

# One-Leg Out Instant Credit Transfer (OCT Inst) Scheme

**TIPS CG – 5 JULY 2023**

- In March 2023 the EPC published the **One-Leg Out (OLO) Instant Credit Transfer (OCTInst) Rulebook**, dedicated to international instant credit transfers.
- It covers the set of rules, practices and standards to achieve interoperability for the provision and the operation of the Euro Leg of an international instant credit transfer agreed at inter-payment service provider level within SEPA.
- A One-Leg Out (OLO) Transaction is a transaction in any possible currency, under the condition that at least one of the two legs is denominated in euro (Euro Leg): it is an incoming or outgoing account-to-account-based credit transfer, which will be processed instantly on a 24/7/365 basis in the Euro Leg.

## When to use the OLO scheme

The key determinants for using either the OCT Inst scheme or the SEPA Instant Credit Transfer (SCT Inst) scheme are:

- In which currency the Payer wishes to transfer funds (i.e. in euro or in another currency?)
- The currency requested by the Payer in which the Payee must receive the funds (i.e. still in euro or in another currency?)
- In which Countries the financial institutions, respectively sending and receiving funds, are based (i.e. only one is based in SEPA or both are based in SEPA?)

### Which EPC instant credit transfer payment scheme to use?

*Note: apart of the currency in which the instant credit transfer itself is expressed, under the OCT Inst and SCT Inst schemes the payment account of the Payer and/or of the Payee can be in euro or in any other currency.*

To Payee with an account held in

SEPA

non-SEPA

For Euro --> Euro trx  
(i.e. no currency conversion)

From Payer  
with an account  
held in

SEPA

SCT Inst

OCT Inst

non-SEPA

OCT Inst

Other non-EPC  
scheme

For Euro --> other currency trx or  
for other currency --> Euro trx

From Payer  
with an account  
held in

SEPA

OCT Inst

OCT Inst

non-SEPA

OCT Inst

Other non-EPC  
scheme

- The OCT Inst scheme is an optional scheme, available to any PSP in the SEPA Schemes' Geographical Scope.
- An OCT Inst scheme participant is a PSP established in and/or licensed to operate in a Country or in a territory included in the SEPA Schemes' Geographical Scope and operating on the Euro Leg.
- All participants must be technically capable to process the Euro Leg of the OCT Inst transactions on a 24/7/365 basis.
- Enforcement of the OCT Inst scheme is legally and technically limited to the Euro Leg of the OCT Inst payment chain, while the EPC cannot define concrete direct obligations for the non-Euro Leg.

## Maximum Execution Timeline

- The Euro Leg PSP must receive either a **positive or a negative confirmation latest 10 sec.** after it has put the Euro Leg Timestamp.
- CSMs of the Euro Leg PSP have to respect a **hard time-out deadline of 20 sec.** after the Euro Leg Timestamp.
- The scheme recommends non-Euro Leg processing timespans (i.e. 60 sec.) for the **Euro Leg Entry PSP** and the **Euro Leg Exit PSP** vis-à-vis the **non-Euro Leg Payer's FI** and the **non-Euro Leg Payee's FI**.

## Maximum Amount

- Maximum Amount currently identical to the SCT Inst maximum amount.

- Usage of the 2019 version of ISO20022 encourages the end-to-end processing of OCT Inst transactions via this standard. The Euro Leg must always be in ISO 20022.
- Transport of more data in line with **CBPR+** and **IP+** guidelines, such as: currency types, Proxy/aliases, initial amount, UETR, a character set which supports more special characters than the SEPA character set.
- **End June 2023:** publication of the **Implementation Guidelines** (IGs) regarding the Inter-PSP Space messages for the OCT Inst scheme in the Euro Leg.

- After a first review of the OLO Rulebook, a preliminary analysis on 4CB side revealed a **mid-low impact on TIPS** side for its adoption: OLO seems to define a scheme which foresees **two transactions in sequence**, with the Euro Leg in line with the already known SCTInst rules.
- Further details and possible impacts can be assessed only after having analysed the **OLO Inter-PSP Implementation Guidelines**. The need for the adoption of an additional set of message schemas for OLO in TIPS is expected.
- An harmonisation with the (i) G20 Roadmap for enhancing cross-border payments and the (ii) TIPS cross-currency initiative would avoid the fragmentation of cross-border cross-currency specifications.
- Although this is only a preliminary analysis and the full set of specifications is not yet complete, the allocation of the initiative to the **TIPS 2024.NOV release** may seem possible.

Date	Next steps
<b>Start June 2023</b>	Start of the OCT Inst scheme adherence process with the publication of the OCT Inst scheme adherence documents
<b>End June 2023</b>	Publication of the Implementation Guidelines (IGs) regarding the Customer-to-PSP Space messages and the Inter-PSP Space messages for the OCT Inst scheme in the Euro Leg
<b>28 Nov 2023</b>	The OCT Inst scheme goes live at 08h00 CET
<b>31 Dec 2023</b>	Deadline for any interested stakeholder to submit change requests to the version 1.0 of the 2023 OCT Inst scheme rulebook
<b>Throughout 2024</b>	The OCT Inst scheme rulebook is subject to the 2024 EPC payment scheme rulebook change management cycle together with the four SEPA payment scheme rulebooks
<b>End Nov 2024</b>	Publication of the 2025 OCT Inst scheme rulebook and related IGs
<b>As of 28 Nov 2024</b>	OCT Inst scheme adherents (i.e. OCT Inst scheme participants and OCT Inst processors) can send a written suggestion to the EPC for a new maximum amount
<b>23 Nov 2025</b>	Entry into force of the 2025 OCT Inst scheme rulebook

Thank you for the attention!