

AUSTRALIAN PAYMENTS NETWORK LIMITED

ABN 12 055 136 519

A Company limited by Guarantee

REGULATIONS

for

ISSUERS AND ACQUIRERS COMMUNITY FRAMEWORK

(IAC)

Commenced 1 July 2015

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ABN 12 055 136 519

Australian Payments Network Limited
Telephone: (02) 9216 4888

REGULATIONS
FOR
ISSUERS AND ACQUIRERS COMMUNITY
(IAC)
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REGULATIONS

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(IAC)

FRAMEWORK

PART 1 PRELIMINARY

1.1 Definitions

The following definitions apply to the IAC Regulations:

“Acquirer” means a Constitutional Corporation that in connection with a Transaction:

- (a) under arrangement with and on behalf of an Issuer, discharges the obligations owed by that Issuer to the relevant Cardholder; and
- (b) engages in Interchange Activity with that Issuer as a result.

“ACCC” means the Australian Competition and Consumer Commission.

“ADI” and **“Authorised Deposit-Taking Institution”** mean a body corporate in relation to which an authority under section 9(3) of the *Banking Act 1959 (Cth)* is in force.

- (a) **“Affiliate”** means a Constitutional Corporation which:
- (b) is engaged in the business of providing goods or services to, or other significant participation in, the Australian Card Payments industry; and
- (c) is determined by the IAF to satisfy the Approval Criteria for Affiliates.

“Annual IAC Meeting” [Deleted]¹

“Applicant” means an applicant for membership as a Framework Participant in the IAC pursuant to PART 4.

“Approval Criteria” means the criteria established by the IAF for the approval of:

- (a) a Card Payment System as an Approved Card Payment System;

¹ Deleted effective 1/1/24, version 009 r&p 001.23

- (b) a Constitutional Corporation as an Operator Member; and
- (c) a Constitutional Corporation as an Affiliate;
- (d) which is published on the Company's extranet.

"Approved Card Payment System" means a Card Payment System which:

- (a) is, or is eligible to be, a Recognised APS; and
- (b) is determined by the IAF to satisfy the Approval Criteria for Approved Card Payment Systems.

"APRA" means the Australian Prudential Regulation Authority.

"Article" means an article of the Constitution.

"ATM" means an approved electronic device capable of automatically dispensing Cash in response to a cash withdrawal Transaction initiated by a Cardholder. Other transactions (initiated by a Card) such as funds transfers, deposits and balance enquiries may also be supported. The device must accept either magnetic stripe Cards or smart (chip) Cards where Transactions are initiated by the Cardholder keying in a PIN. Limited service devices (known as "cash dispensers") that only allow for cash withdrawal are included.

"ATM Interchange Activity" means Interchange Activity in relation to ATM Transactions between IA Participants.

"ATM System" means the logical and physical connections, whether direct or indirect, associated arrangements and operational procedures that facilitate the transmission, authorisation and reconciliation of ATM Transactions between IA Participants.

"ATM Transactions" means Transactions cleared pursuant to these Regulations and Volume 6 of the IAC Code Set (ATM System Code).

"AusPayNet" means Australian Payments Network Limited (ABN 12 055 136 519).

"Board" means the board of directors of AusPayNet.

"Card" means any card, device, application or identifier authorised by an Issuer, which is linked to an account or credit facility with the Issuer, for the purpose of effecting a Card Payment.²

"Cardholder" means a customer of an Issuer who is issued with a Card and PIN or other authentication method or process.

"Cards Market Share" and **"CMS"** mean an IA Participant's share of Card Payments calculated as set out in Regulation 7.7.

"Card Payment" means a Transaction under the rules of an Approved Card Payment System which is initiated by a Cardholder using a Card in Australia, irrespective of the infrastructure or network, including as the context requires, ATM Transactions, EFTPOS

² Amended effective 1/1/19, version 004 r&p 003.18

Transactions, Card-Not-Present Transactions and any adjustments in connection with those Transactions.³

“Card Payment System” means, for the purpose of the IAC Regulations, the set of functions, procedures, arrangements, rules and devices that enable a Cardholder to effect a Card Payment with a third party other than the Card Issuer. For the avoidance of doubt, a Card Payment System may be a three-party scheme or a four-party scheme.

“Cash” means Australian legal tender, and for ATM Transactions means, physical banknotes or coins of Australian or other nations’ legal tender.⁴

“CECS” means the Consumer Electronic Clearing System (CS3).

“Certification” in relation to an IA Participant means initial certification or re-certification, in either case to the extent required by and in accordance with, Regulation 5.1(b) and the IAC Code Set.

“Certification Requirements” means the requirements set out in Regulation 5.1(b) and Part 3 of Volume 1 of the IAC Code Set (Introduction and Member Obligations).

“Certified” in relation to an IA Participant means it has submitted complete certification checklists.

“Chief Executive Officer” means the person appointed as chief executive officer of the Company under Article 7.13 of the Constitution (Chief Executive Officer), and a reference in these Regulations to the Chief Executive Officer includes a reference to a person nominated by the Chief Executive Officer to be responsible for the matter referred to in that reference.

“Clearing” means the process of transmission, authorisation and reconciliation of payment instructions between IA Participants, arising from Card Payments.

“Clearing System” means a domestic payments clearing and settlement system established in accordance with the Constitution which is operated by, or under the auspices of, the Company.

“Code” and **“IAC Code”** means:⁵

- (a) Volume 1 of the IAC Code Set (Introduction and Member Obligations);
 - (b) Volume 2 of the IAC Code Set (Issuers Code);
 - (c) Volume 3 of the IAC Code Set (Acquirers Code);
 - (d) Volume 4 of the IAC Code Set (Device Requirements and Cryptographic Management);
 - (e) Volume 5 of the IAC Code Set (Settlement Code);
 - (f) Volume 6 of the IAC Code Set (ATM System Code);
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³ Amended effective 1/1/19, version 004 r&p 003.18

⁴ Amended effective 1/1/25, version 010 r&p 001.24

⁵ Amended effective 1/1/20, version 005 r&p 001.19

- (g) Volume 7 of the IAC Code Set (Card Not Present Code); and
- (h) any other set of threshold industry standards or requirements for Card Payments which the IAF may adopt as industry standards or requirements for the purposes of these Regulations, from time to time.

“Code Committee” means a sub-committee of the IAF, which may be convened from time to time subject to terms of reference determined by the IAF in accordance with Regulation 11.2.

“Company” means AusPayNet.

“Commencement Date” means, subject to Regulation 1.6(b), 1 July 2015.

“Confidential Information” means any information provided by or to a Framework Participant that is confidential and/or commercially sensitive which includes without limitation information that:⁶

- (a) is identified as confidential or ought to have been known by the recipient to be confidential;
- (b) relates to the discloser’s products or services, or business affairs and practices; or
- (c) is in connection with the operations of or provided for the purposes of the Framework, including without limitation IAC’s Regulations and Code Set, as well as processes and information created or collated by AusPayNet from its membership or other stakeholders, determined by the Company or Management Committee to be confidential,

but does not include information that:

- (d) is in, or comes into, the public domain other than by breach of Regulation 14.6; or
- (e) is independently known to the recipient and who is entitled to disclose it.

“Constitution” means the constitution of AusPayNet as amended from time to time.

“Constitutional Corporation” has the same meaning as in the *Payment Systems and Netting Act 1988 (Cth)*.

“Corporations Act” means the Corporations Act 2001 (Cth).

“Credit Items” includes all credit payment instructions, usually electronically transmitted, which give rise to Interchange Activity, except as may be specifically excluded by these Regulations or the IAC Code Set.

“Debit Items” includes all debit payment instructions, usually electronically transmitted, which give rise to Interchange Activity, except as may be specifically excluded by these Regulations or the IAC Code Set.

⁶ Amended effective 1/1/25, version 010 r&p 001.24

“Declared Member” means a Framework Participant to which an FCS Declaration applies.

“Director” means a director of the Company.

“Disabling Event” means any:

- (a) processing, communications or other failure of a technical nature;
- (b) inaccessibility (total or partial) of facilities by means of which exchanges are conducted; or
- (c) manifestation of industrial action,

which affects, or may affect, the ability of any Framework Participant to participate to the normal and usual extent in ATM Interchange Activities.

“Dispute” has the meaning given to that term in Regulation 12.1(a)(i).

“EFTPOS Transaction” means a Transaction conducted at a Merchant’s point of sale using a Terminal.⁷

“Elective Code” [Deleted]⁸

“ESA” means an exchange settlement account, or similar account, maintained by a Framework Participant with the RBA used for, among other things, effecting settlement of inter-institutional payment obligations.

“FCS” means the financial claims scheme established under Division 2AA of the *Banking Act 1959*.

“FCS Declaration” means a declaration made by the Minister under section 16AD of the *Banking Act 1959*.

“FCS Rules” means the rules set out in Regulation 6.7.

“Fee Policy” means the Company’s fee policy as adopted by the Board pursuant to the terms of the Constitution.⁹

“Framework” has the meaning set out in the Constitution.

“Framework Fee” has the meaning given to that term in the Fee Policy.¹⁰

“Framework (Non-APS) Fee” has the meaning given to that term in the Fee Policy.¹¹

“Framework Participant” means a Constitutional Corporation:

- (a) which is deemed to be a Framework Participant pursuant to Regulation 4.4; or

⁷ Amended effective 1/1/19, version 004 r&p 003.18

⁸ Deleted effective 1/1/20, version 005 r&p 001.19

⁹ Inserted effective 1/1/22, version 007 r&p 001.21

¹⁰ Inserted effective 1/1/22, version 007 r&p 001.21

¹¹ Amended effective 1/1/22, version 007 r&p 001.21

- (b) whose Membership Application has been accepted pursuant to Regulation 4.3(f); and
- (c) in each case whose membership has not been terminated pursuant to Regulation 6.5.

FTS Event” has the meaning given in Volume 5 of the IAC Code Set (Settlement Code).

“FTS Rules” means the provisions applicable to an FTS Event set out in Volume 5 of the IAC Code Set (Settlement Code).

“GST” has the meaning in the GST Law. It also includes any amount imposed as additional tax, interest, penalty, fine or other charge payable in respect of GST.

“GST Exclusive Consideration” means any amount payable (or deemed to be payable) under the IAC Regulations or the IAC Code Set in connection with any Taxable Supply (other than amounts payable under Regulation 10.8(e)) and the GST exclusive value of any non-monetary consideration provided in connection with the Supply.

“GST Law” has the meaning in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

“GST Rate” means the rate of GST under the GST Law.

“IA Participant” means a Framework Participant which is either:

- (a) an Issuer; or
- (b) an Acquirer; or
- (c) a body corporate which represents one or more Issuers or Acquirers and, in such capacity, settles directly in accordance with Regulation 11.3(a)(iii)(B) for the value of the payment obligations arising from the Interchange Activities of those Acquirers or Issuers.

“IAC” means the Issuers and Acquirers Community constituted by these Regulations.

“IAC Code Set” means the codes, practices, procedures, standards and/or specifications published pursuant to Regulation 11.1.

“IAC Meeting” means a meeting of the Framework Participants held in accordance with PART 8 of these IAC Regulations.

“IAF” or “Issuers and Acquirers Forum” means the governing body for the IAC constituted by PART 7 of these IAC Regulations.

“Insolvency Event” means the happening of any of these events:

- (a) an application is made to a court for an order or an order is made that a Framework Participant be wound up;
- (b) an application is made to a court for an order appointing a liquidator or provisional liquidator in respect of a Framework Participant, or one of them is appointed, whether or not under an order;

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- (c) a Framework Participant enters into, or resolves to enter into, a scheme of arrangement or composition with, or assignment for the benefit of, all or any class of its creditors, or it proposes a reorganisation, moratorium or other administration involving any of them;
 - (d) a Framework Participant resolves to wind itself up or otherwise dissolve itself, or gives notice of intention to do so;
 - (e) a Framework Participant is or states that it is unable to pay its debts when they fall due;
 - (f) as a result of the operation of section 459F(1) of the *Corporations Act 2001 (Cth)* or any corresponding legislation, a Framework Participant is taken to have failed to comply with a statutory demand;
 - (g) a Framework Participant is, or makes a statement from which it may be reasonably deduced that the Framework Participant is, the subject of an event described in section 459C(2)(b) or section 585 of the *Corporations Act 2001 (Cth)* or any corresponding legislation;
 - (h) a Framework Participant takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a Framework Participant;
 - (i) APRA or another body responsible for the prudential supervision of a Framework Participant assumes management and control of that Framework Participant;
 - (j) to the extent not otherwise provided for above, a Framework Participant goes into external administration within the meaning of the *Payment Systems and Netting Act 1998 (Cth)*; or
 - (k) anything analogous or having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction.

“Interchange Activity” means:

- (a) the direct or indirect exchange of Items for value between Acquirers and Issuers, as a result of the use of an Issuer’s Card by a Cardholder to generate a Card Payment from facilities owned and/or operated by the Acquirer or a third party. Interchange arrangements may, but need not be, reciprocal; or
- (b) the exchange of Card Payment instructions and related messages between Acquirers and Issuers, pursuant to the rules of an Approved Card Payment System; or
- (c) any other Card-based electronic interchange activities from time to time approved for the purposes of this definition by the IAF.

“Issuer” means a Constitutional Corporation which, pursuant to the rules of an Approved Card Payment System, issues a Card to a Cardholder and, in connection with any Card Payment effected using that Card:

- (a) assumes obligations to the relevant Cardholder, which obligations are in the first instance discharged on its behalf by an Acquirer; and

(b) engages, directly or indirectly, in Interchange Activity with that Acquirer as a result.

“Items” means Credit Items or Debit Items.

“Membership Application” means the Membership Application in such form as the IAF may approve from time to time available on the Company’s extranet.

“Operator Member” means a Constitutional Corporation which:

- (a) has been admitted, or which is eligible for admission, to membership of the Company pursuant to Article 2.11 of the Constitution;
- (b) is the operator or administrator of an Approved Card Payment System; and
- (c) is determined by the IAF to meet the Approval Criteria for Operator Members.

“Payment System Market Share” or **“PSMS”** has the meaning given in the Constitution.

“RBA” means the Reserve Bank of Australia.

“PIN” means a personal identification number which is either issued by an Issuer or selected by a Cardholder for the purpose of authenticating the Cardholder by the Issuer of the Card.

“PSMS Member” has the meaning given to that term in the Constitution.¹²

“Recognised APS” has the meaning given in the Constitution.

“Regulations” or the **“IAC Regulations”** means these Regulations (including, without limitation, the annexures and schedules to these Regulations) as amended from time to time. A reference to a particular Regulation has a corresponding meaning.

“Secretary” means a person appointed by the Chief Executive Officer to perform the duties of secretary of the IAF under Regulation 7.14.

“Settlement Items” has the meaning given in Volume 5 of the IAC Code Set (Settlement Code).

“Subsidiary” means another entity which is a subsidiary of the first within the meaning of the *Corporations Act 2001 (Cth)* or is a subsidiary of or otherwise controlled by the first within the meaning of any approved accounting standard.

“Supply” has the meaning in the GST Law.

“Suspension Event” has the meaning given to that term in Regulation 6.3.

“Tax Invoice” means a tax invoice complying with the requirements of the GST Law.

“Taxable Supply” has the meaning given to that term in Regulation 10.8(b).

“Threshold Requirement” means a requirement under these Regulations or in the IAC Code Set which the IAF determines to be so fundamental to the integrity and safety of Card

¹² Inserted effective 1/1/24, version 009 r&p 001.23

Payments that compliance is to be enforceable by imposition of a fine under Regulation 6.2, the details of which are published on the Company's extranet.

"Transaction" means an electronic funds transfer, cash withdrawal or other transaction initiated by a Cardholder using a Card, which allows for the accessing of available funds held in an account, or a credit facility linked to an account, or account information.¹³

"Voting Member" [Deleted]¹⁴

1.2 Interpretation

In these IAC Regulations:

- (a) the singular includes the plural and vice versa;
- (b) a reference to:
 - (i) a person includes an individual, a committee, a partnership, a joint venture, a firm, a body corporate, an unincorporated association, a government agency or an authority;
- (c) a statute, code or the *Corporations Act 2001 (Cth)* (or to a provision of a statute, code or the Corporations Act) means the statute, the code, the *Corporations Act 2001 (Cth)* or the provision as modified or amended and in operation for the time being, or any statute, code or provision enacted in lieu thereof and includes any regulation or rule for the time being in force under the statute, the code, the *Corporations Act 2001 (Cth)* or the provision;
- (d) a regulation, annexure or schedule is a reference to a regulation in or annexure or schedule to the IAC Regulations unless otherwise specified;
- (e) accounting standards is a reference to the accounting standards as defined in the *Corporations Act 2001 (Cth)* and a reference to an accounting term is a reference to that term as it is used in those accounting standards, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia.
- (f) a document (including these Regulations) includes any variation or replacement of it;
- (g) a "document" includes any notice, certificate, instrument, agreement or document in writing of any kind;
- (h) a particular person includes a reference to the person's executors, administrators, successors and substitutes (including, persons taking by novation) and permitted assigns;
- (i) "writing" and cognate expressions includes all means (including without limitation any electronic form or medium) by which words are able to be reproduced in a tangible and permanently visible form;

¹³ Amended effective 1/1/19, version 004 r&p 003.18

¹⁴ Deleted effective 1/1/24, version 009 r&p 001.23

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- (j) a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
 - (k) Australian dollars, dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia;
 - (l) a reference to a time of day is a reference to Sydney time;
 - (m) a party means a party to the IAC Regulations and the IAC Code Set;
 - (n) if an event under the IAC Regulations or the IAC Code Set must occur on a stipulated day which is not a business day then the stipulated day will be taken to be the next business day;
 - (o) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
 - (p) the words “include”, “including”, “for example” or “such as” are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
 - (q) Words defined in the *Corporations Act 2001 (Cth)* have, unless the contrary intention appears, the same meaning in the IAC Regulations;
 - (r) In PART 7 and PART 8, an IA Participant and its subsidiaries are deemed to be a single entity for the purposes of determining membership of the IAF and voting rights and, accordingly, a reference to an IA Participant for those purposes (including, without limitation, in the definition of CMS) is deemed to be a reference to that IA Participant and its subsidiaries acting jointly.
 - (s) Headings are inserted for convenience and do not affect the interpretation of the IAC Regulations;
 - (t) If the whole or any part of a provision of the IAC Regulations or the IAC Code Set is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of the IAC Regulations or the IAC Code Set has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This Regulation has no effect if the severance alters the basic nature of the IAC Regulations or is contrary to public policy; and
 - (u) Each reference in the IAC Regulations to any obligation of a person to comply with the IAC Regulations or the IAC Code Set or any other document is to be construed as an obligation to comply with those documents to which that person is a party.

1.3 Inconsistency with Constitution or IAC Code Set¹⁵

If there is any inconsistency between a provision of the Constitution, the IAC Regulations, the IAC Code Set, the terms of reference of a Code Committee or subcommittee, then the documents will be interpreted in the following order of prevalence:

¹⁵ Amended effective 1/1/20, version 005 r&p 001.19

- (a) Constitution;
- (b) IAC Regulations;
- (c) IAC Code Set;
- (d) Code Committee terms of reference; and
- (e) Subcommittee terms of reference.

1.4 Governing Jurisdiction

These Regulations are to be interpreted in accordance with the same laws which govern the interpretation of the Constitution.

1.5 Payment Systems and Netting Act 1998

For the purposes of Part 3 of the *Payment Systems and Netting Act 1998 (Cth)* ("**Act**") as it applies to the netting arrangement contemplated by these Regulations and Volume 5 of the IAC Code Set (Settlement Code):

- (a) the Company is the coordinator of the arrangement;
- (b) notification to the coordinator for the purposes of sections 12(1)(e)(i) and (f) of the Act is by means of notice given to the Chief Executive Officer pursuant to Regulation 2.6; and
- (c) discretion to exclude a party from the arrangement for the purposes of section 12(1)(e)(ii) of the Act is available to the coordinator by means of the IAF taking action pursuant to Regulation 6.3(d), the operation of Regulations 6.5(a)(ii) or 6.5(a)(iii), or the Board acting pursuant to Article 2.17 of the Constitution (Termination of Membership) or Regulation 6.5(d).

1.6 Commencement

- (a) Subject to Regulations 1.6(b) and (c), the IAC Regulations and the IAC Code Set take effect from the Commencement Date.
- (b) Regulations 4.1(c), 5.1(b), 6.3, 6.4, 6.5, and 6.7, Part 3 of Volume 1 of the IAC Code Set and clause 3.5 of Volume 5 of the IAC Code Set will not come into force unless and until authorisation to give effect to those provisions is granted by the ACCC under the *Competition and Consumer Act 2010*.
- (c) The Secretary will advise all Framework Participants of the date on which the Regulations referred to in Regulation 1.6(b) take effect.

The next page is Part 2

PART 2 OBJECTS AND SCOPE OF THE ISSUERS AND ACQUIRERS' COMMUNITY

2.1 Objects of the IAC

The objectives of the IAC are:

- (a) to establish a forum for Issuers, Acquirers and other industry participants to engage in discussion and development of industry policy to promote the efficiency, security and integrity of Australian Card Payment Systems, particularly, but not limited to, those issues which:
 - (i) involve inconsistency or potential inconsistency between Approved Card Payment Systems' requirements, or between the requirements of Approved Card Payment Systems and public regulatory requirements;
 - (ii) are not addressed by existing Approved Card Payment Systems or public regulatory requirements; and
 - (iii) involve Approved Card Payment System requirements or public regulatory requirements which Issuers or Acquirers wish to review in a coordinated way with Approved Card Payment System administrators or public regulatory authorities to advocate for change;
- (b) to coordinate, implement and administer effective rules, regulations, standards, operational policies and procedures for Card Payments; and
- (c) to enable the multilateral settlement of amounts owing to or by an IA Participant as a consequence of its Interchange Activities in respect of Settlement Items or its participation in any other Clearing System operated on a deferred net settlement basis (including but not limited to the High Value Clearing System (CS4)) if that system is settled on a deferred net basis in fall back mode because settlements cannot occur in real time as a result of some contingency.

2.2 Principles Governing the IAC

- (a) The IAC is constituted by these IAC Regulations and IAC Code Set as a self-regulatory Framework under the Constitution. The Framework is established for the benefit of Issuers and Acquirers which participate in Approved Card Payment Systems for the purpose of establishing consistency of industry standards for Card Payments with the requirements of Approved Card Payment System administrators and public regulatory authorities for Card Payments.
- (b) The standards, requirements and procedures prescribed by the IAC Regulations and the IAC Code Set apply to IA Participants in relation to their participation in any Approved Card Payment System.
- (c) In addition to Issuers and Acquirers, the IAC admits to its membership those persons who fulfill the eligibility criteria applicable to Operator Members and Affiliates, for the purpose of ensuring industry self-regulatory standards for Australian Card Payments are developed in a fully informed and collaborative industry context.

2.3 Effect of the IAC Regulations and the IAC Code Set¹⁶

(a) The IAC Regulations constitute a contract under seal between:

- (i) the Company and each Framework Participant; and
- (ii) each Framework Participant; and

the IAC Code Set constitutes a contract under seal between:

- (iii) the Company and each IA Participant; and
- (iv) each IA Participant.

(b) The IAC has been established for the benefit of the Framework Participants and any future Framework Participants who, and in consideration of becoming Framework Participants and, in the case of IA Participants, PSMS Members of the Company, acknowledge that they are bound to:¹⁷

- (i) comply with the Constitution, the IAC Regulations and the IAC Code Set; and
- (ii) fulfil and perform every obligation and duty imposed on them by or pursuant to the IAC Regulations and the IAC Code Set.

2.4 Framework Participants act as Principals

- (a) In incurring rights and obligations under the IAC Regulations and the IAC Code Set, each party acts as a principal, notwithstanding any other fact, matter or circumstance (including, without limitation, any actual or constructive notice of any agency or trustee relationship between a Framework Participant and another person).
- (b) No person other than the Framework Participant which assumes rights or incurs obligations under the IAC Regulations and the IAC Code Set (including any person asserting rights as a principal on whose behalf such a Framework Participant acts) may enforce those rights or assume those obligations.

2.5 Assignment and Transfer

The rights and obligations of each Framework Participant under the Constitution, the IAC Regulations and the IAC Code Set are incapable of being assigned (whether at law, in equity or otherwise), charged, transferred or the subject of any trust or other fiduciary obligation which may affect or abrogate the personal liability of that Framework Participant. No action which purports to do any of the foregoing shall affect in any manner the rights or obligations of a Framework Participant under the Constitution, the IAC Regulations or the IAC Code Set.

¹⁶ Amended effective 1/1/20, version 005 r&p 001.19

¹⁷ Amended effective 1/1/24, version 009 r&p 001.23

2.6 Notice of Insolvency Event

- (a) An IA Participant must notify the Chief Executive Officer immediately upon becoming aware of:
 - (i) any Insolvency Event in respect of itself; or
 - (ii) any reasonable grounds to suspect any Insolvency Event in respect of any other IA Participant.
- (b) Upon receiving any notification under Regulation 2.6(a)(i), the Chief Executive Officer must promptly notify APRA, the RBA, all other IA Participants, all members of the IAF and all Directors.
- (c) Upon receiving any notification under Regulation 2.6(a)(ii), the Chief Executive Officer must promptly:
 - (i) notify APRA and the RBA;
 - (ii) make enquiries of the IA Participant in respect of which the Insolvency Event is reported to be suspected; and
 - (iii) if the relevant IA Participant is prudentially supervised, make enquiries of APRA or, if the relevant IA Participant is not supervised by APRA, the relevant supervisor.
- (d) To the extent that an Insolvency Event is either admitted by the relevant IA Participant or the relevant supervisor acts pursuant to paragraph (i) of the definition of “**Insolvency Event**” and that fact is communicated to the Chief Executive Officer, the Chief Executive Officer must promptly notify all other IA Participants, all members of the IAF and all Directors.
- (e) Any notification to or from the Chief Executive Officer under this Regulation 2.6 must identify the IA Participant and the Insolvency Event(s) in respect of which it is given.
- (f) The provisions of Regulations 6.3 and 6.5 may apply as a result of a notification under this Regulation 2.6 being given.

The next page is Part 3

PART 3 DISCLAIMERS AND LIMITATION OF LIABILITY

3.1 Assets and Liabilities of the Company

It is expressly agreed and acknowledged that the Company will not acquire any financial assets (other than in respect of fees and charges payable by Framework Participants) or incur any liabilities as a result of the conduct of the IAC.

3.2 Representations and Warranties

- (a) Each Framework Participant represents and warrants to the Company and each other Framework Participant that:
 - (i) it has not relied on any representation made by any other party to induce it to become a Framework Participant;
 - (ii) it has the power and authority to execute the Membership Application and comply with its obligations under the Membership Application, the IAC Regulations and the IAC Code Set;
 - (iii) its obligations under the IAC Regulations and the IAC Code Set are valid and binding and are enforceable against it according with their terms;
 - (iv) no Insolvency Event has occurred with respect to it;
 - (v) there are no reasonable grounds to suspect that it is unable to pay its debts as and when they are due and payable;
 - (vi) it does not become a Framework Participant as trustee; and
 - (vii) it has made (without reliance on or inducement to or from the Company or any other Framework Participant) its own assessment and approval of the IAC Regulations and the IAC Code Set.
- (b) Each Framework Participant acknowledges that the Company and each other Framework Participant relies on the representations and warranties in Regulation 3.2(a).

3.3 Disclaimers

- (a) Each Framework Participant agrees that neither the Company, nor any of their officers, employees or agents has any duty or responsibility, either initially or on a continuing basis, to:
 - (i) keep itself informed about the performance by a Framework Participant of its obligations as a Framework Participant, or under the IAC Regulations and the IAC Code Set, provided that if the Company becomes aware that a Framework Participant has breached its obligations under the IAC Regulations or the IAC Code Set, the Company will bring the matter to the attention of that Framework Participant and the IAF; or
 - (ii) keep itself informed about the financial condition, affairs or creditworthiness of any Framework Participant or its standing as a Framework Participant; or

PART 3 DISCLAIMERS AND LIMITATION OF LIABILITY

- (iii) provide any Framework Participant with credit or other information with respect to any other Framework Participant; or
 - (iv) independently verify any representation or warranties made to it by any person in connection with an application to arrange for Certification.
- (b) Each Framework Participant acknowledges that no officer, employee or agent of the Company has any authority to make any representations or give any warranties in relation to the liability of the Company with respect to the functions of the IAC which are inconsistent with the IAC Regulations and the IAC Code Set.

3.4 Exclusions

Without limiting Regulation 3.1 or any other provision of the IAC Regulations or the IAC Code Set, the Company will not be liable for any loss to any person or damage to persons or property, whether such loss or damage is direct or consequential (including but not limited to loss of profits), howsoever arising out of:

- (a) any act or omission by any Framework Participant or any other person other than the Company, its officers, employees or agents (including without limitation any errors or delays, any breach of warranty or undertaking or representation, any breach of the IAC Regulations or the IAC Code Set or the terms of any other document relating to the IAC, any Insolvency Event, any failure to settle any obligations arising out of any transaction, any fraud or any forgery);
- (b) the exercise, or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under the IAC Regulations or the IAC Code Set;
- (c) any act or omission done by, or any refusal to do any act by, the Company, its officers, employees or agents in good faith and without negligence or in reliance on any act, conduct or consent of any other person or on any instructions, information or document provided to the Company, its officers, employees or agents by any other person;
- (d) any fraud or forgery on the part of any officer, employee or agent of the Company outside the scope of their employment with the Company, except to the extent to which the Company would have been responsible at common law for such fraud or forgery;
- (e) the failure of the Company, its officers, employees or agents to receive any instructions, information or document from any other person, unless the failure has resulted from a negligent act or omission of the Company;
- (f) the terms of any representation, instructions, information or document given to the Company, its officers, employees or agents by any other person;
- (g) any error or omission in any document issued by the Company, other than an error or omission resulting from a negligent act or omission of the Company;
- (h) any technological failure of any sort (including without limitation any telephone, computer or electrical failure) whether arising in connection with Interchange Activities or otherwise;

PART 3 DISCLAIMERS AND LIMITATION OF LIABILITY

- (i) any contractual arrangements between any Framework Participant and another person;
- (j) any participation in the IAC by any person, other than an officer, employee, or agent of the Company; or
- (k) any change in the status, financial condition, affairs or creditworthiness of a Framework Participant or another person, including without limitation in its capacity as an IA Participant.

3.5 Limit of Liability

- (a) If, notwithstanding Regulations 3.1 to 3.4 inclusive, any liability is incurred by the Company in relation to the IAC, the aggregate amount of that liability in respect of all claims made by Framework Participants in respect of, or arising out of, any one event will not exceed the amount equal to ten times the Framework Fee charged to each Framework Participant pursuant to the Fee Policy during the twelve months preceding the month in which the liability is incurred.¹⁸
- (b) All claims made by Framework Participants against the Company in relation to the IAC must be made within 12 months of the occurrence of the event which it is alleged gives rise to the claim against the Company.
- (c) For the purposes of Regulation 3.5(b), all inter-related events which give rise to the Company's liability under the IAC Regulations or the IAC Code Set or otherwise will be treated as one event.
- (d) If any 2 or more Framework Participants suffer losses which exceed the total aggregate limit specified in Regulation 3.5(a), the liability of the Company to each of those Framework Participants in accordance with the IAC Regulations will be proportional to the total loss suffered by each of those Framework Participants respectively.

The next page is Part 4

¹⁸ Amended effective 1/1/22, version 007 r&p 001.21

PART 4 MEMBERSHIP OF THE IAC

4.1 Eligibility for Membership

In order to be a Framework Participant in the IAC a person must:

- (a) be a Constitutional Corporation which carries on business at or through a permanent establishment in Australia;
- (b) either:
 - (i) be, or propose to be, an Issuer;
 - (ii) be, or propose to be, an Acquirer;
 - (iii) represent one or more Acquirers or Issuers and, in such capacity, settle directly in accordance with Regulation 11.3(a) for the value of the payment obligations arising from the Interchange Activities of those Acquirers or Issuers;
 - (iv) be the RBA;
 - (v) be eligible to be an Operator Member; or
 - (vi) be eligible to be an Affiliate;
- (c) be able to comply with any applicable laws, the Constitution, these Regulations and the IAC Code Set, including, in the case of prospective IA Participants but subject to Regulation 4.2, the Certification Requirements;
- (d) provide for any obligation incurred by it as the result of Interchange Activities with respect to Settlement Items to be settled as contemplated by Regulation 11.3(a) and Volume 5 of the IAC Code Set (Settlement);
- (e) agree to pay all fees, costs, charges, expenses and fines which may be levied on, or which are to be reimbursed by, Framework Participants in accordance with the IAC Regulations;
- (f) agree that on becoming a Framework Participant, the IAC Regulations will constitute a contract under seal between them and:¹⁹
 - (i) the Company; and
 - (ii) each current and future Framework Participant; and

the IAC Code Set constitutes a contract under seal between:

- (i) the Company and each IA Participant; and
- (ii) each current and future IA Participant.

¹⁹ Amended effective 1/1/20, version 005 r&p 001.19

- (g) be solvent (within the meaning given to that term in the *Corporations Act 2001 (Cth)*) and otherwise able to meet the financial and other obligations imposed on Framework Participants by the IAC Regulations and the IAC Code Set; and
- (h) if prudentially regulated, and if requested by the IAF or the Company, provide evidence that its prudential supervisor does not object to the application for membership as a Framework Participant.

4.2 Inability to Comply with Certification Requirements

- (a) The IAF may allow a prospective IA Participant that is unable to comply with the Certification Requirements applicable to the capacity in which the prospective IA Participant engages or proposes to engage (or will be deemed to engage) in Interchange Activities, to become a Framework Participant if it determines that:
 - (i) the area(s) of non-compliance are not material to the security, integrity or efficiency of either the IAC or the conduct of Interchange Activities; and
 - (ii) the prospective IA Participant will be able to comply with all of the minimum technical and operational standards and requirements in the IAC Code Set applicable to the capacity in which the prospective IA Participant engages or proposes to engage (or will be deemed to engage) in Interchange Activities, including without limitation, any Certification Requirements (if applicable) within a period that is reasonable in the circumstances and in any event no more than 12 months from the date of the prospective IA Participant becoming a member of the IAC.
- (b) The IAF may impose conditions on the membership of an IA Participant admitted in reliance on Regulation 4.2(a) and/or vary any provision of the IAC Code Set in relation to Interchange Activity undertaken by that Framework Participant. The rights and obligations of that IA Participant under these Regulations shall be subject to any such conditions or variation. The IAF may at any subsequent time vary or revoke any such conditions or variation.
- (b) For the avoidance of doubt, an IA Participant admitted in reliance on Regulation 4.2(a) is not entitled to Certification until it is able to comply with the Certification Requirements applicable to the capacity in which the prospective IA Participant engages or proposes to engage (or will be deemed to engage) in Interchange Activities.

4.3 Applications for Membership as a Framework Participant

- (a) Membership Applications must be addressed to the Secretary. Applicants must:
 - (i) comply with all the conditions of application as are specified in the IAC Regulations;
 - (ii) provide sufficient information to demonstrate that the Applicant satisfies the requirements contained in Regulation 4.1 (including in the case of prospective IA Participants, and otherwise without limitation, evidence of Certification); and
 - (iii) promptly supply any other information which the IAF may reasonably require.

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- (b) The Secretary must promptly forward a copy of each Membership Application to the members of the IAF. All applications for membership as a Framework Participant received by the IAF must be promptly considered by the IAF which shall accept for membership an Applicant which complies with the conditions for membership specified in these Regulations.
 - (c) If:
 - (i) the IAF is unable to determine whether an Applicant complies with the conditions for membership specified in these Regulations; or
 - (ii) three members of the IAF or members entitled to cast more than 33% of the total votes available to be cast at meetings of the IAF determine that an Applicant does not comply with the conditions for membership specified in these Regulations,
 - (iii) the IAF (without having accepted or rejected the relevant application) must refer the relevant Membership Application to the Board. The Board must promptly exercise the powers of the IAF in determining whether the Applicant complies with the conditions for membership specified in these Regulations and, if so, the Board must accept the Membership Application.
 - (d) An Applicant which has not been informed by the Secretary of the result of its Membership Application may withdraw the Membership Application at any time.
 - (e) If a Membership Application does not comply with the IAC Regulations, the Secretary must notify the Applicant. Any such Applicant is entitled:
 - (i) within 3 months to challenge that decision by lodging a Dispute pursuant to PART 12; or
 - (ii) at any time to lodge a fresh Membership Application for membership in accordance with the IAC Regulations.
 - (f) If a Membership Application is accepted, the Secretary must promptly notify the Applicant. The Secretary must also promptly notify all Framework Participants of each successful Membership Application and the date on which the new Framework Participant will commence participation in the IAC.
 - (g) Upon becoming an IA Participant in the IAC, a successful applicant which is a participant in a Recognised APS will also become a PSMS of the Company with the rights and obligations set out in the Constitution.²⁰

4.4 Transitional

- (a) Each Constitutional Corporation which was a framework participant in CECS immediately before the Commencement Date is:
 - (i) deemed to be admitted as a Framework Participant in the IAC in the same capacity as it participated in CECS; and

²⁰ Amended effective 1/1/24, version 009 r&p 001.23

- (ii) bound by the IAC Regulations and the volumes of the IAC Code Set which are applicable to its participation;

on and from the Commencement Date.

4.5 Changes in Capacity

- (a) If a Framework Participant wishes to participate in the IAC in a new or changed capacity, then it must lodge a new Membership Application in the particular capacity pursuant to Regulation 4.3 in the same manner as a non-member.
- (b) If that fresh application is accepted, Regulation (f) will apply, but that Framework Participant will not be obliged to pay any amount pursuant to Regulation 10.1 as a result of the acceptance of that fresh application.

The next page is Part 5

PART 5 RIGHTS AND OBLIGATIONS

5.1 Obligations of Framework Participants

Each Framework Participant must:

- (a) comply with any applicable laws and the IAC Regulations;
- (b) if it is an IA Participant, comply with the IAC Code Set including, without limitation, any Certification Requirements (if applicable);²¹
- (c) pay all fees, costs, charges, expenses and fines which may be levied on, or which are to be reimbursed by, Framework Participants in accordance with the IAC Regulations; and
- (d) supply the IAF or the Company with all information requested by the IAF or the Company from time to time within a reasonable time from the date of the request.

5.2 Bilateral Variation

- (a) Two IA Participants may agree (each a “**Relevant Participant**”) for the limited purpose of their particular bilateral Interchange Activities only, to apply standards, specifications or requirements which differ from those set out in the IAC Code Set at the relevant time provided that:
 - (a) each of the Relevant Participants provides to the Company within 90 days of request by the Secretary, a certificate addressed to the Company given by the internal auditor (or other officer approved by the Company) of the Relevant Participant to the effect that the bilateral adoption of divergent standards, specifications or requirements by those Relevant Participants as disclosed by the certificate, will not lessen in any material way the integrity, security or efficiency of Card Payments; and
 - (b) no other person will be required, as a condition of engaging in Interchange Activities with any Relevant Participant, to apply standards, specifications or requirements in connection with those Interchange Activities other than as set out in the IAC Code Set.

5.3 No Obligation to Engage in Business as an IA Participant

Except as contemplated by Volume 6 of the IAC Code Set (ATM System Code), no IA Participant is obliged, solely on account of its membership of the IAC, to engage in Interchange Activity with any other Framework Participant.

²¹ Amended effective 1/1/20, version 005 r&p 001.19

5.4 Rights of IA Participants

- (a) An IA Participant (in its capacity as a PSMS Member) has all the rights of a PSMS Member set out in the Constitution including in relation to:²²
 - (i) sharing in any distribution of capital or profits of the Company or in a distribution on a winding-up, dissolution or a reduction of the capital of the Company;
- (b) voting at general meetings of the Company; and
- (c) receiving notices, annual reports and audited profit and loss accounts and audited balance sheets and to attend and speak at general meetings of the Company.
- (d) An IA Participant has the right to:
 - (i) participate in the IAC and to vote at any IAC Meeting convened in accordance with PART 8 or any other meeting of the Framework Participants convened in accordance with the Constitution or the *Corporations Act 2001 (Cth)*;
 - (ii) nominate, or participate in the election of, a representative to the IAF in accordance with PART 7 and to vote at any IAF meeting convened in accordance with PART 7; and
 - (iii) receive documents of the IAF, the Code Committees, the IAC or the Company (other than documents which are determined by the chair of the IAF or the Company to be commercially sensitive or confidential) for use in connection with deliberations at meetings of the IAF, IAC Meetings or any Code Committee meeting.²³

5.5 Rights of the RBA

- (a) The RBA has the right to:
 - (i) attend and speak at IAC Meetings;
 - (ii) nominate a representative to the IAF in accordance with Regulation 7.1(a)(iv), and to attend and speak at IAF meetings;
 - (iii) attend and speak at Code Committee meetings; and
 - (iv) receive documents of the IAF, any Code Committee, the IAC or the Company (other than documents which are determined by the chair of the IAF or the Company to be commercially sensitive or confidential) for use in connection with deliberations at meetings of the IAF, IAC Meetings or any Code Committee meeting which it has been invited to attend.²⁴
- (b) The RBA has no right to vote at any IAC Meeting, or at any meeting of the IAF or of any Code Committee.

²² Amended effective 1/1/24, version 009 r&p 001.23

²³ Last amended effective 1/1/23, version 008 r&p 001.22

²⁴ Amended effective 1/1/23, version 008 r&p 001.22

5.6 Rights of Operator Members

- (a) An Operator Member has the right to:
 - (i) attend and speak at IAC Meetings;
 - (ii) attend and speak at IAF meetings;²⁵
 - (iii) attend meetings of Code Committees by invitation of the chairmen of the Code Committees;²⁶
 - (iv) be consulted upon any matter before the IAF, any Code Committee or the IAC which materially affects, or potentially materially affects, the Operator Members as a group and/or affects the Approved Card Payment System which it operates or administers; and
 - (v) receive documents of the IAF, any Code Committee or the IAC (other than documents which are determined by the chair of the IAF or the Company as commercially sensitive or confidential) for use in connection with deliberations at IAC Meetings, or at any meeting of the IAF or any Code Committee which it has been invited to attend.²⁷
- (b) An Operator Member has no right to vote at any IAC Meeting, or at any meeting of the IAF or of any Code Committee, and may be requested by the Chair to be absent for part of a meeting which the Chair determines as commercially sensitive or confidential to IA Participants.²⁸

5.7 Rights of Affiliates

- (a) An Affiliate has the right to:
 - (i) be invited to participate by attending and speaking at IAC Meetings;
 - (ii) attend IAF meetings only by invitation of the chair of the IAF;²⁹
 - (iii) attend meetings of Code Committees by invitation of the chairmen of the Code Committees;³⁰
 - (iv) be notified of, and invited to review, comment and make submissions on, any matter before the IAF, any Code Committee or the IAC which materially affects, or potentially materially affects, its business; and
 - (v) receive documents of the IAC, IAF or a Code Committee, (other than documents which are determined by the chair of the IAF or the Company as commercially sensitive or confidential) for use in connection with

²⁵ Amended effective 1/1/17, version 002 r&p 003.16

²⁶ Amended effective 1/1/20, version 005 r&p 001.19

²⁷ Amended effective 1/1/23, version 008 r&p 001.22

²⁸ Last amended effective 1/1/23, version 008 r&p 001.22

²⁹ Amended effective 1/1/23, version 008 r&p 001.23

³⁰ Amended effective 1/1/20, version 005 r&p 001.19

deliberations at IAC Meetings, or at any meeting of the IAF or any Code Committee meeting which it has been invited to attend.³¹

- (b) An Affiliate has no right to vote at any IAC Meeting, or at any meeting of the IAF or of any Code Committee, and may be requested by the Chair to be absent for part of a meeting which the Chair determines as commercially sensitive or confidential to IA Participants.³²

5.8 Constraints

- (a) In exercising its rights, each Framework Participant must act in good faith.
- (b) A Framework Participant may not transfer or share its membership as a Framework Participant.

The next page is Part 6

³¹ Amended effective 1/1/23, version 008 r&p 001.23

³² Last amended effective 1/1/23, version 008 r&p 001.22

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

6.1 Notification of breach

Each Framework Participant must as soon as practicable notify the Company if it becomes aware of:

- (a) a breach of the IAC Regulations or IAC Code Set by itself or another Framework Participant; or
- (b) any Insolvency Event in respect of itself or another Framework Participant.

6.2 Fines

- (a) The IAF may designate particular requirements of the IAC Code Set as Threshold Requirements for the purpose of this Regulation 6.2.
- (b) The IAF may impose a fine upon an IA Participant which it determines has failed to comply with a Threshold Requirement.
- (c) Any decision to impose a fine pursuant to Regulation 6.2(b) is to be made, and quantum determined, by the IAF in accordance with the Sanctions Tribunal Rules as approved by the IAF from time to time.³³
- (d) The IAF will determine the maximum fine that may be imposed for each event which constitutes a failure to comply with a Threshold Requirement and will publish the maximum fine on the Company's extranet.³⁴
 - (i) The quantum of any fine imposed by the IAF on an IA Participant in relation to each event which constitutes a failure to comply with a Threshold Requirement must not exceed the maximum fine.³⁵
 - (ii) Subject to the Sanction Tribunal Rules the maximum fine may be imposed for each repeated event of non-compliance.³⁶
- (e) Before imposing any fine on an IA Participant under this Regulation 6.2, the IAF will afford the relevant IA Participant the opportunity to review the IAF's evidence relating to the non-compliance and to make a written submission to the IAF addressing those matters described in Regulation 6.2(c).
- (f) The IAF may impose a fine upon an IA Participant by notice in writing.

³³ Amended effective 1/1/24, version 009 r&p 001.23

³⁴ Inserted effective 1/1/20, version 005 r&p 001.19

³⁵ Amended effective 1/1/20, version 005 r&p 001.19

³⁶ Amended effective 1/1/24, version 009 r&p 001.23

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

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- (g) Fines imposed under this Regulation 6.2 are payable following receipt of the notice given under Regulation 6.2(f), and:³⁷
 - (i) within 30 days after the expiry of any appeal period under the Sanctions Tribunal Rules; or
 - (ii) if the right of appeal is exercised, within 30 days after the appeal process has been completed or withdrawn.
 - (h) The Secretary will notify all Framework Participants of any fines imposed upon an IA Participant under this Regulation 6.2. The notice will be given after the period referred to in Regulation 6.2(g)(i) or 6.2(g)(ii) (as applicable) has elapsed.³⁸
 - (i) All decisions made by the IAF under this Regulation 6.2 shall be final and binding upon the IA Participant.

6.3 Suspension

The IAF may suspend a Framework Participant for a specified or indefinite period of time in the following circumstances (each a “**Suspension Event**”):

- (a) the Framework Participant is subject to prudential supervision and the relevant supervisor requests such suspension;
- (b) by agreement with the Framework Participant concerned;
- (c) if the Framework Participant no longer satisfies all applicable requirements for membership set out in Regulation 4.1;
- (d) an Insolvency Event (not being an event which results in automatic cessation of membership pursuant to Regulations 6.5(a)(ii) or 6.5(a)(iii)) occurs in respect of the Framework Participant;
- (e) if the Framework Participant breaches any of its obligations under the Constitution, these Regulations or the IAC Code Set and fails to rectify the breach or provide an explanation of its conduct satisfactory to the IAF (in its sole discretion) within 30 days of receipt of a request from the Secretary to rectify the breach or provide such an explanation;
- (f) if the Framework Participant’s membership of an Approved Card Payment System is suspended or terminated;
- (g) if the Approved Card Payment System of which the Framework Participant is a member has its approval withdrawn under PART 9 and the Framework Participant is not a member of another Approved Card Payment System; or
- (h) if the Framework Participant engages in conduct reasonably regarded by the IAF to be contrary to the interests of the IAC.

³⁷ Amended effective 1/1/21, version 006 r&p 001.20

³⁸ Amended effective 1/1/21, version 006 r&p 001.20

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

6.4 Effect of Suspension

- (a) A Framework Participant which is suspended under Regulation 6.3 is not entitled:
 - (i) if it is an IA Participant, to exchange ATM Transactions with any other IA Participant;
 - (ii) to vote at any IAC Meeting convened in accordance with PART 8, or any other meeting of Framework Participants convened in accordance with the Constitution or the Corporations Act, except to the extent approved by the IAF;
 - (iii) to have its nominee (if entitled to appoint such a nominee) to the IAF vote at meetings of the IAF, but may continue to attend and participate in such meetings (to the extent that they were so entitled prior to the suspension), during the period of suspension under Regulation 6.3.
- (b) A Framework Participant whose membership is suspended under Regulation 6.3 is not excused from discharging its obligations under the Constitution, the IAC Regulations or the IAC Code Set, except as expressly provided in or pursuant to the Constitution, IAC Regulations or the IAC Code Set.
- (c) The IAF may at its discretion determine to remove any Certification granted by or on behalf of the Company to a Framework Participant whose membership is suspended under Regulation 6.3.
- (d) The Secretary will notify all Framework Participants (by the most expeditious means reasonably available) of any suspension under Regulation 6.3.

6.5 Termination

- (a) A Framework Participant ceases to be a Framework Participant on:
 - (i) resignation;
 - (ii) becoming insolvent or making an arrangement or composition with creditors generally;
 - (iii) being wound-up, dissolved or otherwise ceasing to exist; or
 - (iv) the Board terminating that Framework Participant's membership in accordance with Regulation 6.5(d).
- (b) A Framework Participant may, by notice in writing to the Company, resign as a Framework Participant with immediate effect. The notice is irrevocable.
- (c) A Framework Participant may not resign except by giving notice in accordance with Regulation 6.5(b).

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

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- (d) Subject to Regulation 6.5(e), the Board (after consultation with the IAF) may, by notice in writing to a Framework Participant, terminate the membership of that Framework Participant if, and only if, the following pre-conditions have been fulfilled:³⁹
- (i) a Suspension Event has occurred in respect of that Framework Participant and has not been remedied;
 - (ii) the IAF has recommended terminating that Framework Participant's membership in accordance with Regulation 12.4(a)(i);
 - (iii) (if that Framework Participant is subject to prudential supervision) the Board has consulted with the relevant supervisor regarding such termination; and
 - (iv) the Board has provided an opportunity for that Framework Participant to make submissions to the Board regarding such termination.
- (e) An Operator Member and an Affiliate will also cease to be a member on:⁴⁰
- (ii) that Member no longer satisfying any eligibility criteria which entitled the Member to become a Member; or
 - (iii) the automatic termination of that person's membership in accordance with Regulation 10.6 (Payment of Fees and Non-payment of Fees).
- (f) The Board is not obliged to give any reasons for such decision and may revoke any such notice at any time before it becomes effective.
- (g) Any resignation or termination of the membership of a Framework Participant shall not affect any right or liability arising under the IAC Regulations or the IAC Code Set before that resignation or termination takes effect or arising in respect of any act, matter or thing occurring prior to that time. A Framework Participant who resigns pursuant to Regulation 6.5(b) or whose Membership is terminated pursuant to Regulation 6.5(d) will continue to be bound by the IAC Regulations and the IAC Code Set in respect of:
- (i) any act, matter or thing occurring prior to the time such resignation or termination takes effect or as a result of such resignation or termination;
 - (ii) any right or liability under the IAC Regulations or the IAC Code Set which relates to or may arise at any future time from any breach of the IAC Regulations or the IAC Code Set which occurred prior to or on the date of termination; and
 - (iii) any fees, costs, charges, expenses and fines which may be levied on, or which are to be reimbursed by, Framework Participants in accordance with the IAC Regulations or the IAC Code Set in respect of periods which commence prior to the time such resignation or termination takes effect or which relate to any such act, matter or thing.

³⁹ Amended effective 1/1/21, version 006 r&p 001.20

⁴⁰ Inserted effective 1/1/21, version 006 r&p 001.20

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

- (h) A Framework Participant who resigns or whose membership is terminated is not entitled to be repaid all or part of any entrance, operating or other fee which has been paid by it.
- (i) On resignation or termination of a membership, the Secretary will as soon as practicable notify all other Framework Participants of the resignation or termination (as the case may be) specifying:
 - (i) the name of the Framework Participant which has resigned, or whose membership has been terminated; and
 - (ii) the date on which the resignation or termination will take, or has taken, effect.

6.6 Financial Claims Scheme

- (a) The Company has published a set of *EOD Balance Guidelines for SCV Calculation* to assist Framework Participants with preparing for and dealing with the occurrence of an FCS Declaration. Part 7 of the Guidelines sets out those system and other changes which should be made, as a minimum, to give effect to the suspension of exchanges of Transactions between a Declared Member and all other Framework Participants. Framework Participants should ensure that they have a continuing full understanding of the FCS Rules and the Guidelines. The Guidelines, which may be amended from time to time, can be found on the Company's extranet.

6.7 FCS Processing Requirements

- (a) Upon the occurrence of any FCS Declaration the membership of a Declared Member is automatically suspended and the provisions of Regulations 6.4(a) to (d) inclusive apply as though automatic suspension under this Regulation 6.7 were a suspension under Regulation 6.3.
- (b) Upon suspension of membership of the Declared Member under Regulation 6.7(a), further exchanges of transactions giving rise to Settlement Items between the Declared Member and each other Framework Participant (but not between Framework Participants other than the Declared Member) pursuant to these Regulations and the Procedures are automatically suspended.
- (c) Following suspension of exchanges between the Declared Member and each other Framework Participant under Regulation 6.7(b) and except as may be required in accordance with Regulation 6.4, Framework Participants are not responsible for any failure to conduct further exchanges of Card Payments or Transactions with the Declared Member or to perform other obligations arising from the exchange of Card Payments or Transactions with the Declared Member (excluding any such obligations under the FTS Rules).
- (d) Following suspension of exchanges between the Declared Member and each other Framework Participants under Regulation 6.7(b), the Declared Member must, to the extent it is legally able, act in accordance with Part 7 of the *EOD Balance Guidelines for SCV Calculation* as that part is expressed to apply to a Declared Member.

PART 6 FINES, SUSPENSION AND TERMINATION OF MEMBERSHIP OF FRAMEWORK PARTICIPANT

- (e) The Declared Member and each Framework Participant must act in accordance with any communications protocol approved by the Company for the purposes of this Regulation 6.7.
- (f) Except as expressly provided, this Regulation 6.7 does not apply to, and in no way affects, any rights or obligations arising under the regulations or the procedures or the manual for or in respect of the operations of any other Clearing System operated by, or under the auspices of, the Company.

The next page is Part 7

PART 7 ISSUERS AND ACQUIRERS FORUM

7.1 Composition

- (a) Subject to Article 10.3 of the Constitution (Composition of Committees of Management) and Regulation (r) the following persons are entitled to be members of the IAF if appointed, nominated or elected in the manner set out in these Regulations:
 - (i) one person appointed by the Board under Article 10.3(a) of the Constitution (Composition of Committees of Management);⁴¹
 - (ii) a person nominated by each IA Participant which has at least 2% of CMS;
 - (iii) three persons elected in a ballot by all IA Participants which are not entitled to nominate or elect a member of the IAF under Regulation 7.1(a)(ii);
 - (iv) a person nominated by the RBA if a representative of the RBA has not been nominated in accordance with another provision of this Regulation 7.1(a).
- (b) An IA Participant may become eligible or may cease to be eligible to nominate a member of the IAF under Regulation 7.1(a)(ii) as a result of a calculation of CMS.
- (c) The changes to the IAF which may result from the changes in eligibility described in Regulations 7.1(b) will become effective at the conclusion of the next annual general meeting of the Company following any calculation of CMS.
- (d) If a Framework Participant which has a right to nominate a member under Regulation 7.1(a), does not nominate in accordance with Regulation 7.3, that Framework Participant may exercise the right of nomination at a later date.

7.2 Term of Office

- (a) Except as provided in Regulation 7.10, the term of office of a person appointed, nominated or elected as a member of the IAF commences at the conclusion of the relevant annual general meeting of the Company.
- (b) Subject to Article 10.5 of the Constitution (Removal of Members of a Committee of Management) and Regulation 7.10, the term of office of all members of the IAF expires at the conclusion of the third annual general meeting of the Company following their appointment, nomination or election or on the date agreed by the Board, whichever is the lesser. A retiring member of the IAF may be re-appointed or re-elected, as the case may be.⁴²

7.3 Nominations and Election Process

- (a) Each nomination of an IAF member under Regulation 7.1(a)(i), (ii) or (iv) must be in writing signed by the IA Participant entitled to nominate that member of the IAF and endorsed with the nominee's consent.

⁴¹ Amended effective 1/1/21, version 006 r&p 001.20

⁴² Last amended effective 1/1/20, version 005 r&p 001.19

- (b) A nomination under Regulation 7.1(a)(i), (ii) or (iv), must be made not later than 7 days (or such shorter period as the chair of the IAF may accept in any particular case) prior to the date of the annual general meeting of the Company at which the terms of office of the existing members of the IAF expire. The Secretary will call for such nominations as soon as practicable after the Board determines the date on which the relevant annual general meeting will be held.⁴³
- (c) A ballot under Regulation 7.1(a)(iii) will be conducted in accordance with the processes for election determined by the Board (or, if requested by the Board, a committee of the Board), including processes for the conduct of elections, nomination of candidates and method of voting.

7.4 Member Unable or Unwilling to Act

- (a) If any member of the IAF is so located or circumstanced that it is not reasonably practicable for any necessary notice or other communication to be given to that member in relation to the meetings, deliberations or other affairs of the IAF or for that member to attend any one or more meetings of the IAF (in this Regulation, an “**Inability**”), then the relevant IA Participant may nominate another person who is qualified to be a member of the IAF to be an alternate member of the IAF for so long as the Inability subsists.
- (b) Any such nomination must be in writing and forwarded to the Secretary.
- (c) An alternate member may exercise any powers which the member may exercise and is deemed for all purposes to be a member of the IAF during the period of the Inability.

7.5 Powers and Duties

- (a) Subject to the Constitution, the Directors delegate to the IAF such of their powers, other than powers required by law to be dealt with by the Directors as a Board, as necessary, desirable or expedient to enable the IAF to properly perform its obligations under the Constitution. Subject to Regulation 7.5(b), the Board delegates to the IAF such of its powers, other than powers required by law to be dealt with by the Board, which are necessary to enable the IAF to properly perform its obligations under these Regulations.
- (b) Subject to Article 10.6 of the Constitution (Directions to a Committee of Management), the Board may impose such conditions or restrictions as it thinks fit (whether by giving directions or otherwise) on the exercise of the powers delegated to the IAF pursuant to Regulation 7.5(a).⁴⁴
- (c) In the performance of their duties, the members of the IAF must observe the same standards as are imposed on the Directors and in particular, each member of the IAF must:⁴⁵
 - (i) at all times act honestly in the exercise of their powers and the discharge of the duties of their office;

⁴³ Amended effective 1/1/23, version 008 r&p 001.22

⁴⁴ Amended effective 1/1/17, version 002 r&p 003.16

⁴⁵ Amended effective 1/1/23, version 008 r&p 001.22

- (ii) at all times exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties;
 - (iii) not make improper use of information acquired by virtue of their position as a member of the IAF to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to the Company;
 - (iv) not make improper use of their position as a member of the IAF to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to the Company.
- (d) This Regulation 7.5 has effect in addition to, and not in derogation of, any rule of law relating to the duty or liability of a person by reason of the person's office as a member of the IAF and does not prevent the institution of any civil proceedings in respect of a breach of such a duty or in respect of such a liability.
- (e) In addition to any other rights, powers and privileges to which they may be entitled each member of the IAF is at liberty to convey to:⁴⁶
 - (i) the IA Participant which nominated;
 - (ii) the IA Participants of the group which collectively elected;
- (f) that member, as the case may be, such reports of the deliberations and decisions of the IAF which such member may think fit. Such member may also in their absolute discretion (but without imposing any obligation to do so) seek expressions of opinion from those IA Participants; and⁴⁷
- (g) The chair of the IAF may convey to any Framework Participant such reports of the deliberations and decisions of the IAF which they may think fit. The chair of the IAF may also in their absolute discretion (but without imposing any obligation to do so) seek an expression of opinion from any Framework Participant.⁴⁸

7.6 Responsibilities

- (a) The IAF is responsible for the effective operation and management of the IAC, including without limitation:
 - (i) setting technical and efficiency standards, operating procedures and policies for those aspects of Card Payments which affect IA Participants, including for the avoidance of doubt, standards and procedures for the ATM System;
 - (ii) the adoption of Codes of the IAC Code Set;⁴⁹
 - (iii) subject to the oversight of the Board, development of industry policy, strategic direction and industry programs in relation to Card Payments;
 - (iv) establishing governance procedures, certification procedures, exemption arrangements procedures, compliance programs, policies and guidelines,

⁴⁶ Amended effective 1/1/23, version 008 r&p 001.22

⁴⁷ Amended effective 1/1/23, version 008 r&p 001.22

⁴⁸ Amended effective 1/1/23, version 008 r&p 001.22

⁴⁹ Amended effective 1/1/20, version 005 r&p 001.19

- including IAC Regulations, the IAC Code Set, subject to consultation with IAC of any amendments to the IAC Regulations under Regulation 14.3;⁵⁰
- (v) determining the Approval Criteria at its absolute discretion;
 - (vi) the provision of such ancillary services to IA Participants as the IAF considers reasonable and appropriate for the effective implementation of these Regulations and the IAC Code Set;
 - (vii) supervision of the observance by Framework Participants of these Regulations and the IAC Code Set;
 - (viii) the fees and charges payable by Framework Participants pursuant to PART 10 (other than the fees in Regulation 10.2, 10.3 and 10.4);⁵¹
 - (ix) the resolution of Disputes between:
 - (A) the Company and Framework Participants (subject to the powers of the Board under Regulation 12.2(c)); and
 - (B) Framework Participants;
 - (x) other matters expressly referred to in the IAC Regulations and the IAC Code Set; and
 - (xi) such other matters as are necessary, desirable or expedient as determined by the Board for the better and more secure, efficient and equitable operation of the IAC or the ATM System.
- (b) In discharging its responsibilities under the IAC Regulations and the IAC Code Set, the IAF may delegate its powers, duties and authorities to one or more Code Committees, other sub-committees established under regulation 7.6(c) below or the Chief Executive Officer.⁵²
- (c) The IAF may establish sub-committees in accordance with this Regulation 7.6, on such terms and with such rules or terms of reference as it may determine in its absolute discretion.⁵³
- (i) The IAF may delegate the administration of any of its functions under the IAC Regulations to a sub-committee, provided that the IAF reasonably considers that the delegated functions are suitable for delegation.
 - (ii) The IAF may delegate to a sub-committee such of its rights and powers as are necessary or desirable to enable that sub-committee to effectively administer the functions which it has been delegated.

⁵⁰ Amended effective 1/1/25, version 010 r&p 001.24

⁵¹ Amended effective 1/1/22, version 007 r&p 001.21

⁵² Amended effective 1/1/20, version 005 r&p 001.19

⁵³ Amended effective 1/1/20, version 005 r&p 001.19

- (iii) Each sub-committee established under this Regulation 7.6(c) shall be comprised at the IAF's discretion, subject to the following:
 - (A) the IAF may only delegate to sub-committee members which it has reasonable grounds to believe will exercise their power in conformity with the duties imposed on company directors by the Corporations Act 2001 (Cth) and the Constitution; and
 - (B) the IAF must believe, on reasonable grounds, in good faith and after making proper inquiries, that the sub-committee members are reliable and competent in relation to the power delegated.

7.7 Calculation of Cards Market Share

- (a) The respective percentage shares of CMS for each IA Participant will be calculated as follows:
- (b) the Company will collect, on a confidential basis, data annually in relation to the volume and value of each IA Participant's annual Card Payment Transaction activity on a national basis;
- (c) the volume and value of a IA Participant's Card Payment Transactions will be weighted, with volume weighted at 65% and value weighted at 35%;
- (d) the Company will calculate the respective CMS for each IA Participant at least annually prior to the annual general meeting of the Company;
- (e) each calculation of CMS will be promptly notified by the Secretary to the respective IA Participant to which the CMS relates;
- (f) each calculation made in good faith will be binding and conclusive upon all IA Participants and will supersede any previous calculation.

7.8 Proceedings

- (a) The Board shall appoint one of its Directors as chair of the IAF for such period as it determines. That person does not have a deliberative vote or a casting vote.⁵⁴
- (b) The IAF may meet and adjourn as it thinks proper. The chair of the IAF may at their discretion (and shall at the request in writing of any 2 members of the IAF) convene meetings of the IAF.⁵⁵
- (c) Except as provided to the contrary in the IAC Regulations or unless such notice is waived by all members of the IAF, 7 days' notice of each meeting of the IAF shall be given to each member at their usual business address. The Secretary should ensure that each member of the IAF has received notice of each meeting. The non-receipt of notice of a meeting of the IAF by, or the accidental omission to give notice of a meeting of the IAF to, a member does not invalidate any resolution passed at the meeting of the IAF.⁵⁶

⁵⁴ Last amended effective 1/1/23, version 008 r&p 001.22

⁵⁵ Amended effective 1/1/23, version 008 r&p 001.22

⁵⁶ Amended effective 1/1/23, version 008 r&p 001.22

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- (d) Where a meeting of the IAF is held and the chair is not present within 15 minutes from the time appointed for the commencement of the meeting or is unable or unwilling to act, the members present may elect one of their number or AusPayNet management to be chair of the meeting. The person elected as chair retains their deliberative vote, if any, when acting in that capacity.⁵⁷
 - (e) The quorum for a meeting of the IAF is 75% of the number of members of the IAF for the time being entitled to cast a vote at meetings of the IAF.⁵⁸
 - (f) Questions arising at a meeting of the IAF are to be answered in the affirmative if a simple majority of votes is cast in favour of the question. Any such decision is for all purposes a decision of the IAF.
 - (g) A declaration by the chair of the IAF that a resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the IAF is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.⁵⁹
 - (h) The chair of the IAF may invite any person as they see fit to attend any meeting of the IAF either in an advisory capacity or as an observer, but such invitation does not give the person any entitlement to be heard (if invited as an observer) or to vote on matters discussed by the IAF.⁶⁰

7.9 Voting Entitlement

- (a) Subject to Regulations (r) and (ii), each member of the IAF will be entitled to cast the following votes at meetings of the IAF:
 - (i) a member appointed under Regulation 7.1(a)(i) or 7.1(a)(iv), no vote;
 - (ii) Each other member has an entitlement equal to the CMS of the IA Participant, or the IA Participant constituency, which nominated or elected that member, subject to Regulation 7.9(b).
- (b) The CMS represented by each member elected under Regulation 7.1(a)(iii) is the total CMS of the IA Participant constituency represented by that member, divided by the number of members for that constituency.
- (c) CMS is calculated in accordance with Regulation 7.7 and accordingly the voting entitlement of a member of the IAF may change during that member's term of office. Any such change is to take effect at the first IAF meeting following the calculation of CMS.

⁵⁷ Last amended effective 1/1/23, version 008 r&p 001.22

⁵⁸ Amended effective 1/1/20, version 005 r&p 001.19

⁵⁹ Amended effective 1/1/23, version 008 r&p 001.22

⁶⁰ Last amended effective 1/1/23, version 008 r&p 001.22

7.10 Vacation of Office

- (a) The office of a member of the IAF becomes vacant if:
- (i) that member dies or becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (ii) that member resigns their office by notice in writing to the Company;⁶¹
 - (iii) that member is absent without the consent of the chair of the IAF from meetings of the IAF held during a period of 6 months and is removed by the IAF;⁶²
 - (iv) that member is removed by the Board in accordance with Article 10.5 of the Constitution (Removal of Members of a Committee of Management);⁶³
 - (v) that member is removed by the IA Participant which appointed such member as a member of the IAF, in accordance with Regulations 7.1(a)(ii) or (iv);
 - (vi) in the case of a member nominated or elected pursuant to Regulation 7.1(a)(iii) who was an officer or employee of an IA Participant at the time of the nomination or election, that member is removed by the IA Participant which nominated him or her for election, due to a change in the person's role at that IA Participant or ceases to be an officer or employee of that IA Participant;⁶⁴
 - (vii) the IA Participant entitled to appoint that member ceases to be an IA Participant; or
 - (viii) the IA Participant entitled to appoint that member becomes a Subsidiary of another IA Participant.
- (b) A notice of removal under Regulation 7.10(a)(iii) must be in writing and signed by the chair of the IAF and takes effect upon its receipt by the Company. A notice of removal under Regulation 7.10(a)(v) or (vi) must be in writing and signed by the relevant IA Participant and takes effect on the date specified by the IA Participant.⁶⁵
- (c) Where the office of a member of the IAF becomes vacant pursuant to Regulation 7.10(a)(i)-(vi) the IA Participant that appointed the person or nominated the person for election, may name a replacement for the retiring or removed member by notice in writing to the Secretary.⁶⁶
- (d) Where the office of an elected member of the IAF becomes vacant pursuant to Regulation 7.10 and the IA Participant that nominated the member for election does not wish to nominate a replacement person for the remainder of the term, the Secretary must arrange for a vote of the IA Participant constituency referred to in Regulation 7.1(a)(iii) to take place no later than the date of the next annual general

⁶¹ Amended effective 1/1/23, version 008 r&p 001.22

⁶² Amended effective 1/1/23, version 008 r&p 001.22

⁶³ Amended effective 1/1/17, version 002 r&p 003.16

⁶⁴ Amended effective 1/1/17, version 002 r&p 003.16

⁶⁵ Last amended effective 1/1/23, version 008 r&p 001.22

⁶⁶ Amended effective 1/1/17, version 002 r&p 003.16

meeting to elect a new person as a replacement member. The voting entitlement of the retiring or removed member is re-allocated equally among the remaining elected members until such election is held.⁶⁷

- (e) A person who is nominated, appointed, or elected as a replacement member of the IAF only holds office for the remaining term of the retiring or removed member. The term of office of a replacement member commences on receipt of the notice pursuant to Regulation 7.10(c) or upon declaration of an election held in accordance with Regulation 7.10(d).⁶⁸

7.11 Written Resolution

- (a) If all the members of the IAF who are eligible to vote on a resolution have signed a document containing a statement that they are in favour of a resolution of the IAF in terms set out in the document, a resolution in those terms is deemed to have been passed at a meeting of the IAF held on the day on which the document was last signed by a member of the IAF.
- (b) For the purposes of Regulation 7.11(a), 2 or more separate documents containing statements in identical terms each of which is signed by one or more members of the IAF who are eligible to vote on the resolution are together deemed to constitute one document containing a statement in those terms signed by those members of the IAF on the respective days on which they signed the separate documents.

7.12 Meetings Defined

For the purposes of the IAC Regulations, a meeting of the IAF means:

- (a) a meeting of the IAF assembled in person on the same day at the same time and place; or
- (b) the members of the IAF communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion notwithstanding that they (or one or more of them) are not physically present in the same place,

and a member participating in the meeting under paragraph (b) is deemed to be present (including for the purposes of constituting a quorum) and entitled to vote at the meeting.

7.13 Validity of Acts

All acts done by any meeting of the IAF or by any person acting as a member are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be a member or to act as a member, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and were qualified to be a member of the IAF.

⁶⁷ Inserted effective 1/1/17, version 002 r&p 003.16

⁶⁸ Inserted effective 1/1/17, version 002 r&p 003.16

7.14 Appointment of Secretary

- (a) There must be at least one Secretary of the IAF who is to be appointed by the Chief Executive Officer. The Chief Executive Officer may remove a Secretary from office at any time.
- (b) The Secretary is vested with the powers, duties and authorities specified in these Regulations. In addition and with the consent of the Chief Executive Officer, the IAF may vest in the Secretary such additional powers, duties and authorities as it may from time to time determine.
- (c) The Secretary is entitled to attend all meetings of the IAF and all meetings of Framework Participants and may be heard on any matter.
- (d) The Secretary must prepare minutes of each meeting of the IAF for approval by the chair of the IAF. All minutes approved by the chair must be forwarded to each member of the IAF.⁶⁹

7.15 Chief Executive Officer

The Chief Executive Officer is entitled to attend all meetings of the IAF and all meetings of Framework Participants and may be heard on any matter.

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⁶⁹ Amended effective 1/1/23, version 008 r&p 001.22

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

8.1 IAC Meetings and the Annual IAC Meeting [Deleted]⁷⁰

8.2 IAC Meetings

The Directors or the IAF may whenever they think fit convene an IAC Meeting.

8.3 Notice of IAC Meeting

- (a) At least 14 days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given) specifying:
 - (i) the place, day and the hour of the IAC Meeting; and
 - (ii) the general nature of that business,⁷¹must be given to all Framework Participants and all members of the IAF.
- (b) The non-receipt of notice of an IAC Meeting by, or the accidental omission to give notice of an IAC Meeting to, a Framework Participant does not invalidate any resolution passed at the IAC Meeting.

8.4 Special Business of IAC Meeting [Deleted]⁷²

8.5 Requisitioned Meeting

In addition to the IAC Meetings convened under Regulations 8.2, the IAF must, on the requisition of 3 or more IA Participants which are together entitled to cast not less than 10% of the total votes of all IA Participants on a poll at an IAC Meeting, immediately convene an IAC Meeting to be held as soon as practicable but, in any case, not later than 2 months after the receipt by the IAF of the requisition.⁷³

8.6 Objects of Requisitioned Meeting

The requisition for an IAC Meeting must state the objects of the IAC Meeting and must be signed by the requisitionists and forwarded to the Secretary. A requisition may consist of several documents in like form each signed by one or more of the requisitionists.

8.7 Convening Requisitioned Meeting

If the IAF does not, within 21 days after the deposit of the requisition, proceed to convene an IAC Meeting the requisitionists or any of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by the IAF, convene a meeting, but a meeting so convened may not be held after the expiration of 3 months from the date the requisition is delivered to the Secretary.

⁷⁰ Deleted effective 1/1/24, version 009 r&p 001.23

⁷¹ Amended effective 1/1/24, version 009 r&p 001.23

⁷² Deleted effective 1/1/24, version 009 r&p 001.23

⁷³ Amended effective 1/1/24, version 009 r&p 001.23

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

8.8 Expenses of Requisitioned Meeting

Any reasonable expenses incurred by the requisitionists by reason of the failure of the IAF to convene an IAC Meeting must be paid to the requisitionists by the Company.

8.9 Postponement or Cancellation of Meeting

- (a) The Board or the IAF convening an IAC Meeting may postpone or cancel an IAC Meeting whenever they think fit (other than a meeting convened as the result of a requisition under Regulation 8.5 or by requisitionists under Regulation 8.7). The IAF and/or Company postponing or cancelling an IAC Meeting must give as much notice as is possible in all the circumstances of the postponement or cancellation of that IAC Meeting to all persons entitled to receive notices of that IAC Meeting.
- (b) The non-receipt of notice of a postponement or cancellation by, or the accidental failure to give notice of a postponement or cancellation to, a Framework Participant does not invalidate the postponement or cancellation.

8.10 Attendance at IAC Meetings

- (a) Any Framework Participant may attend any IAC Meeting by appointing:
 - (i) a proxy;
 - (ii) an attorney; or
 - (iii) a person authorised by resolution of its directors or other governing body to act on its behalf at a particular IAC Meeting or at all meetings of the Framework Participants.
- (b) Unless the contrary intention appears, a reference to a Framework Participant in the succeeding provisions of this PART 8 means a Framework Participant, proxy, attorney or person authorised under Regulation 8.10(a)(iii).

8.11 Quorum

No business may be transacted at any IAC Meeting unless a quorum is present comprising IA Participants who are entitled in accordance with Regulation 8.18 to cast not less than 50% of the total votes of all IA Participants on a poll.

8.12 Failure to Achieve Quorum

- (a) Where an IAC Meeting is convened in accordance with Regulation 8.5 or 8.7 and a quorum is not present within 30 minutes from the time appointed for the IAC Meeting, the IAC Meeting must be dissolved.
- (b) Where an IAC Meeting is convened in any other case and a quorum is not present within 30 minutes from the time appointed for that IAC Meeting:
 - (i) the IAC Meeting must be adjourned to such day, time and place as the IAF determines or if no determination is made by it to the same day in the next week at the same time and place; and

PART 8 MEETINGS OF FRAMEWORK PARTICIPANTS

- (ii) if at the adjourned IAC Meeting a quorum is not present within 30 minutes from the time appointed for that IAC Meeting the IAC Meeting must be dissolved.

8.13 Appointment and Powers of Chair of an IAC Meeting⁷⁴

- (a) Subject to Regulation 8.13(b), the chair of the IAF must preside as chair at every IAC Meeting.
- (b) Where an IAC Meeting is held and the chair of the IAF is not present within 15 minutes from the time appointed for the commencement of the meeting or is unable or unwilling to act, the members of the IAF present must elect one of their number to be chair of the meeting, or, if no such member is present or if all such members present decline to take the chair, the Framework Participants present must elect a proxy, an attorney or a person acting on behalf of a Framework Participant pursuant to Regulation 8.10(a)(iii) as chair of the meeting.

8.14 Adjournment of IAC Meeting

- (a) The chair of the meeting may, with the consent of any IAC Meeting at which a quorum is present, and must if so directed by the IAC Meeting, adjourn the IAC Meeting from time to time and from place to place, but no business may be transacted at any adjourned IAC Meeting other than the business left unfinished at the meeting from which the adjournment took place.⁷⁵
- (b) When an IAC Meeting is adjourned for 30 days or more, notice of the adjourned IAC Meeting must be given as in the case of an original IAC Meeting.
- (c) Except as provided by Regulation 8.14(b), it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned IAC Meeting.

8.15 Voting at IAC Meeting

- (a) At any IAC Meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
 - (i) the chair of the meeting; or⁷⁶
 - (ii) an IA Participant.
- (b) Unless a poll is properly demanded, a declaration by the chair of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.⁷⁷

⁷⁴ Amended effective 1/1/24, version 009 r&p 001.23

⁷⁵ Amended effective 1/1/24, version 009 r&p 001.23

⁷⁶ Amended effective 1/1/24, version 009 r&p 001.23

⁷⁷ Amended effective 1/1/24, version 009 r&p 001.23

8.16 Passing of Resolutions

A resolution is taken to be carried if more than 50% of the total votes cast in respect of the resolution are cast in favour of the resolution. The chair of the meeting shall not have a casting vote.⁷⁸

8.17 Poll

- (a) If a poll is properly demanded, it must be taken in such manner and (subject to Regulation 8.17(b)) either at once or after an interval or adjournment or otherwise as the chair of the meeting directs. The result of the poll is the resolution of the IAC Meeting in respect of the matter for which the poll was demanded.⁷⁹
- (b) A poll demanded on the election of a chair of the meeting or on a question of adjournment must be taken immediately.⁸⁰
- (c) The demand for a poll may be withdrawn.

8.18 Voting Entitlement

An IA Participant's voting entitlement at any IAC Meeting is equal to its percentage share of CMS. No other Framework Participant shall be entitled to vote at an IAC Meeting.

8.19 Objection to Voting Qualification

- (a) An objection may be raised to the qualification of a voter only at the IAC Meeting or adjourned IAC Meeting before the vote objected to is given or tendered.
- (b) Any such objection must be referred to the chair of the meeting, whose decision is final.⁸¹
- (c) A vote not disallowed under such an objection is valid for all purposes.

8.20 Appointment of Proxy

- (a) An instrument appointing a proxy must be in writing under the hand of the appointor or of its attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (b) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- (c) An instrument appointing a proxy is deemed to confer authority on the proxy to demand or join in demanding a poll.
- (d) An instrument appointing a proxy must be in the form approved by the IAF or the Company from time to time.

⁷⁸ Amended effective 1/1/24, version 009 r&p 001.23

⁷⁹ Amended effective 1/1/24, version 009 r&p 001.23

⁸⁰ Amended effective 1/1/24, version 009 r&p 001.23

⁸¹ Amended effective 1/1/24, version 009 r&p 001.23

- (e) A proxy may vote on a show of hands or on a poll.

8.21 Deposit of Proxy and Other Instruments

An instrument appointing a proxy is not to be treated as valid unless the instrument, and an original or certified copy of the power of attorney or other authority (if any) under which the instrument is signed, is or are received by the Company before the time for holding the IAC Meeting or adjourned IAC Meeting at which the person named in the instrument proposes to vote.

8.22 Validity of Vote in Certain Circumstances

A vote given in accordance with the terms of an instrument of proxy or of a power of attorney is valid notwithstanding the revocation of the instrument (or of the authority under which the instrument was executed) or of the power, if no intimation in writing of the revocation or transfer has been received by the Company before the commencement of the IAC Meeting or adjourned IAC Meeting at which the instrument is used or the power is exercised.

8.23 Entitlement to Speak

Each Director, Framework Participant and each member of the IAF is entitled to attend all IAC Meetings and is entitled to speak at those meetings.

8.24 Written Resolution

A resolution in writing signed by the IA Participants entitled to cast more than 90% of all votes which could be cast at an IAC Meeting is as valid and effectual as if it had been passed at an IAC Meeting duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more IA Participants.

The next page is Part 9

PART 9 ELIGIBILITY AND APPROVAL CRITERIA

9.1 Approval Criteria

- (a) The IAF will determine the respective Approval Criteria which is to be used to assess.
 - (i) whether a Card Payment System should be an Approved Card Payment System;
 - (ii) the eligibility of an Applicant to become an Operator Member; and
 - (iii) the eligibility of an Applicant to become an Affiliate.
- (b) The IAF may determine the respective Approval Criteria at its absolute discretion having regard to its objective to promote for the efficiency, security and integrity of the Australian Card Payment Systems.
- (c) The Company will:
 - (i) publish the respective Approval Criteria, and any subsequent variation of the Approval Criteria, on its extranet;
 - (ii) if requested, provide the respective Approval Criteria to Applicants for membership on a confidential basis; and
 - (iii) publish a list of Approved Card Payment Systems on its website.

9.2 Variation of Approval Criteria

The IAF may vary any of or all of the Approval Criteria previously determined and published under Regulation 9.1 and determine the effective date for such variation, provided however that if such variation has the effect of materially affecting the right of an existing Framework Participant to be a member of the IAC (in any capacity):

- (a) the variation must first be approved by the chair of the IAF and the Chief Executive Officer; and⁸²
- (b) notice of the variation must be given by the Secretary at least 30 days prior to the date upon which it becomes effective.

9.3 Withdrawal of Approval of Approved Card Payment System

- (a) Subject to Regulation 9.3(b), the IAF may determine that a Card Payment System, which it previously determined to be an Approved Card Payment System, no longer meets the applicable Approval Criteria.
- (b) The IAF may, by notice in writing to the operator or administrator of an Approved Card Payment System, withdraw approval of that system, if:

⁸² Amended effective 1/1/23, version 008 r&p 001.22

- (c) it has provided reasons for the decision and provided an opportunity for that operator or administrator to make submissions to the IAF regarding such withdrawal; and
- (d) the Board has approved the withdrawal of the approval.
- (e) On withdrawal of approval, the Secretary will as soon as practicable notify all Framework Participants, specifying the effective date of withdrawal of the approval of an Approved Card Payment System and those Framework Participants for whom this would operate as a 'Suspension Event' under Regulation (g).

The next page is Part 10

PART 10 FEES**10.1 Entrance Fees**

- (a) An IA Participant whose application for membership is accepted must pay an entrance fee to the Company. The entrance fee is displayed on AusPayNet's extranet and indexed annually in accordance with Regulation 10.5.⁸³
- (b) A new Framework Participant may not participate in the IAC until the entrance fee is paid to the Company.

10.2 Corporate Fee⁸⁴

Each IA Participant must pay the fees for PSMS Members in the manner and amount and at the times determined by the Board in accordance with the Fee Policy.

10.3 Framework Participant Framework Fees⁸⁵

In addition to the fees referred to in Regulation 10.2, each Framework Participant must pay the Framework Fees in the manner and amount and at the times determined by the Board in accordance with the Fee Policy.

10.4 Operator Member Fee and Affiliate Fee⁸⁶

- (a) Each IAC Operator Member must pay an annual fee in the manner and amount and at the times determined by the Board in accordance with the Fee Policy.
- (b) Each Affiliate must pay an annual fee in the manner and amount and at the times determined by the Board in accordance with the Fee Policy. The IAF may recommend for determination by the Board the fee payable by Affiliates.

10.5 Indexation and rounding⁸⁷

- (a) The entrance fee specified in Regulation 10.1, the dispute resolution fee specified in Regulation 12.3 and the fee charged in relation to BIN and AIN changes in accordance with clause 2.8.1(b) of the IAC Code Set Volume 1 are to be indexed on an annual basis by the Company by reference to change in the cost of living, as measured by the Consumer Price Index or other relevant data, as determined by the IAF.
- (b) The Company may round the indexed fees to the nearest \$100 (with \$50 being rounded up), or in the case of the dispute resolution fee, the nearest \$10 (with \$5 being rounded up).⁸⁸

⁸³ Amended effective 1/1/21, version 006 r&p 001.20

⁸⁴ Amended effective 1/1/24, version 009 r&p 001.23

⁸⁵ Amended effective 1/1/22, version 007 r&p 001.21

⁸⁶ Amended effective 1/1/22, version 007 r&p 001.21

⁸⁷ Amended effective 1/1/17, version 002 r&p 003.16

⁸⁸ Inserted effective 1/1/17, version 002 r&p 003.16

10.6 Payment of Fees and Non-Payment of Fees

- (a) The Company must provide a Framework Participant with 30 days' notice of fees payable under PART 10 other than those in Regulations 10.2, 10.3 and 10.4 which are notified pursuant to the Fee Policy.⁸⁹
- (b) Once paid, those fees are not refundable.
- (c) If the fees referred to in Regulation 10.4 (Fees for Operator Members and Affiliates) remain unpaid by an Operator Member or Affiliate for 60 days after they become due and payable, the IAF may give not less than 30 days' notice to that Framework Participant that their membership will be terminated if the fees are not paid by the date specified in the notice. If the fees remain unpaid by that date, the Framework Participant's membership automatically terminates and the Framework Participant ceases to be a member. The Board may, but need not, reinstate a Member whose membership is terminated under Regulation 10.6(c) if the Member pays all overdue amounts and is otherwise still eligible for membership.⁹⁰
- (d) If any fee referred to in Regulation 10.4 (Fees for Operator Members and Affiliates) remains unpaid by a Framework Participant for 60 days after it becomes due and payable, the Framework Participant has no right to be present at a general meeting of Framework Participants and for an Operator member no right to attend meetings of the IAF or any meetings of any Code Committee.⁹¹

10.7 Disputes

In the event of a Dispute, each Framework Participant must also pay to the Company the fees, costs and expenses stipulated in PART 12.

10.8 Gross up for GST Supplies by the Company

If:

- (a) the Company makes a Supply to a Framework Participant (in its capacity as a Framework Participant) under the Constitution, the IAC Regulations or the IAC Code Set; and
- (b) the Company is required to pay GST under the GST Law in respect of that Supply (a "**Taxable Supply**"),

then:

- (c) the Framework Participant must pay to the Company an additional amount equal to the GST Exclusive Consideration multiplied by the GST Rate, without deduction or set-off of any other amount;
- (d) the Company must issue a Tax Invoice to each Framework Participant for the GST on each Taxable Supply and must include in the Tax Invoice all particulars required by the GST Law; and

⁸⁹ Amended effective 1/1/22, version 007 r&p 001.21

⁹⁰ Inserted effective 1/1/22, version 007 r&p 001.21

⁹¹ Inserted effective 1/1/22, version 007 r&p 001.21

- (e) the Framework Participant must pay the additional amount payable under Regulation 10.8(c) at the same time and manner as the GST Exclusive Consideration (or, if the GST Exclusive Consideration is not payable, within 14 days).

10.9 Gross up for GST Supplies between Framework Participants

- (a) If a Framework Participant makes a Supply to another Framework Participant, each in its capacity as a Framework Participant, and the Framework Participant making the Supply ("the Supplier") is required to pay GST under the GST Law in respect of that Supply, (a "Taxable Supply"), then the Framework Participant receiving the Supply ("the Recipient") must pay to the Supplier an additional amount equal to the GST Exclusive Consideration for the supply multiplied by the GST Rate, without deduction or set-off of any other amount.
- (b) The Supplier must issue a Tax Invoice to the Recipient in respect of each Taxable Supply and must include in the Tax Invoice all particulars required by the GST Law.
- (c) The Recipient must pay the additional amount payable under Regulation 10.8(a) at the same time and manner as the GST Exclusive Consideration is payable (or if the GST Exclusive Consideration is not payable, within 14 days).

10.10 Mergers, Acquisitions and Re-organisations

Where, by takeover, merger or other action, an existing Framework Participant becomes a Subsidiary of or is otherwise acquired by another body corporate or that Framework Participant's business is assumed by another body corporate which is a related body corporate of that Framework Participant or another body corporate formed as a result of that action (in this Regulation, that other body corporate being an "Owner") and the Owner applies for membership as a Framework Participant within 12 months of such occurrence and is accepted as a Framework Participant, the IAF may (but is not obliged to do so), upon receipt of such information as the IAF may reasonably require, waive the fee which would otherwise be payable by the Owner pursuant to Regulation 10.1.

The next page is Part 11

PART 11 IAC CODE SET**11.1 IAC Code Set⁹²**

- (a) The IAF will adopt or determine and publish from time to time the IAC Code Set, comprised of the IAC Codes, guidelines and ancillary materials, containing industry practices, procedures, standards and/or specifications relating to all or any aspects of Card Payments and the IAC.
- (b) In the event of an inconsistency between Codes, the IAF will determine the process for resolving that inconsistency.
- (c) Each IA Participant agrees and acknowledges that it is bound by:
- (d) the IAC Codes as amended from time to time.

11.2 Code Committees

- (a) The IAF may establish one or more Code Committees in accordance with this Regulation 11.2, and otherwise on such terms and with such terms of reference as it may determine in its absolute discretion.
- (b) The IAF may delegate the administration of any Code to a Code Committee.⁹³
- (c) The IAF may delegate to a Code Committee such of its rights and powers as are necessary or desirable to enable the Code Committee to effectively administer the Code or Codes assigned to it.
- (d) Each Code Committee shall be comprised of:
 - (i) a member of the IAF, who shall serve as the chair of the Code Committee; and⁹⁴
 - (ii) one or more representatives of IA Participants and the RBA, whom the IAF determines have expertise or qualifications which qualify them to fulfil the duties of a Code Committee member;⁹⁵
- (e) A Code Committee may:
 - (i) establish one or more sub-committees for the effective administration of part of a Code assigned to it, or for the effective performance of any function prescribed or service contemplated by such Code; and
 - (ii) delegate to such sub-committee such of its rights and powers as are necessary or desirable to enable the sub-committee to effectively administer that part of the Code, or perform the function or service, assigned to it.

⁹² Amended effective 1/1/20, version 005 r&p 001.19

⁹³ Amended effective 11/20, version 005 r&p 001.19

⁹⁴ Amended effective 1/1/23, version 008 r&p 001.22

⁹⁵ Amended effective 1/1/20, version 005 r&p 001.19

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- (f) Each member of a Code Committee will be entitled to cast the following votes at Code Committee meetings:
- (i) the member appointed by the IAF for the purposes of Regulation 11.2(d)(i), no vote;
 - (ii) a member which is a representative of an IA Participant has an entitlement equal to the CMS of the IA Participant, calculated as a proportion of the aggregate CMS of all representatives of IA Participants on the Code Committee.

11.3 Settlement Code

- (a) Each IA Participant involved in ATM Transactions and EFTPOS Transactions cleared pursuant to the Rules prescribed for the eftpos Card Payment System (as defined in those Rules) by the administrator of that system eftpos Payments Australia Limited must provide for the obligations incurred by it as the result of the exchange of Settlement Items in the course of Interchange Activities to be settled:⁹⁶
- (i) directly by:
 - (A) the debiting or crediting of its ESA; or
 - (B) providing finality of payment by any other means which are approved by the Board on the recommendation of a delegated Code Committee; or
 - (ii) indirectly by appointing a representative to settle on its behalf in accordance with Regulation 11.3(a)(A);
- and otherwise in accordance with all applicable laws and regulations.
- (b) Without limiting the generality of Regulation 11.1, the IAF will determine and publish the particular procedures and requirements for:
- (i) the settlement of obligations incurred by IA Participants as the result of the exchange of ATM Transactions and/or EFTPOS Transactions cleared pursuant to the Rules prescribed for the eftpos Card Payment System (as defined in those Rules) by the administrator of that system eftpos Payments Australia Limited in the course of Interchange Activities; and⁹⁷
 - (ii) management of an FTS Event.
- (c) Notwithstanding any other provision of the Constitution or these Regulations, settlement of obligations incurred as a result of the exchange of ATM Transactions and/or EFTPOS Transactions cleared pursuant to the Rules prescribed for the eftpos Card Payment System (as defined in those Rules) by the administrator of that system eftpos Payments Australia Limited in the course of Interchange Activities must be effected in accordance with all applicable laws and regulations.⁹⁸

⁹⁶ Amended effective 1/1/19, version 004 r&p 003.18

⁹⁷ Amended effective 1/1/19, version 004 r&p 003.18

⁹⁸ Amended effective 1/1/19, version 004 r&p 003.18

11.4 Amendment of IAC Code Set

- (a) The IAF or its delegated Code Committee may vary any practice, procedure, standard or specification previously determined and published under Regulation 11.1, provided that:
 - (i) if such variation relates to a matter of principle or a fundamental term such variation must also be approved in accordance with (or a consequence of) an amendment to the IAC Regulations set out in Regulation 14.3; and
 - (ii) any variation of a grammatical, cosmetic, typographical or minor nature to the IAC Code Set previously determined and published under Regulation 11.1(a) which, in the reasonable opinion of the Chief Executive Officer, will not prejudice any Framework Participant or operations in connection with IAC, may be made by the Chief Executive Officer.⁹⁹
- (b) The IAF must publish all variations from time to time in accordance with Regulation 11.1(a).¹⁰⁰

The next page is Part 12

⁹⁹ Amended effective 1/1/25, version 010 r&p 001.24

¹⁰⁰ Amended effective 1/1/24, version 009 r&p 001.23

PART 12 BREACHES OF REGULATIONS AND DISPUTES

12.1 Definitions and Interpretations

- (a) The following words have the following meanings in this PART 12 unless the contrary intention appears.
- (i) **"Dispute"** means a dispute or difference between:
- (A) the Company, the IAF, any delegate of the IAF and any one or more Framework Participants (including Applicants as potential Framework Participants), or
 - (B) two or more Framework Participants,
- arising out of, or in any way connected with the IAC Regulations or the IAC Code Set including, without limitation, a dispute or difference:
- (C) arising out of, or in any way connected with, any decision of the IAF or any delegate of the IAF;
 - (D) as to any sum of money claimed to be payable pursuant to, or any liability or obligation or other matter to be ascertained or dealt with or which arises under, Regulation 6.5(g); or
 - (E) arising out of, or in any way connected with, the non-payment or alleged non-payment of any sum of money otherwise payable or alleged to be otherwise payable pursuant the IAC Regulations or the IAC Code Set.
- (ii) **"Dispute Resolution Certificate"** means a certificate evidencing a determination made **under** this PART 12 signed by the chair of the IAF.¹⁰¹
- (b) A reference in this PART 12 to:
- (i) a determination by a person includes a decision by that person;
 - (ii) proceedings includes actions, suits and proceedings at law, in equity or otherwise.

12.2 Resolution of Disputes

- (a) Subject to Regulation 12.2(b) and 12.2(c) all Disputes must be referred in writing to a meeting of the IAF for determination by the IAF. A determination of the IAF in relation to a Dispute must be evidenced by a Dispute Resolution Certificate and a determination so evidenced will be binding upon all parties to the Dispute (including, without limitation, any Framework Participant which, subsequently to the occurrence of the events giving rise to the Dispute, resigns as a Framework Participant pursuant to Regulation (b) or whose membership is terminated pursuant to Regulation (d)).

¹⁰¹ Amended effective 1/1/23, version 008 r&p 001.22

- (b) No proceedings may be commenced in any court of law or equity or otherwise in relation to any Dispute unless:
 - (i) the Dispute has first or already been referred to the IAF pursuant to Regulation 12.2(a);
 - (ii) the Dispute has been determined by the IAF; and
 - (iii) the determination has been evidenced by a Dispute Resolution Certificate in accordance with Regulation 12.2(a).
- (c) Where the Dispute is a challenge to a decision in respect of a Membership Application under Regulation (i), the Dispute must be referred to the Board instead of the IAF. In this case, all references in this PART 12 to the IAF (except in the definition of 'Dispute') shall be construed as and shall have the effect of references to the Board.

12.3 Dispute Resolution Fee and Costs

- (a) Subject to Regulation 12.3(e), each Framework Participant party to a Dispute which is referred to the IAF pursuant to Regulation 12.2(a) must:
 - (i) pay to the Company, within 14 days of the date on which the Dispute is first referred to the IAF, a dispute resolution fee which, subject to Regulation 10.5, shall be \$5,000; and
 - (ii) pay to the Company, within 14 days of determination of the Dispute by the IAF, and (in such proportions as the IAF shall determine are reasonable and appropriate in all the circumstances) all costs and expenses incurred by the Company in relation to that referral (including, without limitation, all costs and expenses (on a solicitor and own client basis) incurred in obtaining legal, financial, actuarial or accountancy advice and administrative costs reasonably incurred by the Company).
- (b) For the avoidance of doubt, the IAF may determine that all costs and expenses referred to in Regulation 12.3(a)(ii) are to be paid by any one party to the relevant Dispute.
- (c) If the parties to a Dispute settle the Dispute prior to determination of it by the IAF, they may withdraw the Dispute from the IAF by each giving written notice of that withdrawal to the Company.
- (d) If a Dispute is withdrawn from the IAF pursuant to this Regulation 12.3(a); and the parties concerned have agreed, confidentially or otherwise, as to the apportionment among them of costs and expenses referred to in Regulation 12.3(a)(ii), then the parties involved may notify the Company in writing, within 7 days of the date on which all notices of withdrawal of the Dispute under this Regulation 12.3(a)(c) are received by the Company (the "**Withdrawal Date**") of the agreed apportionment of those costs and expenses and the Company will render invoices in accordance with the notified agreed apportionment payable within 14 days of the Withdrawal Date.
- (e) If a Dispute has been withdrawn by the parties concerned pursuant to Regulation 12.3(a) and those parties have not reached agreement as to the apportionment of the Company's costs and expenses connected with referral of the Dispute or have

PART 12 BREACHES OF REGULATIONS AND DISPUTES

not notified the Company of any agreed apportionment of those costs and expenses in accordance with this Regulation, the Company may render to those parties invoices for recovery of those costs and expenses requiring each party to pay to the Company within 14 days of the Withdrawal Date an equal portion of those costs and expenses.

- (f) The Company must keep confidential to itself and its employees and advisers all information provided to it with respect to settlement of a Dispute, including without limitation, information about any agreement between the parties to the Dispute as to apportionment of the Company's costs and expenses, but excluding the fact that a settlement has been agreed, and may not disclose that information to any Framework Participant or IAF member without the consent of the parties to the Dispute.

12.4 Commencement of Proceedings

- (a) If a Framework Participant (in this PART 12, the "**Defendant Framework Participant**") or a Payment System Administrator fails or refuses to give effect to a determination of the IAF in relation to a Dispute, which determination is evidenced by a Dispute Resolution Certificate, the IAF may:
 - (i) recommend to the Board to terminate that Framework Participant's membership; and
 - (ii) resolve that proceedings be commenced and prosecuted against the Defendant Framework Participant by the Company in its own right.
- (b) Alternatively, any aggrieved Framework Participant which was a Framework Participant at the date of issue of the relevant certificate (other than the Defendant Framework Participant) may commence proceedings against the Defendant Framework Participant and request the assistance of the Company in relation to such proceedings in which event the IAF may require the Company to provide whatever administrative assistance the IAF determines should be rendered by the Company to facilitate the conduct of such proceedings.

12.5 Costs

All:

- (a) costs (including costs as between solicitor and own client) and disbursements incurred by the Company in relation to any proceedings commenced and prosecuted in accordance with Regulation 12.4;
- (b) administrative costs reasonably incurred by the Company in relation to any such proceedings;
- (c) costs (including disbursements) and damages which may be awarded against the Company in relation to any such proceedings (or be payable by the Company as the result of any settlement of any such proceedings); and
- (d) liabilities and losses arising from any such proceedings which are suffered or incurred by the Company,

are to be treated as costs and expenses of administration, or incurred in connection with the IAC.

12.6 Distribution of Recoveries

If any proceedings are commenced by a Framework Participant or Framework Participants pursuant to this PART 12, and the Company renders administrative assistance pursuant to Regulation 12.4(b) to facilitate the conduct of those proceedings, then any award of damages or costs in favour of that or those Framework Participants must first be applied to reimburse the Company for those costs incurred by it in rendering such administrative assistance.

12.7 Loss Apportionment

In all cases where a loss has to be met by reason of:

- (a) a conflict of opinion as to which of the parties to the Dispute was responsible for the loss; or
- (b) the inability of any one or more of the parties to obtain reimbursement from or recourse against a customer,

the IAF will have authority to determine where the loss, and how the apportionment of the loss, will fall having regard to the merits of the individual case.

The next page is Part 13

PART 13 NOTICES

- (a) A notice may be given by the Company or the Secretary to any Framework Participant or other person receiving notice under the IAC Regulations either by:
- (i) serving it personally; or
 - (ii) sending it by post or facsimile transmission to the address shown in the Register or the address supplied by that person to the Company for the giving of notices; or
 - (iii) sending an electronic mail message to an email address supplied by the Framework Participant or that person to the Company for the giving of notices or by publishing the notice on the Company's extranet or website in a manner accessible by the Framework Participant or that person receiving notice.

(Note: Publication on the Company's extranet or website must be accompanied by an electronic communication to the recipient(s) of the notice advising of the publication.)

- (b) Where a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and the notice is deemed to have been served on the business day after the date of its posting.
- (c) Where a notice is sent by facsimile transmission, service of the notice is deemed to be effected by properly addressing the telex or facsimile transmission and transmitting same and to have been served in the case of a facsimile transmission on the business day following its despatch, and in the case of a telex transmission on the business day following receipt by the sender of the answerback of the addressee.
- (d) Where a notice is sent by electronic mail or published on the Company's extranet or website, the notice is deemed to be served on the business day following its despatch or publication.

The next page is Part 14

PART 14 MISCELLANEOUS**14.1 Provision of information**

Each Framework Participant must at the request of the IAF or the Company provide to the Company all reasonable information relating to that Framework Participant's Transactions and other relevant matters.

14.2 Set-Off

Nothing in the IAC Regulations shall be construed so as to negate or exclude any right of set-off which may otherwise arise.

14.3 Amendments¹⁰²

- (a) The IAC Regulations may be amended from time to time if the following conditions have been met:
 - (i) Framework Participants have been consulted; and
 - (ii) either:
 - (A) the amendment has been approved by the IAF; or
 - (B) if the Chair determines that the amendment is material, the amendment must be approved by the Board.
- (b) Any amendment to the IAC Regulations must contain an editorial note setting out the effective date of such amendment.

14.4 Exclusion of Fiduciary and Trustee Relationships

No party shall, by reason only of the IAC Regulations, IAC Code Set or another document relating to the IAC, have a fiduciary relationship with, or be trustee for, a Framework Participant or another person unless expressly agreed.

14.5 Representations and Warranties

The Company is entitled to assume the correctness of any representation or warranty made by a Framework Participant and is not required to conduct independent enquiries or to conduct searches of public registers to confirm the correctness of any representation or warranty.

14.6 Confidentiality

- (a) Each recipient must ensure that Confidential Information is not disclosed to any person outside the recipient entity except:¹⁰³

¹⁰² Last amended effective 1/1/24, version 009 r&p 001.23

¹⁰³ Amended effective 1/1/24, version 010 r&p 001.24

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- (i) any existing, prospective or potential contractors, consultants or third party providers, including any participants in a tender process initiated by or for that recipient;¹⁰⁴
 - (ii) with the consent of the provider of that information (which consent must not be unreasonably withheld);
 - (iii) (in the case of statistics) on a basis which does not identify the provider of the information;
 - (iv) if required to be disclosed by law or required by any stock exchange or supervisory authority which is responsible for the prudential supervision of the recipient;
 - (v) in connection with legal proceedings or disputes in which the recipient is a party;
 - (vi) where the disclosure is required in circumstances contemplated by the IAC Regulations or Code Set;¹⁰⁵
 - (vii) its legal advisers and auditors for the purpose of considering or advising upon the Confidential Information; or
 - (viii) to a related body corporate of the recipient.
- (b) Except to the extent that it would contravene a law or stock exchange listing requirement, in respect of disclosure by a recipient (the “**First Recipient**”) of Confidential Information to a further recipient (the “**Second Recipient**”) pursuant to subparagraphs 14.6(a)(i), 14.6(a)(iv), 14.6(a)(v) and 14.6(a)(vii) above, the First Recipient must prior to disclosure:¹⁰⁶
- (i) advise the Company in writing; and
 - (ii) ensure the Second Recipient is aware of and agrees to comply with equivalent confidentiality provisions prior to disclosing the Confidential Information.¹⁰⁷
- (c) Subject to (b) above, all recipients of Confidential Information must keep the Confidential Information confidential (even if the recipient ceases to be a Framework Participant).¹⁰⁸
- Recipients must promptly return or destroy the Confidential Information on request except to the extent the Confidential Information:
- (i) is contained in internal credit policy, board or committee papers or minutes;

¹⁰⁴ Amended effective 1/1/25, version 010 r&p 001.24

¹⁰⁵ Inserted effective 1/1/25, version 010 r&p 001.24

¹⁰⁶ Amended effective 1/1/25, version 010 r&p 001.24

¹⁰⁷ Amended effective 1/1/25, version 010 r&p 001.24

¹⁰⁸ Inserted effective 1/1/25, version 010 r&p 001.24

- (ii) is a copy of the Confidential Information that has been made during routine backup processes;
- (iii) must be retained to comply with any applicable law, professional standard or indemnity insurance requirements; or
- (iv) is incorporated into a proposal (e.g. offers or draft agreements) between the framework participants.

14.7 Expenditure

The expenses incurred by the IAF, any sub-committee of the IAF, any member of those committees, or any other person in the performance of their duties under the IAC Regulations and the IAC Code Set must be in accordance with the financial budgets of the Company which have been approved by the IAF or otherwise determined by the Company (either specifically or on a general basis).

14.8 Indemnity

Every member who is or has been a member of the IAF, any Code Committee or any other sub-committee of the IAF is entitled to be indemnified out of the property of the Company against:

- (a) every liability incurred by the person in that capacity (except a liability for legal costs); and
- (b) all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity,
- (c) unless:
- (d) the Company is forbidden by statute to indemnify the person against the liability or legal costs; or
- (e) an indemnity by the Company of the person against the liability or legal costs would, if given, be made void by statute.

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PART 15 INSURANCE

The Company must pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring a person who is or has been a member of the IAF, a Code Committee or any other sub-committee of the IAF against liability incurred by the person in that capacity, including a liability for legal costs, unless:

- (a) the Company is forbidden by statute to pay or agree to pay the premium; or
- (b) the contract would, if the Company paid the premium, be made void by statute.

END