
(3) Error reports on each transaction rejected at receipt of the file.
(4) NDD transactions rejected by the Debtor or mandate cancelled, before the payment date.
(5) Credit advice containing details of the incoming payments.
(6) NDD transactions withdrawn by the Debtor or the Debtor's bank after the payment date.

4.4.1   Rejected payments

Incoming Direct Debit transactions will be booked on creditor's account in a lump sum. If Debtor has rejected a Direct Debit transaction before payment day the funds will be reduced in the incoming amount.

Example:

Direct debit transactions sent to Nordea	DKK 450,000.00 (pain.008)
Transactions rejected on receipt	DKK 20,000.00 (pain.002)
Transactions rejected afterwards but still before due date:	DKK 25,000.00 (pain.002)
Amount reported in a credit advice on due date:	DKK 405,000.00 (camt.054)
Transactions rejected for a different due date	DKK 35,000.00 (camt.054)
Amount booked to the Creditor's account on due date	DKK 370,000.00 (camt.053)

4.4.2   Creditor number

The Creditor number for Denmark must always be stated to Corporate eGateway and consists of the account number used for each service in Nordea in Denmark together with the Creditor's unique Nets Creditor agreement number.

4.4.3   Payment date

The payment date (due date) may be any business day of the month. If the payment date is a banking holiday or a weekend, the transactions will be rejected by Corporate eGateway. The Debtor and the Creditor must agree on which day of the month the Creditor is entitled to draw funds from the Debtor's account.

Note: It is only possible to execute one payment per day per Debtor. This is validated in the duplicate control in Corporate eGateway and the second transaction for the same day will result in a rejection in Corporate eGateway and will be reported in a pain.002 Message.

Note that if a non-business day is specified, the payment is automatically moved to the first succeeding business day. If that business day already has a transaction for the same Debtor, the new transaction will be rejected by Corporate eGateway.

4.4.4   Information to the Debtor

Notification directly from the Creditor to the Debtor of payments that will be drawn from his account, must have reached the Debtor no later than three business days before the date of payment.

In order to provide the Debtor with the possibility of revoking/returning a payment, the notification must, as a minimum, contain the following information: Debtor (customer) number, date of payment, Creditor number, registration number, account number and the amount which is drawn via LS.

If the Debtor has not received a notification of the payment, the Debtor may revoke the payment.

It is not possible to send remittance information or reference number (e.g. invoice number) together with the NDD transaction. The consequence is that Debtor will not receive any of this information from Nets or on the bank statement.

4.4.5 Debtor action

After the NDD transactions have been received and validated by Nets, there are two situations that may influence the final amount credited to the Creditor's account:

1. The transactions may be rejected.
   The Debtor may reject the payments before or two days after the payment date. If this is not a business day, the first succeeding business day is the limit. Rejection may be executed before or after the payment date.
2. The payment may be returned.
   The Debtor's bank may reverse the payment two days after the payment date (e.g. if the account is overdrawn).

These rules are in accordance with "General Regulations for Collection and Repayments via LeverandørService".

Rejected or reversed transactions are debited to the Creditor's account (repaid).

4.4.6 Cancellations

Cancellations may be executed if received by Nets on the day before the payment date.
A Cancellation Message can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nets for further processing. Reference to the original transaction must be stated. Changes are not possible in the NDD service. If changes are required on NDD transactions that have already been sent to Corporate eGateway, the transactions must first be cancelled and then sent as new transactions.

If a NDD transaction is only cancelled and a new transaction on the same day with a new amount is **not** sent, the transaction will be shown on the Debtor's bank statement indicated by 0 – zero amounts.

Document title **Functional specification for Nordea XML Direct Debit NDD** 2015-01-15 Date
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Reference

5 Sweden - Autogiro via Bankgirot (BGC)

All banks operating in Sweden can participate in the bankgiro system. Bankgirot processes payments, direct debit transactions and information about incoming and outgoing payments for all parties.

5.1 Bankgiro number

A *bankgiro number* is an address that points to a bank account. A bankgiro number can be associated with the bank and bank account number of your choice.

When you want to receive a payment, you simply quote your bankgiro number – you never need to provide your account details. The actual account is always hidden from the debtor. If you change banks, you can keep your bankgiro number and your bankgiro payments will continue to arrive just as before.

5.2 General information about Autogiro via Bankgirot (BGC)

Autogiro is a direct debit system for automatically transferring payments to a creditor on the due date – neither too early nor too late. Autogiro can via Corporate eGateway be used as a fully electronic service.

Consumers and companies alike can pay via Autogiro, and the Creditor's invoices can include a bank account number. It is also possible for the Creditor to transfer funds to the Debtor's bank account via Autogiro. As a Creditor you can receive payments from all Debtors in Sweden.

One prerequisite for Autogiro is that the debtor signs a payment (Mandate) agreement allowing money to be automatically transferred to the Creditor from the Debtor's account.

Autogiro/eGateway will then automatically execute payments from the Debtor's account to the Creditor's account on basis of this payment agreement (Mandate) between the Debtor and the Creditor. :

- Autogiro
  The service is used in for both corporate and consumer market.

It is possible to debit all types of accounts (both bank and PlusGirot bank accounts) through the autogiro services in BGC. AutoGiro from PlusGirot is therefore not implemented.

Autogiro functions offered in NDD are:
- Mandates incl. cancellations
- Direct Debit transactions (debit of the Debtor's account) incl. cancellations
- Reversed transactions (payments returned by Creditor to the Debtor's account)
- Credit advice

Autogiro functions not offered in NDD
- Automatically renewed collections (Självförnyande uppdrag). A function for collecting the same amount for several months, quarterly, half-yearly or yearly.

5.3   Time limits and cut-off times

Mandates to BGC	New mandates must reach BGC no later than six business days prior to the date of payment. For further information see *Cut-off times list* for Corporate eGateway.
Mandates – cancellations	Cancellations must reach BGC no later than on the business day prior to the date when the cancellation should be effective.
Mandates from BGC	As soon as new mandates are accepted by the Debtor's bank, a confirmation is sent to the Creditor (normally within one day). The Date for when the mandates will be active is stated.
NDD transactions– notification to the Debtor	For Autogiro the customers should be invoiced no later than eight days before the payment date so that collections can be made from the account.
NDD reversed transactions– to the Debtor	For reversed transactions – the transaction will be credited Debtors account day after reception of file
NDD transactions – delivery	The business day before the payment date.
NDD transactions – late delivery	If the NDD transactions arrive at BGC up to five days after the payment date, the transactions are automatically moved to the next succeeding business day. If more than five days have passed, the transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is normally one hour before cut-off in the local Service Provider. For further information, see *Cut-off times list* for Corporate eGateway.
Cancellations	Cancellations will be executed if received by BGC on the day before the payment date.
Credit date	The total amount will be debited to the Debtor's account on the payment date and credited to the Creditor's account on the same day.
Credit advice	All statements are generated in the afternoon of the payment date, which means that the creditor will usually receive feedback on the following business day.
Autogiro Online	Autogiro Online is web-based tool which can be used by the Creditor to view payments and Debtors. This tool may also be used by the Creditor for administrating its Debtor information, i.e. to register new, change or cancel. It can also be used to approve or reject mandates sent by the Debtor via its Internet Bank service. **Note 1**: All information **from** BGC will **always** be sent electronically via eGateway, even if the information is also available via Autogiro Online. **Note 2**: Autogiro Online **cannot** be used for creating new direct debit transactions. It **must not** either be used for making changes or cancellations of previously sent direct debit transactions. For this eGateway's file based services **must** be used, i.e. via the pain.008 CustomerDirectDebitInitiation Message.

5.4   Validations

All transactions will be validated by BGC on receipt. Response is returned in a pain.002 CustomerStatusPayment report .

Customers should be aware of the Nordea cut-off schedule. If time limits and cut-off times are exceeded, the transactions will be rejected.

5.5   Mandates

A pre-requisite for using the Autogiro service is based on the Debtor giving the Creditor mandate to collect funds from Debtor's account or bankgiro number. In order to establish this agreement, the Creditor must distribute a form to be signed by the Debtor.

The mandate agreement is returned to the Creditor who must enter the information into his system. Creditor is responsible for storing the mandate agreement. In order to be able to collect money on the Debtor's account, the Creditor must send the mandate (pain.009 and pain.011) to Corporate eGateway/BGC.

In addition the Debtor may via it's Netbank– if the Creditor has allowed to have this possibility available via the Swedish banks – to apply for being a direct debit customer to the Creditor. The Creditor must then:

1. Reply to the request sent by eGateway/BGC in an pain.009 Message
    a. The reply (pain.012) must contain either an acceptance or a rejection
2. If the request is accepted – then Creditor must store the mandate request.
3. eGateway/BGC will remind Creditor – in an pain.012 Message - until till an acceptance or rejection has been received by eGateway/BGC. If no response from Creditor – the request will be cancelled after 18 banking days.

The Creditor can offer the Debtor several ways to sign a mandate. The table below shows the alternatives available, what can be specified in a mandate and which functions are standard and optional.
Note: Mandates signed by other than the options in the table are not approved.

Mandate	Signed	Standard or optional
On paper	One of the following Bank account number	Standard function
Via the Netbank	Bank account number	Optional

5.5.1   Mandate requirements

Mandate on paper means that the Debtor provides consent by filling in and signing a printed mandate form. Mandate on paper can be signed for bank account number. The bank account number provided by the Debtor determines from where associated payments are debited.

The mandate text must always be included in the form for paper mandates and the text describing the terms and rules for Autogiro, and which the Debtor accepts by signing a mandate.

The mandate text is reproduced on the mandate forms bank (BG 600 P for bank account which you can order from Nordea by contacting your cash management advisor. You can also design your own mandate forms. These must be approved by Nordea before you can start using them.
Note: If your company decides to design its own forms, the current mandate text must be included *verbatim*.

The table shows which Debtor details must be included in the mandate file you send to Bankgirot or that are required to register a new mandate via Autogiro Online.

| Mandate signed with	Debtor details
Bank account number	• Bank account number • CVR registration number / corporate identity number • Payer number

5.5.2 Mandate via Debtor's netbank

One prerequisite for mandate via the Netbank is that your company has an agreement with the bank for this service.

Mandate via the Internet bank enables a Debtor to sign mandate via Netbank. Mandate via the Netbank can almost completely automate the mandate process. The Creditor can automatically receive information about new mandates, which can be read directly in business suites and accounting systems and automatically update customer directories. The Creditor can also obtain information about new mandates via *Autogiro Online*. (**Note:** All available information will always be sent via eGateway)

Each mandate signed via netbank and which eGateway/BGC reports to the Creditor is associated with the correct bank account number. If the Debtor has specified an incorrect payer number the Creditor can easily correct it. Mandates via the Internet bank can only be signed with a bank account number. The bank account number provided by the Debtor determines from where associated payments are debited.

Mandates via the Netbank, **must** be archived by the Debtors bank, because it is only the bank that has the possibility to archive the electronic signature. When the mandate is hand over via the Internet bank the Creditor gets information about the mandate via eGateway (pain.012). This information is the sole responsibility of the Creditor to save and store in their own system or elsewhere according to the Swedish Bookkeeping Act.
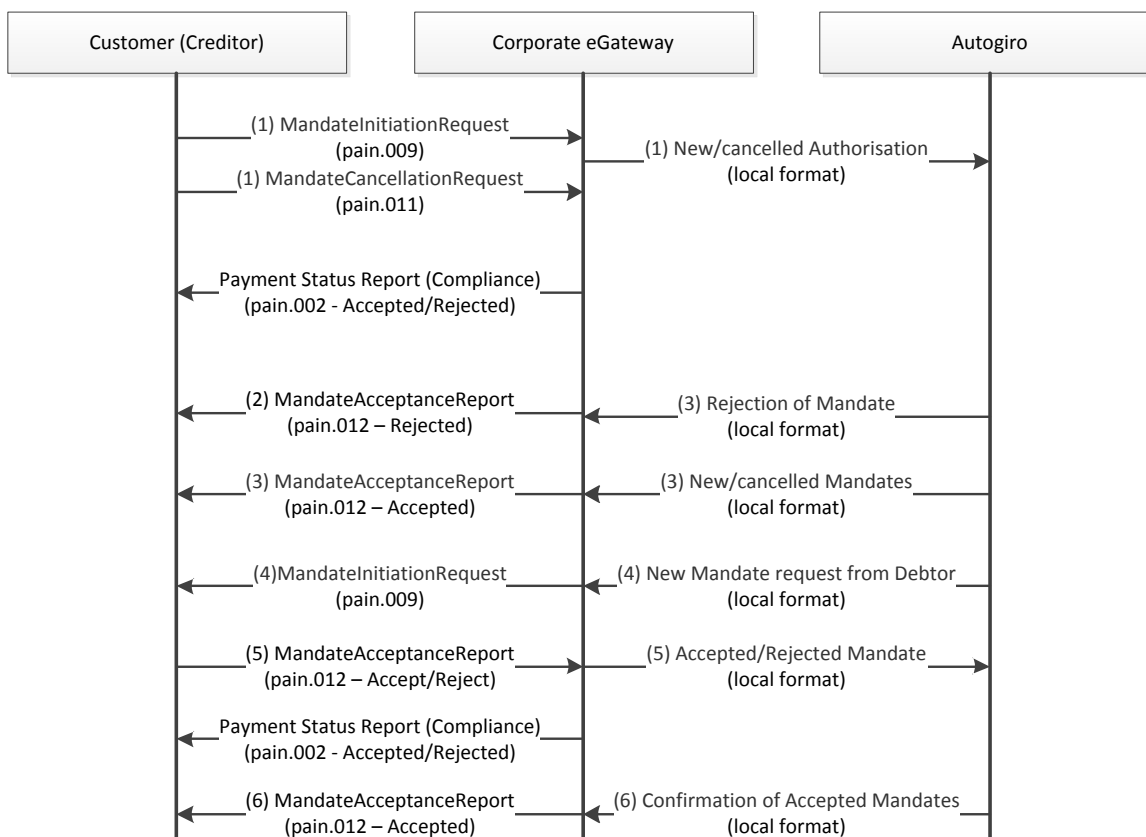
(1) New and cancelled mandates
(2) Rejections of mandates sent by the creditor
(3) New and cancelled mandates. These can be both confirmations of mandates sent by the creditor and mandates added or deleted by the Debtor
(4) New mandate request from Debtor via its Internet bank service, requesting to utilize Creditors direct debit service

(5) Response from Creditor, acceptance or rejection, to Debtors request.
(6) Confirmation of approved/rejected mandates requested by Debtor via Internet bank

5.5.3 Cancellation of mandates

Mandates may be cancelled either by the Creditor, Debtor or by the Debtor's bank. You can cancel a mandate by either:

- Creating a mandate file MandateCancellationRequest, pain.011, with a cancellation in your business suite or accounting system and sending the mandate file to eGateway; *or*
- Cancelling it via Autogiro Online.

Note: When you cancel a mandate, any coming payments associated with the mandate and being monitored, are also cancelled.

The table below shows which terms apply to your company and the Debtor when cancelling a mandate.

Party	Terms
The company (the Creditor)	Your company can cancel a Debtor's mandate, but you must inform the Debtor of the cancellation at least 30 days before cancellation. Exceptions: Your company has the right to cancel a Debtor's mandate with immediate effect: • If the Debtor repeatedly fails to maintain sufficient funds in their bank account on due dates; or • If the bank account to which the mandate is connected is closed.
The Debtor	The Debtor has the right via the bank or the Internet bank to: • Amend and cancel active mandates; • Change the bank account number of active mandates to an bank account number at the same or another bank; and • Cancel coming payments monitored by Bankgirot. • The Debtor can also cancel a mandate by contacting your company. Note: The mandate must always be terminated within five weekdays of the cancellation being received by your company.

5.5.4 Changes of mandates

Changes of mandate cannot be performed via electronic file through eGateway. For this purpose the previous mandate must be cancelled and then a new mandate may be sent in to eGateway/BGC, or it has to be performed via *AutoGiro Online*.

Note: Change payer number is only allowed for mandates with bank account number.

5.5.5 Mandates from BankGiroCentralen

For mandates not sent by the Creditor, i.e. request from Debtor, the Creditor must store the information stated in themandates request. This information must be used in the direct debit transactions.

For Autogiro the information that must be stored is:
- The Service and Creditor (Bankgiro) number to which the new mandate belongs
- The Debtor's identification (betalarnummer) *See special note*.

- The Debtor's account number
- The Debtor's personal identity or organisation number

A file can be ordered with all active mandates from BGC. Please contact Nordea's Service Support for ordering such information.

Special note for Autogiro

Whenever the Creditor enters into an agreement with BGC for Autogiro, a specific Debtor identification method must be used, which must be applied for all debtors under the same agreement with BGC. For this purpose the Creditor has the following options for identifying its Debtor:

1) **Debtor's account number**
   - This method is **not** recommended by BGC since the Debtor might change banks and account numbers, and there will then be a mismatch between the debtor's identification number and Debtor's account.
2) **Debtor's personal identification number (CVR-nr.)**
   - BGC performs a modulus check on the identification number.
3) **A modulus 10 or modulus 11 identification number**
   - BGC performs a modulus check depending on the modulus chosen by the Creditor.
4) **Own created specific identification number (any)**
   - No check or control is made by BGC.

5.6 Direct Debit transactions

The direct debit transactions are stated in a separate delivery to Corporate eGateway and BGC:
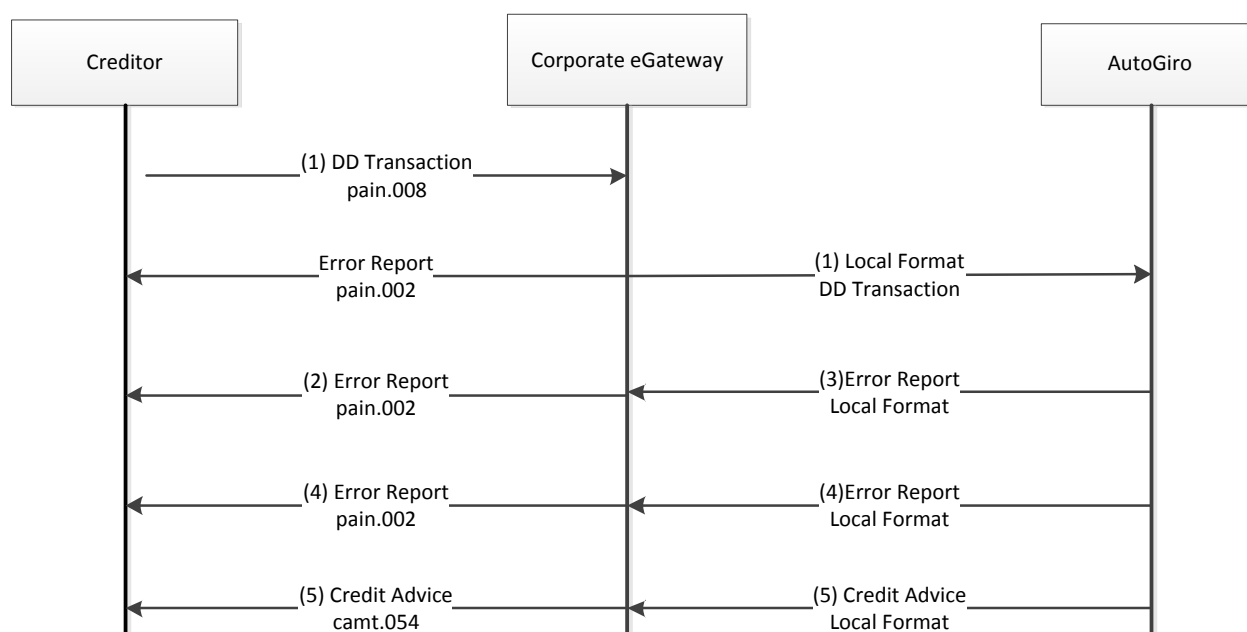
(1) New, cancelled and reversed Direct Debit transactions from the Creditor.
(2) Error report sent from Corporate eGateway for invalid transactions.
(3) Error reports from BGC for each transaction rejected at receipt of file.
(4) Error reports from BGC for transaction rejected on payment date. This also includes information about re-tries (if service chosen) in case of insufficient funds on Debtors account.
(5) Credit advice, containing details of the incoming collections.

(6) Debit advice, containing details of reversed Direct Debit transactions.

5.6.1 Creditor number

The Creditor number for Sweden must always be stated to Corporate eGateway and consists of the unique Bankgiro number at BGC.

Note: A Creditor can use many Bankgiro numbers connected to the Creditor's account at Nordea Sweden, but only one account number can be connected to each Bankgiro number.

5.6.2 Payment date

The payment date (due date) may be any business day of the month.

On the payment date the following validation is performed:
(1) Is there a valid mandate between the Debtor and the Creditor?
(2) Sufficient funds. The balance check is carried out on the morning of the payment date. The bank concerned is responsible for determining how the balance check is carried out.

Insufficient funds:
A separate service in BGC allows a retry for collecting the specified amount if insufficient funds are available on the account. A maximum of three representations (retries) are made. The re-representations are made on consecutive business days, following the due date, and are reported in the payment status report, as a "warning" message, generated in relation to the payment date. This service must be agreed separately between the Creditor and Nordea. The funds are credited to Creditor's account on the payment date. If insufficient funds still occur on Debtor's account after three retries, the collection cannot be made, and the payment are cancelled by BGC.

5.6.3 Information to the Debtor

Invoicing procedures need not be altered when changing to Autogiro. Use the same invoices that are currently sent to the Debtors. It is important that you notify the debtor in good time before the due date, so that the Debtor can ensure that there are sufficient funds in the account on the due date.
If a bank account number has been specified in the mandate your company must notify the Debtor _no later than eight days before the due date._
However, it must be clearly stated that the payment is to be made by Autogiro. Examples of the text are:
* "This amount will be debited by Autogiro."
* "Do not use this advice to make your payment."
* "The amount will be debited automatically via Autogiro."

Apart from the text about Autogiro, the invoice should contain the usual details regarding the amount and payment date. One invoice can cover more than one payment.
If when notifying the Debtor you also send the associated payment instruction to eGateway/BGC, your Debtor can see the coming payment in their Netbank depending on if your Debtors Netbank supports that function and the Debtor can ensure that there is sufficient funds in the account.

Exceptions: If the Debtor has approved a payment by direct debit (Autogiro) in conjunction with a purchase or order, you need not notify the Debtor with a separate invoice.

5.6.4 Debtor's responsibility

In order for a payment to be made, the Debtor must have sufficient funds in their bank account on the due date. A balance check inquiry is made early in the morning of the due date. As such, the Debtor must have sufficient funds in their bank account already at 00:01.

If there are insufficient funds in the Debtor's account, the payment is not approved and the stopped payment is reported in a Payment Status Report pain.002, either as a "warning" – if service chosen (i.e. re-tries) or as a rejected payments.

5.6.5 Debtor action – stopped payments or mandate

The Debtor, or Debtor's bank, can stop a future direct debit payment. A Debtor can approach you, as a Creditor in order to stop a future payment or to lodge a complaint concerning an incorrectly executed payment.

Since the law on payment services was introduced on 1 August 2010, the Debtor is also provided the opportunity, via the Debtor's bank, to stop a future payment and, within a set timeframe, request that a payment be refunded (see chapter 5.6.7).

A Creditor may need to invoice a stopped payment in another manner. If the Debtor stops a payment, the concerned payment is stopped on a single occasion.

The Debtor, or the Debtor's bank, can also stop any given mandate without pre-notification to the Creditor. Stopped mandates are reported to the Creditor through a pain.012 Mandate Acceptance Report Message.

5.6.6 Refunded direct debit transactions

A refund request means that a Debtor has a legal right, under certain circumstances and within a certain timeframe, to via the Debtor's bank request and receive a revocation of a previously executed direct debit payment.

There are two types of revocation request:
- Revocation of unauthorised payments – a payment is unauthorised when a direct debit mandate has never been signed or if the mandate is terminated before the payment is made. For consumers, a revocation request in cases such as this must be made within thirteen (13) months of the concerned payment. For non-consumers, a shorter timeframe applies, as agreed between the Debtor's bank and the Debtor.
- Revoked authorised payments – a payment is authorised if there was a valid mandate when the direct debit payment was made, but the amount was not specified when the mandate was signed and the amount exceeds what the Debtor could reasonably have expected. For consumers, a revocation request in cases such as this must be made within eight (8) weeks of the concerned payment. Non-consumers do not have the right to a revocation of an authorised payment.

When a Debtor requests a revocation the bank shall investigate whether the claim for a revocation is substantiated. In such cases contact is made with the Creditor. This is to provide the Creditor with the opportunity to submit documentation showing that the payment was correct and authorised. The Creditor will receive the following information from BGC, which conducts the revocation investigation on behalf of the bank: case number, Debtor's name, payer number, or else the Debtor's bankgiro number (if corporate), payment reference, requested revocation amount, payment date, reason for revocation request, information that the Creditor shall contact BGC if the Creditor and Debtor settle the matter between themselves.

BGC makes repeated attempts to contact the Creditor over two days.
If BGC is unable to contact the Creditor within two days, BGC informs the Creditor's bank of this fact.
The Creditor provides BGC with any documentation, such as a valid mandate or agreement, within five (5) bank days.
The Creditor also contacts BGC if the matter has been resolved with the Debtor directly.

The Debtor's bank informs the Creditor as to whether the Debtor was entitled to a revocation. If the investigation shows that the claim for a revocation is substantiated, the Creditor's bank has the right to Debit the account which, via a bankgiro number, is connected to the direct debit service.

5.6.7 Cancellations

A Cancellation Request can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to BGC for further processing. Reference to the original transaction must be stated. Changes are not possible in the Autogiro service via eGateway. If changes are required on NDD transactions that have already been sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

5.7 Reversed transactions to Debtor – optional service

Outgoing payments i.e. reversals, enables the Creditor to make payments to a Debtor via Autogiro. This means that the Creditor does not need to know the Debtor's bank account number to make a payment, but instead can specify the payer number as the recipient of the payment. The payment is included in the payment file sent to eGateway/BGC.

Note: Bear in mind that your company should notify the recipient concerning payment method and date of credit transfer, since neither Bankgirot nor the customer's bank will notify the Debtor.

5.8 Reports of direct debit transactions – credit advice & account statement

Incoming Direct Debit transactions will be booked on Creditor's account in a lump sum. If Debtor has rejected a Direct Debit transaction before payment day the funds will be reduced in the incoming amount.
Depending on set-up at BGC by the Creditor – bankgirot will perform retries up till 3 times after due date, and each of these retries might result in funds received to the Creditor's account. For each retry, and if insufficient funds still occur, a "warning", Payment Status Report will be sent to Creditor.

See also examples of how the booking may occur on Creditor's account.

Example 1 (no retry set-up at BGC):

Direct debit transactions sent to Nordea/BGC	SEK 50,000.00 (pain.008)
Transactions rejected on receipt by eGateway	SEK 2,000.00 (pain.002)
Transactions rejected on receipt by BGC	SEK 1,000.00 (pain.002)
Transactions rejected due to insufficient funds on	
Debtor's account, being rejected by BGC:	SEK 2,000.00 (pain.002)
Amount reported in a credit advice on due date:	SEK 45,000.00 (camt.054)
Amount booked to the Creditor's account on due date	SEK 45,000.00 (camt.053)

Example 2 (with retry set-up by BGC):

Due date:

Direct debit transactions sent to Nordea/BGC	SEK 100,000.00 (pain.008)
Transactions rejected on receipt day by eGateway	SEK 5,000.00 (pain.002)
Transactions rejected on receipt day by BGC	SEK 10,000.00 (pain.002)

Transactions rejected due to insufficient funds on Debtor's account: SEK 25,000.00 (pain.002)

Amount reported in a credit advice: SEK 60,000.00 (camt.054)

Amount booked to the Creditor's account: SEK 60,000.00 (camt.053)

Day one after due date (+1):

Transactions rejected due to insufficient funds on Debtor's account: SEK 15,000.00 (pain.002)

Previous rejected transactions, due to insufficient funds on
Debtor's account, now accepted by Debtor's bank: SEK 5,000.00 (camt.054)

Amount booked to the Creditor's account: SEK 5,000.00 (camt.53)

Day two after due date (+2):

Transactions rejected due to insufficient funds on Debtor's account: SEK 10,000.00 (pain.002)

Previous rejected transactions, due to insufficient funds on
Debtor's account, now accepted by Debtor's bank: SEK 10,000.00 (camt.054)

Amount booked to the Creditor's account: SEK 10,000.00 (camt.053)

Day three after due date (+3):

Previous rejected transactions, due to insufficient funds on
Debtor's account, still not accepted by Debtor's bank and
are now finally rejected by BGC: SEK 10,000.00 (pain.002)

6 Norway - AvtaleGiro

In Norway two different services for Direct Debit are available, Autogiro and AvtaleGiro. AutoGiro is not part of NDD – only AvtaleGiro can be used.

AvtaleGiro is an automatic collection of recurring payments.

AvtaleGiro is based on the Debtor giving the Creditor permission to charge his account. The Payment is then transferred to the Creditor's account automatically.

Functions offered in NDD are:
- Mandates
- Direct Debit transactions (debit of the Debtor's account)
- Credit advice

6.1 Time limits and cut-off times

Mandates to Nets	It is not possible to send mandates to Nets.
Mandates – Cancellations	It is not possible to send mandates to Nets.
Mandates from Nets	Mandates (new, changed and cancelled) from Nets are sent on business days, when new information exists. For further information see *Cut-off times list* for Corporate eGateway.
NDD transactions– notification to the Debtor	Same as specified for "NDD transactions – delivery".
NDD transactions – delivery	**Option A: The Creditor sends the information (notice or invoice) through the Debtor's bank** The Debtor's bank produces information to the Debtor for a monthly distribution. The NDD transaction must then be received by Nets on the last business day of the month. All NDD transactions with payment date from the 15th of the following month and up to and including the 14th of the following month must be sent within this time limit. This time limit is set to enable the Debtor's bank to distribute information of all coming NDD transactions to the Debtor in good time, for instance on the bank statement. **Option B: The Creditor sends the information himself** In this case the NDD transaction must be received by Nets within nine calendar days before the payment date.
NDD transactions – late delivery	Transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is one hour before cut-off in the local Service Provider. For further information see *Cut-off times list* for Corporate eGateway.
Cancellations	Cancellations will be executed if received by Nets on the day before the payment date.
Credit date	The total amount will be credited to the Creditor's account on the payment date.
Credit advice	All credit advice information is generated on the payment date. For

further information see *Cut-off times list* for Corporate eGateway.

6.2 Validations

Validation of all transactions not rejected by Corporate eGateway is performed by Nets when received.
All rejection reports from Nets are sent either by e-mail or by post to the Creditor. In order to ensure that all transactions are processed as expected the Creditor must follow up on the material from Nets. Rejected transactions by Nets will only be stated on these paper lists. If you have any questions to the received material, please contact Nets' Customer Support.

To avoid delays in Direct Debit payments, customers should be aware of the Nordea cut-off schedule.

6.3 Mandates

The mandate is always entered by the Debtor through his bank. The Creditor is informed of the mandates by Nets. It is not possible to send mandates to Nets. The Creditor may have more than one mandate with a Debtor.

The Debtor may only give mandates to Creditors that offer AvtaleGiro. Information of creditors that offer AvtaleGiro is available from the Debtor's bank. The Creditor may also send the information directly to the Debtor.

For more information on how to enter a mandate on AvtaleGiro with the Debtor, please contact Customer Support in Norway.
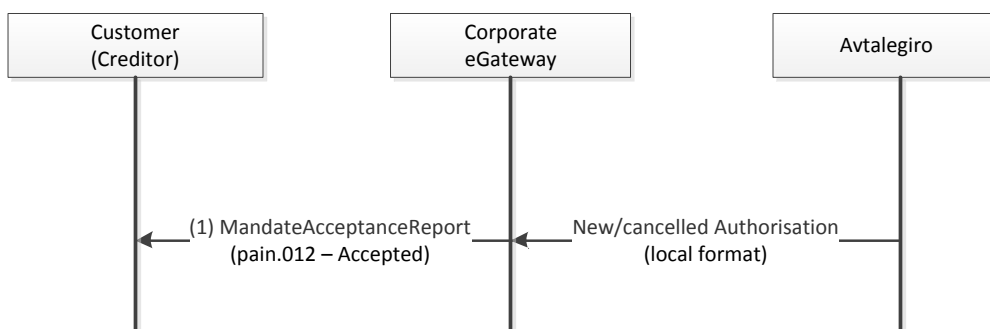
(1) New, changed and cancelled mandates.

6.3.1 Mandates from Nets

For mandates not sent by the Creditor, the Creditor must store the information stated in the mandates. This information must be stated in the direct debit transactions.

For AvtaleGiro the information that must be stored is:
- The Service and Creditor (account) number to which the new mandate belongs
- The Debtor's identification (KID)
- The Debtor's request for written information

A file can be ordered with all active mandate from Nets. This is available as a Mandate Acceptance Report message. Please contact Nets' Customer Support for ordering such information.

6.4 Direct Debit transactions

The direct debit transactions are stated in a separate delivery to Corporate eGateway and Nets:
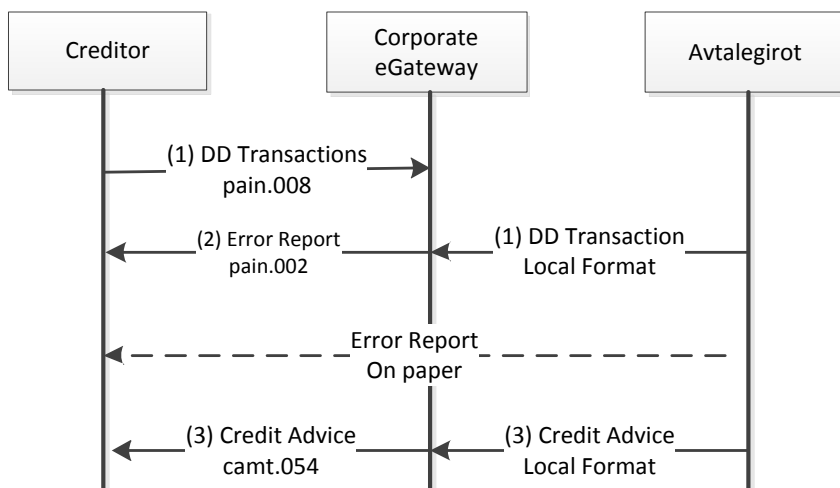
(1) New and cancelled NDD transactions from the Creditor.
(2) Error report for invalid transactions sent by Corporate eGateway.
(3) Credit advice containing details of the incoming payments.

Response on rejected transactions in Nets is only produced on paper.

6.4.1 Creditor number

The Creditor number Norway must always be stated to Corporate eGateway. The number consist of the unique account number used within Nordea Norway.

6.4.2 Payment date

The payment date (due date) may be any business day of the month.

On the payment date the following validation is performed by Nets/the Debtor's bank:

(1)   Is there a valid mandate between the Debtor and the Creditor?
(2)   Is the Debtor's account valid?
(3)   Has the Debtor rejected the transaction?
(4)   Is the amount within the amount limit stated by the Debtor in the mandate?
(5)   Sufficient funds. If there are insufficient funds on the account, the bank will retry to collect the amount up to four days after the payment date.

If any of these validations mean that the transaction is not processed, the Debtor will receive the following information of the non-executed payments;

For items 1-2 above: The Creditor will receive a paper list from Nets showing rejected transactions and the reason for the rejection.

For items 3-5 above: The Debtor will receive information of the non-executed payments and alternative ways of carrying out the payment from the Debtor's bank.

6.4.3 Information to the debtor

The Debtor must be informed of all future payments by the Debtor's bank or by the Creditor himself. If the Debtor is not informed, the Debtor can, through his bank, demand that the Creditor should pay back the collected amount.

Information to the Debtor must at least contain the following:
- Name and address of the Creditor
- Amount
- Payment date
- Description of the reason for payment

The Creditor can choose either to send the information to the Debtor himself or to let the Debtor's bank send the information. This option is stated when entering the AvtaleGiro agreement with Nordea Bank Norway and has to be informed to Corporate eGateway as well.

The Debtor can agree with his bank that notification of future payments is not necessary.

6.4.4 Debtor action

The Debtor may delete the NDD transaction.

Transactions that are rejected by the debtor are not informed separately and will consequently not appear in the credit advice

The Creditor will not receive any information on transactions that have not been processed. It is therefore recommended that the Creditor considers sending an invoice/giro by post directly to the Debtors five days after the payment date. Note that this will be in addition to actions taken by the Debtor's bank. It is advised to wait five days because of the function for automatic retry of the collection four days after the payment date.

6.4.5 Debtor identification and payment

For identification of the Debtor and payment it is a requirement that the OCR reference (KID) produced by the Creditor is used.

A specified part of the OCR reference (specified by the Creditor when he enters into the agreement to use the Norwegian direct debit service) is used in Nets to identify the Debtor.
The Debtor must therefore get the correct OCR reference from the Creditor in order to send in a valid mandate.

The Creditor must state how the OCR reference (KID) is built in the agreement with Nets. The maximum length is 25 characters and it must as a minimum consist of a Customer ID. In addition, the Creditor may use type of payment (e.g. apartment rental and garage rental) and an invoice number.

The OCR reference will also be returned in the credit advice and should be used by the Creditor to link the direct debit transaction with the incoming payment.

Please note that since the same OCR reference structure is used for another payment service (KID) within Nets, it is not possible to identify or separate which service that are used when processing the credit transfer. If this is a

prerequisite, Nordea Bank Norway recommends that the Creditor opens a separate account for his NDD transactions.

For more information about the OCR reference, please contact Nordea Bank Norway Support.

6.4.6 Cancellations

A cancellation Message can be send to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nets for further processing. Reference to the original transaction must be stated. Changes are not possible in the AvtaleGiro service. For corrections of NDD transactions that have already been sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

A validation report, Receipt List created by Nets, is produced on paper and is sent to the Creditor. Processed cancellations and cancellations that are not possible to process are specified.

7   Appendix A- Validations NDD – incoming Direct Debit Messages

This appendix explains all the validations performed by Corporate eGateway before the transactions are forwarded to the local service provider. Included in this appendix is also what type of error codes and text messages that may be sent to the Creditor in a rejection message that is generated based on the validations performed in Corporate eGateway.

Rejections are reported in following messages:

Payment Status Report pain.002	- Message Compliance and Syntax check - Direct Debit Transaction Rejections
Mandate Acceptance Report pain.012	Rejection of new and cancelled mandates
Resolution of Investigation	Rejection of cancellation requests

Note: All validations for cancellations are specified in chapter 7.6. All previous chapters refer to new Direct Debits only.

Please note that local codes and text messages are provided by each local ACH in addition to this appendix. Those codes and text messages are also sent to the Creditor from Corporate eGateway in Rejection messages. Local codes and text messages are not part of this appendix.

7.1   Cut-off time

All specific cut-off times are specified in document *Cut-off times list*. No cut-off times will therefore be specified in the below validation table.

7.2   Execution date validation

Corporate eGateway will validate if the creditor will use execution date at payment or at transaction level. Depending on this, validations are performed at either payment or transaction level.

7.3   General validation on Creditor information, field lengths and types

Error code Corporate eGateway	Country	Service	Reason	Remark	Error text Corporate eGateway
EC001	General	All	Check service for creditor	Service used by the Creditor and valid Creditor number is checked by Corporate eGateway.	Invalid creditor number for selected service.
EC002	General	All	Check may be performed by Corporate eGateway to ensure that no duplicate exists in database.	*Unique key* **Norway, Sweden:** Creditor number, Creditor Reference **Denmark:** Creditor number, Debtor group, Debtor number, Execution date	Duplicate transaction.
EC003	General	All	Execution date must be present.	DTM (payment level or transaction level)	Execution date is missing.
EC004	General	All	1. Execution date must contain correct date format 2. Execution date must be valid date.		Execution date has invalid format.
EC005	General	All	Execution date may not be more than 60 calendar days ahead.	*NOTE: This may not be implemented in test for Denmark.*	Execution date more than 60 days ahead.
EC006	General	All	File with new transactions on the last allowed cut-off date may not be received after cut-off time.	See *Cut-off times list*	Cut-off time exceeded.
EC007	Denmark	LS	Check that the execution date is a business day in Denmark.		Execution date not a business day.

7.4 Mandatory Creditor information, field lengths and types (payment level)

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC008	General	All	1. Amount is mandatory. 2. Amount must have a valid format. 3. Amount at B level must be equal to the total amount of all C levels within the B level.	MOA (B level)	Invalid amount
EC008	Denmark	BS	Amount may not be longer than 15 digits, including 2 decimals		Invalid amount
EC008	Denmark	LS	Amount may not be longer than 13 digits, including 2 decimals		Invalid amount
EC008	Norway Sweden	All	Amount may not be longer than 17 digits, including 2 decimals.		Invalid amount
EC009	General	All	If the currency is stated, a valid currency code must be stated for each local service.	MOA (B level)	Invalid currency code
EC010	Denmark	All	1. Account number (including clearing code) must be 14 digits. 2. Account number (including clearing code) must be numeric.	FII (B level)	Invalid clearing code and/or account number.

7.5 Mandatory Debtor information, field lengths and types (transaction level)

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC008	General	All	1. Amount is mandatory. 2. Amount must have a valid format.	Instructed Amount	Invalid amount
EC008	Denmark	BS	Amount may not be longer than 13 digits, including 2 decimals.		Invalid amount
EC008	Denmark	LS All	Amount may not be longer than 11 digits, including 2 decimals.		Invalid amount
EC008	Norway	All	Amount may not be longer than 17 digits, including 2 decimals.		Invalid amount
EC008	Sweden	All	Amount may not be longer than 12 digits, including 2 decimals.		Invalid amount
EC012	General	All	Creditor unique reference is mandatory for all countries.	Payment Information Id	Customer reference (RFF CR) is missing.
EC013	Norway Sweden	All	Debtor unique reference is mandatory.	Creditor Reference	Invalid reference number (RFF AFO).
EC013	Denmark	BS	Debtor unique reference may not	Creditor Reference	Invalid reference

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
			be longer than 30 characters.		number (RFF AFO).
EC013	Denmark	BS FIK	Debtor unique reference may not be longer than 9 characters.	Creditor Reference	Invalid reference number (RFF AFO).
EC013	Norway	All	1. Debtor unique reference may not be longer than 25 characters. 2. Debtor unique reference must consist of numeric characters, hyphens and blanks.	Creditor Reference	Invalid reference number (RFF AFO).
EC013	Sweden	All	Debtor unique reference may not be longer than 16 characters.	Creditor Reference	Invalid reference number (RFF AFO).
EC014	Sweden	AG	Payer code may not be longer than 16 characters.	Debtor / Identification	Invalid payer/debtor number.
EC014	Denmark		Debtor number may not be longer than 15 characters.	Debtor / Identification	Invalid payer/debtor number.
EC015	Denmark	BS	1. Debtor agreement number is mandatory. 2. Debtor agreement number must be numeric. 3. Debtor agreement number may not be longer than 9 digits.	Mandate Identification	Invalid agreement number.
EC016	Denmark	BS	1. Debtor group number is mandatory. 2. Debtor group number must be numeric. 3. Debtor group number may not be longer than 5 digits.	Creditor Scheme Identification	Invalid debtor group number.
EC017	Denmark	All	1. Postal code must be numeric. 2. Postal code may not be longer than 4 digits.	Debtor / Identification	Invalid postcode.
EC022	Denmark	All	Debtor number is mandatory.	Debtor / Identification	Payer/debtor identification is missing.
EC022	Sweden	AG	Debtor's identification must be present.	Debtor / Identification	Payer/debtor identification is missing.

7.6   Mandatory cancellation information, field lengths and types

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC001	General	All	Identify Creditor with service and creditor number.	Service used by Creditor and valid Creditor number is checked by Corporate eGateway.	Invalid creditor number for selected service.
EC006	General	All	File on last allowed cut-off date may not be received after cut-off time.	See *Cut-off times list*.	Cut-off time exceeded.
EC006	Denmark Norway Sweden	All	Cancellation must be received no later than the day before original execution date		Cut-off time exceeded.
EC015	Denmark	BS	1. Debtor agreement number is mandatory for cancellations. 2. Debtor agreement number must be numeric. 3. Debtor agreement number may not be longer than 9 pos.	Mandate Identification	Invalid agreement number.
EC018	General	All	NDD transaction must not yet be rejected.		Record already rejected, cancellation could not be executed.
EC019	General	All	NDD transaction must not yet be cancelled.		Record already cancelled, cancellation could not be executed.
EC020	General	All	NDD transaction must be found.		Original record to be cancelled could not be found.
EC021	General	All	Cancellation must not have been requested previously for NDD transaction.		Cancellation has already been requested for this transaction.