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AUSTRALIAN PAYMENTS NETWORK LIMITED

ABN 12 055 136 519

A Company limited by Guarantee

PROCEDURES

for

BULK ELECTRONIC CLEARING SYSTEM FRAMEWORK

(CS2)

Commenced 12 December 1994

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Procedures
For
Bulk Electronic Clearing System
INDEX

PART 1	INTRODUCTION, INTERPRETATION AND DEFINITIONS	8
1.1	Definitions	8
1.2	Interpretation	22
1.3	Inconsistency with Articles or Regulations	24
1.4	Governing Law	24
1.5	Copyright.....	24
1.6	Application of Procedures	24
1.7	Relationship to other Legislation and compliance requirements.....	24
PART 2	EFFECT	25
PART 3	PROCEDURES AND AMENDMENT	26
3.1	Conduct of Clearings.....	26
3.2	Amendment.....	26
PART 4	GENERAL OPERATIONAL REQUIREMENT	27
4.1	Centralised Contact Point Details in Annexure B.....	27
4.1.1	BSB Number	27
4.2	Times of Exchange	27
4.2.1	File Settlement Instructions	28
4.3	Settlement of obligations.....	28
4.4	Variation of Official Exchange Times	29
4.5	DE File Specifications	29
4.6	Transaction Codes	29
4.7	Return Codes	30
4.8	Refusal Codes	30
4.9	Tracing Requests/Missing Items	31
4.10	Incorrectly Applied Items.....	32
4.11	Errors and Adjustments to Totals of Exchanges	32
4.12	Missorted Items.....	34

4.13	Interest Adjustments	34
4.14	Further Provisions Relating to Interest.....	34
4.15	Losses	34
4.16	Returning/Refusing FI ID Number.....	35
	4.16.1 Unwanted Credit FI ID Number	35
4.17	Reversing FI ID Number	35
4.18	Processing by Account Number Details only	35
4.19	Amount Credited or Debited to the Wrong Account.....	35
4.20	Summary File Specification.....	36
4.21	Encryption of Direct Connection.....	37
PART 5	GENERAL REQUIREMENTS IN RELATION TO USERS.....	38
5.1	Approval and Termination	38
5.2	Compliance by Users	38
5.3	Notification of User Details.....	38
5.4	[Deleted].....	39
5.5	[Deleted].....	39
5.6	[Deleted].....	39
5.7	Change of Credit User FI or Debit User Sponsor.....	39
5.8	Liquidation or Insolvency of User	40
5.9	Change of User's Name and/or Transfer of Business.....	40
5.10	[Deleted].....	42
5.11	Trace Record	42
5.12	User Identification Numbers.....	42
5.13	[Not Used]	43
5.14	Recall Requests	43
5.15	Recall Requests Processed via a Bureau	44
5.16	Return Requests	45
	5.16.1 Reversals	46
	5.16.2 Return Requests – Mistaken Payments	48
5.17	Unposted Items	50
	5.17.1 Unwanted Credits.....	51
5.18	Returns where Trace Record Institution is not Specified or is Incorrect	52
5.19	Refusals	52
5.20	Direct Entry Returned or Refused - Voucher Specifications [Deleted].....	52
5.21	Notification to User of Transfer or Change to Customer's Account within the same Ledger FI	53

5.22	Transitional	53
PART 6	DIRECT CREDIT SYSTEM.....	55
6.1	Persons Authorised to Approve Credit Users	55
6.2	User FI Approval	55
6.3	Approval of Credit User.....	55
6.4	Waiver or variation of 6.3(a).....	55
6.5	User FI Responsibilities	56
6.6	Exchange of Credit Items – Consent of Ledger FI	57
6.7	Ledger FI Responsibilities.....	57
6.7.1	Ledger FI Responsibilities – Availability of Credit Items	58
6.7.2	Account Switching: Switching Initiated by Incoming FI	59
6.7.3	Outgoing FI Obligations - Valid Requests	59
6.7.4	Invalid Requests.....	60
6.7.5	Deemed Receipt	60
6.7.6	Regular Payments List.....	60
6.7.7	Account Switching: Switching Initiated by Customer	60
6.8	Lodgement FI Responsibilities	61
6.9	Transaction Negotiation Authority (TNA)	62
6.10	Change of Lodgement FI by a User or Bureau	63
6.11	Credit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc.	64
6.12	Credit User Application - Stamp Duty	65
6.13	Notification of an Unapplied Credit Item and Request for Information (Superannuation Entities)	65
PART 7	DIRECT DEBIT SYSTEM.....	67
7.1	Framework Participants Authorised to Sponsor Debit Users	67
7.2	Sponsor Approval.....	67
7.3	Debit User Approval – User Identification Number	68
7.4	Direct Debit Requests	68
7.4.1	Requirements for Direct Debit Request	68
7.5	Sponsor Responsibilities.....	70
7.6	Sponsor Indemnification.....	72
7.7	Representative Indemnification.....	73
7.8	Claim Procedures under Sponsor Indemnification and Representative Indemnification	73
7.9	Cancellation of Sponsor Indemnification and Representative Indemnification	77

7.10	Debit User Responsibilities	77
7.11	DDR Service Agreement.....	81
7.12	Ledger FI's Responsibilities	83
	Debit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc. [Deleted]	85
	Debit User Indemnity - Stamp Duty [Deleted]	85
	Account Switching: Switching Initiated by Incoming FI	85
7.12.1	Incoming FI Obligations	85
7.12.2	Outgoing FI Obligations	86
7.12.3	Outgoing FI- Valid Requests	86
7.12.4	Regular Payment List - Indemnity	86
7.12.5	Account Switching: Switching Initiated by Customer	87
7.13	Lodgement FI's responsibilities.....	87
7.14	Printing/Publication of Direct Debit Request	88
7.15	Unpaid Direct Debits	89
PART 8	FILE/ITEM REJECTION.....	90
8.1	Rejection of Individual Items by Receiving Member	90
8.2	Errors Causing File Rejection	90
8.3	Notification of File Rejection.....	91
8.4	Treatment of Unacceptable Files	91
8.5	Technical or Transmission Difficulties	92
PART 9	SETTLEMENT	93
9.1	Date of Settlement	93
9.1.1	Government Payments	94
9.2	Method of Settlement	94
9.2.1	Obligation to Submit File Settlement Instructions	94
9.2.2	Rejection of File Settlement Instructions	94
9.2.3	Obligation to Monitor Accruing Settlement Obligation.....	95
9.2.4	Recalling File Settlement Instructions	95
9.2.5	Disputed Amounts	95
9.2.6	Interest Adjustments	96
9.2.7	Settlement of File Settlement Instructions.....	96
9.2.8	Late Submission of File Settlement Instruction	97
9.2.9	Settlement of File Settlement Instructions at End of Day	97
9.3	Settlement Contact Points.....	98
9.4	Variations to Normal Settlement	98

9.5	RITS Low Value Settlement Service	98
PART 10	CONTINGENCY PROCEDURES.....	99
10.1	Responsibilities	99
10.1.1	Bilaterally Agreed Contingency Exchange – Half yearly Testing	99
10.1.2	Bilaterally Agreed Contingency Exchange – Disabling Event	99
10.2	Options	99
	Member Incident Plan	100
10.3	Magnetic Tape Handling [Deleted]	100
10.4	Physical Medium Exchange Standards.....	100
10.5	Read/Write Format Standards for Physical Medium	101
10.6	Structure of File.....	101
10.7	Blocking Factor [Deleted]	102
10.8	Contact Points.....	102
10.9	Contingency Exchange Arrangements.....	102
10.9.1	Periodic Testing	102
10.10	Bilateral Testing of Contingency Exchange Arrangements.....	103
10.11	Contingency Procedures Testing Certificate.....	104
10.12	Standards For Email File Exchange and Security.....	104
10.13	Email File Exchange Contacts Database.....	106
PART 11	LIABILITY IN THE EVENT OF FRAUD	107
11.1	Fraudulent Items	107
11.2	Fraud – Framework Participant Obligations.....	107
PART 12	DE FILE SPECIFICATIONS.....	108
12.1	Overview	108
12.2	Record Types.....	108
12.3	Character Bit Structure.....	109
12.4	Structure of File.....	109
12.5	Record Format	110
12.6	Publication of DE User Item File Specifications	110
PART 13	USER RECORDS	111
13.1	Guidelines for use of BECS Connect.....	111
13.2	Procedures before entering data.....	111
13.3	Multiple Lodgements by a User.....	111
13.4	BECS Connect operator access	112
13.5	Business continuity	112

PART 14	SUMMARY FILE SPECIFICATION	113
14.1	Overview	113
14.2	Record Types	113
14.3	Character Bit Structure.....	113
14.4	Structure of Summary File	113
14.5	Record Format	113
14.6	Publication of Summary File Specification	114
Annexure A.	Forms.....	115
Annexure B.	Contacts and Contact points.....	116
Annexure C.	DE File Specifications	117
Annexure D.	Specified locations [deleted].....	149
Annexure E.	Approved representation and courier arrangements	150
Annexure F.	Approved electronic exchange arrangements	151
Annexure G.	Financial Institution Identification Numbers.....	152
Annexure H.	Ledger FI Requiring PD-C Lists	153
Annexure I.	Contingency procedures for disabling events	154
Annexure J.	Processing difficulty notification forms	163
Annexure K.	Primary exchange arrangements matrix	167
Annexure L.	Contingency exchange arrangements matrix.....	168
Annexure M.	Contingency file exchange	169

PART 1 INTRODUCTION, INTERPRETATION AND DEFINITIONS

1.1 Definitions

The following words have these meanings in these Procedures unless the contrary intention appears.

“Account Details” means the BSB number and/or the account number.¹

“Appointor” means a Framework Participant or a Non-member which enters into a Representation Arrangement with a Representative and (in the case of a Non-member) provides an undertaking to the Company substantially in the form of Annexure 1 of the Regulations.

“AusPayNet” means Australian Payments Network Limited.²

“AusPayNet Mail Box” means the facility established by the Company for the purposes of facilitating the exchange of requests for Regular Payments Lists, Regular Payments Lists and account switching notices between Framework Participants.³

“Australian Sanctions Regime” means the sanctions regime as administered by the Australian Department of Foreign Affairs and Trade.⁴

“BECS” means Bulk Electronic Clearing System Framework (CS2).

“BECS Connect” means the online application platform administered by AusPayNet which hosts the BUDS and TNA centralised database and workflow system.⁵

“BSB Number” means a BSB Number assigned to a financial institution. BSB Numbers, titles and abbreviations are set out in the Company's current publication entitled "BSB Numbers in Australia".

“BUDS” means BECS UserID Database System.⁶

“Bulk Electronic Clearing System Framework (CS2)” means the framework of systems and procedures contained in the Regulations for:

- (a) the purpose of co-ordinating, facilitating and protecting the conduct and settlement of exchanges of Items between Framework Participants and all aspects of the related clearing cycle; and
- (b) the exchange of financial data.

¹ Inserted effective 20/3/13, version 049 r&p 001.13

² Inserted effective 4/9/17, version 059 r&p 002.17

³ Inserted effective 1/7/12, version 048 r&p 002.12

⁴ Inserted effective 3/10/23, version 067 r&p 002.23

⁵ Inserted effective 16/9/19, version 062 r&p 002.19

⁶ Inserted effective 16/9/19, version 062 r&p 002.19

“Bureau” means a person which either creates a File on behalf of a single User and lodges it with a Lodgement FI or creates Multi-User Files on behalf of more than one User and lodges these with a Lodgement FI on behalf of those Users.

“Chief Executive Officer” means the person appointed as a chief executive officer of the Company under Article 7.13 and a reference in these Procedures 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.⁷

“Claim Request” means a document in the form of Annexure A16.

“Commonwealth Government File”: [Deleted] refer **“Government File”**⁸

“Commonwealth Government Payment”: [Deleted], refer **“Government Payment”**⁹

“Company” means Australian Payments Network Limited (ABN 12 055 136 519).

“Confirmation of Recall” means a document in the form of Annexure A1.

“Contingency” means any Disabling Event and any other event or circumstance specified by the Management Committee for the purposes of Regulation 9.1.¹⁰

“Contingency Exchange Testing Schedule” means the schedule published by the Company and approved by the Management Committee as required but certainly at a minimum of every four years, showing testing partners for all BECS Tier 1 Framework Participants for mandatory testing, each calendar half year, of contingency exchange arrangements pursuant to clause 10.10 of these Procedures. The schedule will be published on the Company’s extranet.¹¹

“Contingency File Exchange Form” means a document, substantially in the form of Annexure M1, used by a sending or Disabled Tier 1 Framework Participant to advise a receiving Tier 1 Framework Participant that a pending/expected file exchange will take place using a bilaterally agreed contingency exchange arrangement (as set out in Annexure L).¹²

“Contingency Procedures” means the procedures in PART 10 and in any contingency plans formulated and approved by the Management Committee under Regulation 9.1.¹³

“Counterparty” means a Tier 1 Framework Participant which receives Items exchanged pursuant to these Procedures, and which is the party identified in the

⁷ Amended effective 21/5/12, version 047 r&p 001.12

⁸ Deleted effective 1/4/02, version 010 r&p 002.02

⁹ Deleted effective 1/4/02, version 010 r&p 002.02

¹⁰ Inserted effective 28/10/96

¹¹ Last amended effective 1/11/08, version 039 r&p 005.08

¹² Inserted effective 30/6/03, version 014 r&p 002.03

¹³ Inserted effective 28/10/96

File Settlement Instruction submitted by an Originator in accordance with these Procedures and the requirements of the RITS Low Value Settlement Service.¹⁴

“Credit Items” includes all credit payment instructions contained in a File, addressed to a Ledger FI, except as may be specifically excluded by the Regulations or these Procedures.

“Credit User” means a person who issues Credit Items through a User FI for distribution to a Ledger FI. Note: A person does not become a Credit User by reason only of issuing Reversing Items.¹⁵

“Credit User Application” means an application in the form of Annexure A2.

“Customer” means the customer of the Ledger FI: ¹⁶

- (a) into whose account(s) a User’s Record Type 1 Credit Items are credited; or
- (b) from whose account(s) a User’s Record Type 1 Debit Items are debited; or
- (c) in respect of whose account(s) a combination of (a) and (b) occurs.

“Customer Claim” means a document in such form as the relevant Ledger FI may approve and, at a minimum, satisfying the requirements of clause 7.8(a)(iii).¹⁷

“Daily Summary Report” means a report containing any additions, deletions or other changes to Users’ details.¹⁸

“DDR” means a Direct Debit Request.¹⁹

“DDR Claims Evidence” means evidence of:

- (a) the authority of a Debit User to debit a Customer’s account and includes: ²⁰
 - (i) a copy of a valid written Direct Debit Request containing the Customer’s signature; or ²¹
 - (ii) in the case of a valid DDR established electronically or by telephone, details of the method used by the Debit User to identify the Customer and indicate the Customer’s approval of the DDR, and records in support; and²²
- (b) provision of, or directing Customer to, the terms and conditions of the applicable DDR Service Agreement.²³

¹⁴ Inserted effective 21/5/12, version 047 r&p 001.12

¹⁵ Last amended effective 4/8/00, version 021 r&p 004.00

¹⁶ Last amended effective 28/10/96

¹⁷ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁸ Amended effective 16/9/19, version 062 r&p 002.19

¹⁹ Inserted effective 31/3/00, version 019 r&p 001.00

²⁰ Amended effective 1/9/25, version 071 r&p 001.25

²¹ Amended effective 1/9/25, version 071 r&p 001.25

²² Amended effective 1/9/25, version 071 r&p 001.25

²³ Inserted effective 1/9/25, version 071 r&p 001.25

Note: a valid DDR may be supported by evidence of a switch or change of account²⁴.

“DDR Compliance Date” [Deleted]²⁵

“DDR Implementation Date” [Deleted]²⁶

“DDR Service Agreement” means a Debit User’s binding agreement given for the benefit of a Customer as to the basis on which it will provide direct debit services to that Customer through BECS, in such form as the relevant Sponsor may approve, and, at a minimum, satisfying the requirements of clause 7.11.²⁷

“DDR Transitional Period” [Deleted]²⁸

“Debit Items” includes all debit payment instructions, contained in a File, addressed to a Ledger FI, except as may be specifically excluded by the Regulations or these Procedures.

“Debit User” means a person who issues Debit Items through a User FI for distribution to a Ledger FI. Note: A person does not become a Debit User by reason only of issuing Reversing Items.²⁹

“Debit User/Credit User - Change of Name or Other Details Advice” means an advice of supplementary change of name or other details for a Debit User or Credit User in the form of Annexure A17.³⁰

“Debit User Indemnity” [Deleted]³¹

“Debit User - Transfer of Business Advice” means an advice of supplementary transfer of business details for a Debit User in the form of Annexure A18.³²

“Deferred Settlement Obligation” has the meaning given in clause 9.2.6.³³

“DE File Reversal Specifications” means the technical specifications set out in Annexure C5 for Reversal Files.³⁴

“DE File Specifications” means DE File User Item Specifications, DE File Return Specifications, DE File Refusal Specifications and DE File Reversal Specifications. (See PART 12 and Annexures C1, C2, C3 and C5).³⁵

²⁴ Inserted effective 1/9/25, version 071 r&p 001.25

²⁵ Deleted effective 5/7/19, version 061 r&p 001.19

²⁶ Deleted effective 5/7/19, version 061 r&p 001.19

²⁷ Last amended effective 1/9/25, version 071 r&p 001.25

²⁸ Deleted effective 5/7/19, version 061 r&p 001.19

²⁹ Last amended effective 4/8/00, version 021 r&p 004.00

³⁰ Last amended effective 24/1/12, version 046 r&p 005.11

³¹ Deleted effective 31/3/00, version 019 r&p 001.00

³² Inserted effective 14/12/95

³³ Inserted effective 25/11/13, version 051 r&p 004.13

³⁴ Inserted effective 4/8/00, version 021 r&p 004.00

³⁵ Last amended effective 4/8/00, version 021 r&p 004.00

“DE File User Item Specifications” means the technical specifications set out in Annexure C1 for Record Type 1 Credit Items and Debit Items issued by Users.³⁶

“DES Advice” means a Direct Entry System Advice in the form of Annexure A4.

“Detail Record” in relation to any Item, means the record on the relevant File which contains information on that Item. (See Annexures C1, C2, C3 and C5).³⁷

“DE File Refusal Specifications” means the technical specifications set out in Annexure C3 for Refusal Files.³⁸

“DE File Return Specifications” means the technical specifications set out in Annexure C2 for Return Files.³⁹

“Direct Debit Cancellation Request” means a document in the form of Annexure A21.⁴⁰

“Direct Debit Request” means an authority and request to debit amounts to a specified account of a Customer with the Ledger FI satisfying the requirements of clause 7.4.1.⁴¹

“Direct Entry Returned or Refused - Debit Voucher” [Deleted]⁴²

“Disabling Event” means any:⁴³

- (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 exchanges of Items (including Record Type 1 Items issued by any User, Returned Items, Refused Items and Reversing Items).

“Disabled Framework Participant” means a Framework Participant experiencing a disabling event which affects their ability to participate in the normal (primary) exchange and/or processing of data file(s) in the Framework.⁴⁴

“ePayments Code” means the electronic payments code issued by ASIC in September 2011, as updated from time to time, including any substitute document howsoever entitled.⁴⁵

³⁶ Inserted effective 28/10/96

³⁷ Last amended effective 4/8/00, version 021 r&p 004.00

³⁸ Inserted effective 28/10/96

³⁹ Inserted effective 28/10/96

⁴⁰ Amended effective 1/7/12, version 048 r&p 002.12

⁴¹ Last amended effective 1/9/25, version 071 r&p 001.25

⁴² Deleted effective 31/3/04, version 018 r&p 003.04

⁴³ Last amended effective 4/8/00, version 021 r&p 004.00

⁴⁴ Inserted effective 23/9/02, version 004 r&p 007.02

⁴⁵ Amended effective 3/6/23, version 066 r&p 001.23

“Error Adjustment Voucher” [Deleted]⁴⁶

“Error of Magnitude” is an error (or a series of errors on the one exchange) of or exceeding \$2 million.⁴⁷

“Evening Settlement Session” has the meaning given in the RITS Regulations.⁴⁸

“Exchange Settlement Funds” has the meaning given in the RITS Regulations.⁴⁹

“Exchange Summary” [Deleted]⁵⁰

“Exchange Summary Data File Transfer Facility” [Deleted]⁵¹

“Failure to Match Rules” [Deleted]⁵²

“File Cleansing” [Deleted]⁵³

“File Cleansing Lists” [Deleted]⁵⁴

“File” means one or more Items in an electronic format (and, for the avoidance of doubt, includes Files containing Record Type 1 Items issued by any User, Return Files, Refusal Files and Reversal Files). (See PART 12 and Annexures C1, C2, C3 and C5 for required specifications).⁵⁵

“File Recall Instruction” means a file in the format prescribed by the Reserve Bank of Australia and complying with the specifications for the RITS Low Value Settlement Service which can be accessed via a link on the Company’s extranet.⁵⁶

“File Recall Response” means a response to a File Recall Instruction, generated by the RITS Low Value Settlement Service.⁵⁷

“File Settlement Advice” means an advice in relation to a File Settlement Instruction, generated by the RITS Low Value Settlement Service.⁵⁸

“File Settlement Instruction” means a file in the format prescribed by the Reserve Bank of Australia and complying with the specifications for the RITS Low Value Settlement Service which can be accessed via a link on the Company’s extranet.⁵⁹

⁴⁶ Deleted effective 31/3/04, version 018 r&p 003.04

⁴⁷ Last amended effective 12/7/09, version 041 r&p 002.09

⁴⁸ Inserted effective 23/11/13, version 051 r&p 004.13

⁴⁹ Inserted effective 21/5/12, version 047 r&p 001.12

⁵⁰ Deleted effective 21/5/12, version 047 r&p 001.12

⁵¹ Deleted effective 21/5/12, version 047 r&p 001.12

⁵² Deleted effective 21/5/12, version 047 r&p 001.12

⁵³ Deleted effective 14/12/95

⁵⁴ Deleted effective 14/12/95

⁵⁵ Last amended effective 4/8/00, version 021 r&p 004.00

⁵⁶ Inserted effective 21/5/12, version 047 r&p 001.12

⁵⁷ Inserted effective 21/5/12, version 047 r&p 001.12

⁵⁸ Inserted effective 21/5/12, version 047 r&p 001.12

⁵⁹ Inserted effective 21/5/12, version 047 r&p 001.12

“File Settlement Response” means a response to a File Settlement Instruction, generated by the RITS Low Value Settlement Service.⁶⁰

“Framework” has the meaning set out in the Constitution.⁶¹

“Framework Participant” means a body corporate which in accordance with the Regulations is a participant in BECS.⁶²

“Form PD C” [Deleted]⁶³

“Government File” means a File containing Government Payments.⁶⁴

“Government Payment” means a Credit Item which is:⁶⁵

- (a) initiated by a Credit User which is:
 - (i) a Commonwealth or State Government department, instrumentality or agency, or
 - (ii) some other statutory body wholly owned or controlled, directly or indirectly, by the Commonwealth Government or a State Government and approved by the Management Committee, and
- (b) subject to arrangements to the contrary under any bilateral agreement, transmitted in a File which specifies as the PD Day the next business day after the date of the exchange of the File and with a Receiving Dataset nominated under clause 6.7(f).

“Guidelines for Establishing Direct Debit Requests over the Internet” means the document entitled as such issued and varied by the Company from time to time including any substitute document howsoever entitled.⁶⁶

“Guidelines for Mistaken Payments” means the document entitled as such and issued and varied by the Company from time to time including any substitute document howsoever entitled.⁶⁷

“Incoming FI” means a Ledger FI which makes a request under clause 6.7.2 or clause 7.12.1.⁶⁸

“Inter-bank Settlement Interest Rate” means the interest rate determined in accordance with clause 9.2.6.⁶⁹

⁶⁰ Inserted effective 21/5/12, version 047 r&p 001.12

⁶¹ Inserted effective 1/7/14, version 053 r&p 002.14

⁶² Amended effective 1/7/14, version 053 r&p 002.14

⁶³ Deleted effective 19/10/15, version 055 r&p 001.15

⁶⁴ Last amended effective 1/4/02, version 010 r&p 002.02

⁶⁵ Last amended effective 1/4/02, version 010 r&p 002.02

⁶⁶ Inserted effective 31/3/04, version 018 r&p 003.04

⁶⁷ Inserted effective 20/3/13, version 049 r&p 001.13

⁶⁸ Inserted effective 1/7/12, version 048 r&p 002.12

⁶⁹ Amended effective 21/5/12, version 047 r&p 001.12

“Inter-organisation Compensation Rules” means the document (as amended or replaced) known as the Inter-organisation Compensation Rules, Publication No. 6.1 of the Company.⁷⁰

“International Funds Transfer Instructions or IFTI” has the meaning given to it in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).⁷¹

“Interposed Institution” has the meaning given to it in s64 of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).⁷²

“Items” means Credit Items and Debit Items (and, for the avoidance of doubt, includes Record Type 1 Items issued by any User, Returned Items, Refused Items and Reversing Items).⁷³

“Ledger FI” means in relation to an Item, the Framework Participant or Appointor to which the Item is addressed.

“Linking Indemnity” [Deleted].⁷⁴

“Lodgement FI” means a Framework Participant or Appointor with which Files are lodged.

“LVSS” means the RITS Low Value Settlement Service.⁷⁵

“LVSS BCP Arrangements” means the contingency plan and associated documents published by the Reserve Bank of Australia for the purposes of the RITS Low Value Settlement Service, and which can be accessed via a link on the Company’s extranet.⁷⁶

“LVSS Contact” means the person nominated by a Tier 1 Framework Participant as its primary contact for LVSS enquiries, as listed in Annexure B.⁷⁷

“Management Committee” means the committee constituted pursuant to Part 7 of the Regulations.

“Missorted Item” means an Item received in an exchange and for which the BSB Number does not belong to the Receiving Member or any Appointor of that Receiving Member.⁷⁸

“Mistaken Payment” means an Item lodged by a Sending Member pursuant to a payment instruction given by a customer who benefits from the provisions of the ePayments Code, where the Item was lodged in error because that customer

⁷⁰ Inserted effective 13/6/01, version 004 r&p 004.01

⁷¹ Inserted effective 3/10/23, version 067 r&p 002.23

⁷² Inserted effective 3/10/23, version 067 r&p 002.23

⁷³ Last amended effective 4/8/00, version 021 r&p 004.00

⁷⁴ Deleted effective 31/3/00, version 019 r&p 001.00

⁷⁵ Inserted effective 21/5/12, version 047 r&p 001.12

⁷⁶ Inserted effective 21/5/12, version 047 r&p 001.12

⁷⁷ Inserted effective 21/5/12, version 047 r&p 001.12

⁷⁸ Inserted effective 28/10/96

provided incorrect Account Details, as a result of error or of being advised of the wrong Account Details.⁷⁹

Note: The definition of mistaken internet payment is intended to relate to typographical errors when inputting an identifier or selecting the incorrect identifier from a list. It is not intended to cover situations in which the user transfers funds to the recipient as a result of a scam.⁸⁰

“Morning Settlement Session” has the meaning given in the RITS Regulations.⁸¹

“Multilateral Intraday Settlement” means the multilateral net settlement of obligations which is scheduled to occur in RITS five times each day that RITS is open, between approximately:⁸²

- (a) 10.45am and 11.15am;
- (b) 1.45pm and 2.15pm;
- (c) 4.45pm and 5.14pm;
- (d) 7.15pm and 7.45pm; and
- (e) 9.15pm and 9.30pm.

“Multi-User File” means media containing more than one File.

“National Collator” [Deleted].⁸³

“National Public Holiday” means any day which is gazetted as a public holiday in each State and Territory in Australia.⁸⁴

“Nine AM (9am) Settlement” means the multilateral net settlement of obligations arising from previous days’ clearings of low value payments which occurs in RITS at approximately 9am each business day that RITS is open.⁸⁵

“Notification of Reversal of Items Sent in Error” [Deleted].⁸⁶

“Notice of Redirection of a Direct Entry Item” means a notice in the form set out in Annexure A10.

“Notice of Unapplied Credit Item (Superannuation)” means a document substantially in the form of Annexure A26.⁸⁷

⁷⁹ Inserted effective 20/3/13, version 049 r&p 001.13

⁸⁰ Inserted effective 3/6/23, version 066 r&p 001.23

⁸¹ Amended effective 21/5/12, version 047 r&p 001.12

⁸² Inserted effective 23/11/13, version 051 r&p 004.13

⁸³ Deleted effective 20/8/04, version 021 r&p 006.04

⁸⁴ Inserted effective 17/1/11, version 044 r&p 004.10

⁸⁵ Inserted effective 21/5/12, version 047 r&p 001.12

⁸⁶ Deleted effective 11/6/08, version 038 r&p 004.08

⁸⁷ Inserted effective 1/12/08, version 039 r&p 006.08

“9.00am Funds” [Deleted]⁸⁸

“Notice of Variation of Account Details” means a direction to a Debit User or Credit User to change the account to be debited or credited substantially in the form of Annexure A24.⁸⁹

Note: the Notice of Variation of Account Details is designed to replace previous version of Annexure A24 (Switch of Financial Institution and Account Details). By signing a single Notice of Variation of Account Details, the customer authorises:

1. *the Ledger FI under clauses 6.7.7 and 7.12.5; or*
2. *the Incoming FI under clauses 6.7.2 or 7.12.1,*

to notify those Debit Users and Credit Users, with whom the customer has direct debit arrangements and credit arrangements, via the relevant Sponsors and User FIs, of the change to the customer's financial institution and account details.

“Official Government File Exchange Time” means the times referred to as such in clause 4.2.⁹⁰

“Official Exchange Times” means the times referred to as such in clause 4.2.⁹¹

“Originator” means a Tier 1 Framework Participant which, as a result of an outward exchange of Items to another Tier 1 Framework Participant, is responsible for the submission of a File Settlement Instruction and, if necessary, a File Recall Instruction, in accordance with these Procedures and the requirements of the RITS Low Value Settlement Service.⁹²

“Outgoing FI” means a Ledger FI which receives a request to provide a Regular Payments List under clause 6.7.2 or clause 7.12.1.⁹³

“Participating Member” [Deleted]⁹⁴

“Personal Account” means a transaction account that is owned by one or more persons (either individually or jointly) for non-business purposes. Any account owned by a corporation is not a Personal Account.⁹⁵

“PD Day” means in relation to a File the day on which that File is to be processed, following exchange of the File by the Lodgement FI, and in relation to an Item, the day on which the File containing that Item is to be processed following exchange of the File by the Lodgement FI.⁹⁶

⁸⁸ Deleted effective 21/5/12, version 047 r&p 001.12

⁸⁹ Inserted effective 1/7/12, version 048 r&p 002.12

⁹⁰ Last amended effective 1/4/02, version 010 r&p 002.02

⁹¹ Inserted effective 28/10/96

⁹² Inserted effective 21/5/12, version 047 r&p 001.12

⁹³ Inserted effective 1/7/12, version 048 r&p 002.12

⁹⁴ Deleted effective 1/7/14, version 053 r&p 002.14

⁹⁵ Last amended effective 18/1/02, version 008 r&p 008.01

⁹⁶ Last amended effective 18/1/02, version 008 r&p 008.01

“PDN” means a Processing Difficulty Notification form, substantially in the form of Annexure J, used by a Framework Participant to notify other Framework Participants of a processing difficulty or Disabling Event in accordance with paragraph 3.3 of Annexure I.⁹⁷

“Recall” means a recall of the entire amount of an Item or File prior to the exchange of the Item or File.

“Receiving Dataset” means, in relation to the transmission of a File, the receiving destination details for that File, nominated by the Ledger FI to which that File is addressed.⁹⁸

“Receiving Member” in relation to any Item (including Record Type 1 Items issued by any User, Returned Items and Refused Items), means the Framework Participant (whether or not it is the institution to which that Item is addressed) to which such Item is in fact delivered by the Sending Member.⁹⁹

“Record Type” has the same meaning as in clause 12.2 and Annexures C1, C2, C3 and C5, and clause 14.2 and Annexure C6. Any reference to any particular Record Type means that particular Record Type specified in clause 12.2 and, as applicable, the DE File User Item Specifications (Annexure C1), DE File Return Specifications (Annexure C2), DE File Refusal Specifications (Annexure C3) and DE File Reversal Specifications (Annexure C5), and in clause 14.2 and, as applicable, the Summary File Specification (Annexure C6).¹⁰⁰

“Refusal” means refusal to accept a Returned Item.¹⁰¹

“Refusal Codes” means the codes specified as such in clause 4.8. Any reference to a particular Refusal Code means that particular Refusal Code specified in clause 4.8.¹⁰²

“Refusal File” means a File containing Refused Items. (See PART 12 and Annexure C3 for required Specifications).¹⁰³

“Refused Item” means, in relation to any Returned Item, an Item which is used to effect Refusal (using Record Type 3) by the Receiving Member of that Returned Item.¹⁰⁴

“Regular Payments List” means a list of recurring Debit Items and Credit Items applied to a Personal Account within the last 13 months, substantially in the form of Annexure A25.¹⁰⁵

“Regulations” means the regulations of BECS as prescribed by the Company.

⁹⁷ Amended effective 10/10/16, version 057 r&p 002.16

⁹⁸ Inserted effective 18/1/02, version 008 r&p 008.01

⁹⁹ Last amended effective 28/10/96

¹⁰⁰ Last amended 28/10/05

¹⁰¹ Inserted effective 28/10/96

¹⁰² Inserted effective 28/10/96

¹⁰³ Inserted effective 28/10/96

¹⁰⁴ Inserted effective 28/10/96

¹⁰⁵ Amended effective 1/7/12, version 048 r&p 002.12

“Required Transfer Information” has the meaning given to it in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth).¹⁰⁶

“Return” means return of the value of a Credit Item or Debit Item, in accordance with clause 5.16, to the person entitled to receive such value after the exchange of that Item.¹⁰⁷

“Return File” means a File containing Returned Items (See PART 12 and Annexure C2 for required specifications).¹⁰⁸

“Returned Item” means, in relation to any Record Type 1 Item issued by a User, an Item which is used to effect return (using Record Type 2) by the Receiving Member of that User’s Item.¹⁰⁹

“Returning/Refusing FI ID Number” means the special identification number assigned to a Framework Participant by the Company under clause 4.6.¹¹⁰

“Reversal” means the reversal, in accordance with clause 5.16.1, of a Record Type 1 Item, issued by a User, Bureau or Sending Member that has been sent in error.¹¹¹

“Reversal File” means a File containing Reversing Items (see PART 12 and Annexure C5 for required specifications).¹¹²

“Reversing FI” means a Framework Participant that initiates a Reversal File. Note: The Reversing FI ID Number of that Framework Participant appears in the Reversal File.¹¹³

“Reversing FI ID Number” means the special identification number assigned to a Framework Participant by the Company under clause 4.17.¹¹⁴

“Reversing Item” means an Item which is used to effect a Reversal.¹¹⁵

“RITS” means the Reserve Bank Information and Transfer System.

“RITS Low Value Settlement Service” means the Reserve Bank’s settlement file transfer facility which must be used by each Tier 1 Framework Participant:¹¹⁶

- (a) to submit File Settlement Instructions and associated File Recall Instructions; and

¹⁰⁶ Inserted effective 3/10/23, version 067 r&p 002.23

¹⁰⁷ Last amended effective 24/11/03, version 016 r&p 004.03

¹⁰⁸ Inserted effective 25/5/07, version 034 r&p 003.07

¹⁰⁹ Inserted effective 4/8/00, version 021 r&p 004.00

¹¹⁰ Inserted effective 28/10/96

¹¹¹ Last amended effective 25/5/07, version 034 r&p 003.07

¹¹² Inserted effective 25/5/07, version 034 r&p 003.07

¹¹³ Inserted effective 4/8/00, version 021 r&p 004.00

¹¹⁴ Inserted effective 4/8/00, version 021 r&p 004.00

¹¹⁵ Inserted effective 4/8/00, version 021 r&p 004.00

¹¹⁶ Inserted effective 21/5/12, version 047 r&p 001.12

- (b) if it so elects, to receive File Settlement Advices, File Settlement Responses and File Recall Responses.

“RITS Regulations” means the regulations for RITS published by the Reserve Bank of Australia.¹¹⁷

“Sending Member” in relation to any Item (including Record Type 1 Items issued by any User, Returned Items and Refused Items), means the Framework Participant which delivers that Item to a Receiving Member.¹¹⁸

“Settlement Session” [Deleted]¹¹⁹

“Specified Location” [Deleted]¹²⁰

“Sponsor” means a Framework Participant which sponsors a Debit User pursuant to PART 7.

“Summary File” means a File containing summary information relating to a File or Government File (see PART 14 and Annexure C6 for required specification).¹²¹

“Summary File Specification” means the technical specification set out in Annexure C6 for a Summary File.¹²²

“Superannuation Entity” has meaning given to that term in the Superannuation Industry (Supervision) Act 1993.¹²³

“Switch of Financial Institution and Account Details” [Deleted]¹²⁴

“Switching Customer” means a person who has an account with the Outgoing FI and has opened a new account with the Incoming FI.¹²⁵

“TNA” means an authority (substantially in the form set out in Annexure A8) entitled "Transaction Negotiation Authority" given by a TNA Issuer to a Lodgement FI (in the manner set out in clause 6.9) to process a File containing a User's Credit Items, the total of which do not exceed a specified amount during a specified frequency.¹²⁶

“TNA Issuer” in relation to a TNA in support of a Credit User's File means the relevant User FI or, to the extent that the Credit User's funding account is held with a Framework Participant or Appointor which is not the User FI, that Framework Participant or Appointor.¹²⁷

¹¹⁷ Inserted effective 21/5/12, version 047 r&p 001.12

¹¹⁸ Last amended effective 28/10/96

¹¹⁹ Deleted effective 21/5/12, version 047 r&p 001.12

¹²⁰ Deleted effective 28/10/96

¹²¹ Inserted effective 28/10/05

¹²² Inserted effective 28/10/05

¹²³ Inserted effective 1/12/08, version 039 r&p 006.08

¹²⁴ Deleted effective 1/1/12, version 043 r&p 002.12

¹²⁵ Inserted effective 1/1/12, version 043 r&p 002.12

¹²⁶ Last amended 16/9/19, version 062 r&p 002.19

¹²⁷ Inserted effective 14/12/95

“Trace Record” means the BSB Number and account number to which an Item (including any Record Type 1 Item issued by any User, any Returned Item, any Refused Item and any Reversing Item) must be returned if it cannot be applied. A Trace Record must be the User’s own account or an account which the User has authority to operate and/or use as a Trace Record. The Trace Record is to be included in character positions 81 to 96 inclusive of a Detail Record (refer clause 5.11 and Annexure C1).¹²⁸

Note: In many cases the Trace Record is also used to satisfy the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) concerning the inclusion of Tracing Information in electronic funds transfer instructions. Please refer to Part 5 of the Act for details.

“Trace Record Institution” in relation to any Item (including Record Type 1 Items issued by any User, Returned Items, Refused Items and Reversing Items) means the financial institution specified (by reference to its BSB Number) in the Trace Record for that Item.¹²⁹

“Unwanted Credit” means a direct entry credit payment to a Customer account where the Customer cannot identify the source or the reason for the payment.¹³⁰

“Unwanted Credit FI ID Number” means the special identification number assigned to a Framework Participant by the Company under clause 4.16.1.¹³¹

“User” means a Debit User or a Credit User.

“User FI” means, in respect of a User at any time, the Framework Participant or Appointor which at that time represents the User in BECS.

“User Identification Number” means in relation to a User, its User Identification Number assigned to it in accordance with clause 5.12.

“Valid Claim” has the meaning ascribed to that term in clause 7.6.

“Valid Request” means a request for a Regular Payments List:¹³²

- (a) made by an Incoming FI on behalf of a Switching Customer;
- (b) in writing;
- (c) relating to a Personal Account;
- (d) signed by the Switching Customer and each person whose signature is required to operate the particular Personal Account;

¹²⁸ Last amended effective 27/7/07, version 035 r&p 005.07

¹²⁹ Last amended effective 4/8/00, version 021 r&p 004.00

¹³⁰ Inserted effective 15/5/17, version 058 r&p 001.17

¹³¹ Inserted effective 15/5/17, version 058 r&p 001.17

¹³² Inserted effective 1/7/12, version 048 r&p 002.12

- (e) specifying account information which corresponds with the Outgoing FI's account identification information for that Switching Customer, including BSB and account number and the names of persons authorised to operate the account; and
- (f) submitted to the Outgoing FI via the AusPayNet Mail Box.

1.2 Interpretation¹³³

In these Procedures, except where the context requires otherwise:

- (a) "person" includes a firm, a body corporate, an unincorporated association or an authority;¹³⁴
- (b) the singular includes the plural and vice versa; and
- (c) a reference to a statute, code or the Corporations Law (or to a provision of a statute, code or the Corporations Law) means the statute, the code, the Corporations Law 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 Law or the provision;
- (d) a requirement to:¹³⁵
 - (i) give any information in writing (which, without limitation, includes making a claim or request or providing an authority, notification or advice);
 - (ii) retain a document; or
 - (iii) produce or deliver a document,

may be done by means of an electronic communication generated by a method which enables that information or the information contained in that document to be readily accessible so as to be useable for subsequent reference and which provides a reasonable means of assuring the integrity of that information or the information contained in that document, except to the extent the validity of that means of electronic communication is otherwise limited by any applicable law;¹³⁶
- (e) a requirement for a signature of a person may be met in relation to an electronic communication if a method is used to identify that person and indicate that person's approval of the information communicated, provided that:¹³⁷

¹³³ Last amended effective 1/1/23, version 065 r&p 003.22

¹³⁴ Last amended effective 31/3/00, version 019 r&p 001.00

¹³⁵ Inserted effective 31/3/00, version 019 r&p 001.00

¹³⁶ Last amended effective 31/3/04, version 018 r&p 003.04

¹³⁷ Last amended effective 10/9/01, version 006 r&p 006.01

- (i) the person to whom the signature is required to be given consents to the signature being given by way of that method (The requirement in this clause 1.2(e)(i) does not apply if a reproduction of the Customer's signature appears in the electronic communication); and¹³⁸
- (ii) either:¹³⁹
 - (A) having regard to all the relevant circumstances at the time the method was used, the method was as reliable as reasonably appropriate for the purposes for which the information was communicated; or¹⁴⁰
 - (B) if the Management Committee has specified that such method be in accordance with particular information technology requirements (including whether hardware, software or otherwise) or procedural/process requirements, these requirements have been met.¹⁴¹
- (f) a reference to a Direct Debit Request in relation to a Debit User is to be taken to include a Direct Debit Request referable to a third-party Debit User from which the relevant Debit User has acquired a business involving direct debit arrangements under BECS, which continued after that acquisition for the benefit of the relevant Debit User.¹⁴²
- (g) where these Procedures permit a Framework Participant to use facsimile or email as methods of sending and receiving requests to another Framework Participant, those communications should be consistent with any prudential guidance issued by the Australian Prudential Regulation Authority (APRA) on information security.¹⁴³
- (h) Words defined in the Corporations Law have, unless the contrary intention appears, the same meaning in these Procedures.
- (i) Words defined in the Regulations have, unless the contrary intention appears, the same meaning in these Procedures.
- (j) These Procedures have been determined by the Management Committee and take effect on the date specified by the Chief Executive Officer pursuant to Regulation 1.2.
- (k) Headings are inserted for convenience and do not affect the interpretation of these Procedures.

¹³⁸ Last amended effective 1/11/08, version 039 r&p 005.08

¹³⁹ Last amended effective 31/3/04, version 018 r&p 003.04

¹⁴⁰ Last amended effective 31/3/04, version 018 r&p 003.04

¹⁴¹ Last amended effective 31/3/04, version 018 r&p 003.04

¹⁴² Last amended effective 1/9/25, version 071 r&p 001.25 Note: 1.2(g) deleted effective 1/9/25, version 071 r&p 001.25, so subsequent references have been updated

¹⁴³ Inserted effective 7/12/20, version 063 r&p 001.20

1.3 Inconsistency with Articles or Regulations

- (a) If a provision of the Regulations or these Procedures is inconsistent with a provision of the Articles, the provision of the Articles prevails.
- (b) If a provision of these Procedures is inconsistent with a provision of the Regulations, the provision of the Regulations prevails.

1.4 Governing Law

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

1.5 Copyright

Copyright in these Procedures is vested in the Company.

1.6 Application of Procedures

The procedures contained in these Procedures apply to the Framework commonly known or referred to as the direct entry system, whereby payment instructions are exchanged electronically in bulk. If any other bulk electronic clearing systems or Frameworks evolve over time which are subject to the Regulations and for which the Management Committee becomes responsible, additional separate procedures will be required for those systems.

1.7 Relationship to other Legislation and compliance requirements¹⁴⁴

Pursuant to Regulation 4.2(c), all Framework Participants must be able to comply with all applicable laws. In particular, and without limitation to any other laws which may apply, Framework Participants must comply with all applicable sections of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated reporting obligations in the processing of any data file(s) in the Framework.

Note: Framework Participants are expected to be aware of, and comply with, their obligations in relation to international funds transfer instructions (IFTI) and the Australian Sanctions Regime for the purposes of processing, screening, monitoring and reporting transactions. In particular, it is expected that any Framework Participant that is the first recipient of an inbound IFTI will report the IFTI to AUSTRAC, perform adequate sanctions screening in compliance with Australian laws, and ensure the data file(s) has the Required Transfer Information if the Framework Participant is an interposed Institution and chooses to on-send the data file(s) via the Framework.

The next page is Part 2

¹⁴⁴ Inserted effective 3/10/23, version 067 r&p 002.23

PART 2 EFFECT

These Procedures have the effect set out in Part 2 of the Regulations.

The next page is Part 3

PART 3 PROCEDURES AND AMENDMENT

3.1 Conduct of Clearings

Pursuant to Regulation 11.1 and in addition to and subject to the Regulations, the conduct of clearings effected between Framework Participants and the settlement of balances arising as a result of the exchange of Items must be undertaken in accordance with the practices, procedures, standards and specifications specified in these Procedures.

3.2 Amendment

These Procedures may be varied by the Management Committee in accordance with Regulation 11.3 and this clause 3.2 of these Procedures. Any variation to these Procedures must contain an editorial note setting out the effective date of such variation.

Each:

- (a) Framework Participant must notify the Company of any changes to its contact points as specified in Annexure B in accordance with clause 4.1; and¹⁴⁵
- (b) Tier 1 Framework Participant must notify the Company of any changes to its Primary Exchange Arrangements as specified in Annexure K or its Contingency Exchange Arrangements in Annexure L in accordance with clause 10.2.¹⁴⁶

The Chief Executive Officer may vary Annexure B, Annexure K and Annexure L in accordance with any such notification without the need to obtain the approval of the Management Committee or any other person, provided that a variation to Annexure K or Annexure L may only be made if both of the relevant Tier 1 Framework Participants have notified the Company of the change.¹⁴⁷

The Chief Executive Officer may vary Annexure F, Annexure G1 and Annexure G2 as may be required to ensure that they are accurate and up to date without the need to obtain the approval of the Management Committee or any other person.¹⁴⁸

A variation made by the Chief Executive Officer pursuant to this clause 3.2 will, upon publication by the Company, be binding on Framework Participants.¹⁴⁹

The next page is Part 4

¹⁴⁵ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁴⁶ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁴⁷ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁴⁸ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁴⁹ Last amended effective 11/6/08, version 038 r&p 004.08

PART 4 GENERAL OPERATIONAL REQUIREMENT

4.1 Centralised Contact Point Details in Annexure B¹⁵⁰

Each Framework Participant must nominate, in writing to the Company, contact points for the handling of various operational issues or processes, including settlement of payment obligations via the RITS Low Value Settlement Service, as specified in these Procedures. Details for these contact points are published in Annexure B – Centralized Contact Points.¹⁵¹

Framework Participants must advise the Company, in writing, of changes to these contact details, not less than 5 business days prior to such changes taking effect, clearly identifying the effective date in their advice.¹⁵²

4.1.1 BSB Number

- (a) To facilitate participation in BECS each Framework Participant and each other financial institution which participates in BECS must have a BSB Number.¹⁵³
- (b) If a Framework Participant or other financial institution has not already been allocated a BSB Number by virtue of its participation in another Framework managed by the Company (which BSB Number is also valid for BECS), a prospective Framework Participant must request allocation of a BSB Number from the Company when applying to join BECS. Any other financial institution must have or receive a BSB Number from the Company before it takes any action in connection with BECS.

4.2 Times of Exchange

Official Exchange Times for Files other than Government Files are 10.00am, 1.00pm, 4.00pm, 6.30pm, 8.45pm and 10.30pm Sydney time each Monday to Friday, excluding National Public Holidays. Official Exchange Times for Government Files are 7.00am, 6.15pm and 9.00pm Sydney time each Monday to Friday excluding National Public Holidays on the business day prior to PD Day. Exchanges of Files with a same day PD Day (on any day on which they are permitted) must be completed by 10.00pm. Each Tier 1 Framework Participant may only commence transmitting Files (including Files containing Record Type 1 Items issued by any User, any Return Files, any Refusal Files):¹⁵⁴

- (a) with respect to Files other than Government Files, at any Official Exchange Time;¹⁵⁵
- (b) with respect to Government Files, at any Official Government File Exchange Time; or¹⁵⁶

¹⁵⁰ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁵¹ Last amended effective 21/5/12, version 047 r&p 001.12

¹⁵² Last amended effective 1/1/12, version 043 r&p 002.12

¹⁵³ Last amended effective 11/6/08, version 038 r&p 004.08

¹⁵⁴ Last amended effective 23/11/13, version 051 r&p 004.13

¹⁵⁵ Last amended effective 1/4/02, version 010 r&p 002.02

¹⁵⁶ Last amended effective 1/4/02, version 010 r&p 002.02

(c) otherwise by bilateral agreement.¹⁵⁷

Each Tier 1 Framework Participant must be ready and able to receive transmissions of Files commenced at any Official Exchange Time or Official Government File Exchange Time.¹⁵⁸

Each Tier 1 Framework Participant is encouraged to transmit Files other than Government Files at each of the Official Exchange Times each Monday to Friday excluding National Public Holidays.¹⁵⁹

Each Tier 1 Framework Participant should ensure that each File transmitted by the Tier 1 Framework Participant contains all Items available for exchange at that time.¹⁶⁰

For the avoidance of doubt and notwithstanding any other provision in these Procedures, if a File is exchanged at the 10.30pm Official Exchange Time then:¹⁶¹

- (a) the PD Day for that File is the business day after it is exchanged; and
- (b) settlement for that File is to be effected, in accordance with PART 9, on the PD Day.¹⁶²

Tier 1 Framework Participants may agree bilaterally to exchange Files at other times, provided the Tier 1 Framework Participants observe all other provisions of the Regulations and these Procedures.¹⁶³

4.2.1 File Settlement Instructions

At, or around, the time of transmission of each File or Government File, the transmitting Tier 1 Framework Participant must submit a File Settlement Instruction to the RITS Low Value Settlement Service, specifying the amount owed to, or by, its Counterparty, calculated by reference to the net value of Credit Items and Debit Items contained in the File or Government File transmitted to the Counterparty at that exchange time.¹⁶⁴

4.3 Settlement of obligations

Settlement of obligations arising from exchange of Files, other than Government Files, will be effected in terms of PART 9 of these Procedures regardless whether exchanges are conducted at Official Exchange Times or by bilateral agreement. Settlement of obligations arising from exchange of Government Files will be effected in terms of clause 9.1.1 of these Procedures, regardless of whether exchanges are conducted at Official Government File Exchange Times or by bilateral agreement.¹⁶⁵

¹⁵⁷ Inserted effective 18/1/02, version 008 r&p 008.01

¹⁵⁸ Last amended effective 3/10/06, version 031 r&p 004.06

¹⁵⁹ Last amended effective 23/11/13, version 051 r&p 004.13

¹⁶⁰ Last amended effective 3/10/06, version 031 r&p 004.06

¹⁶¹ Last amended effective 14/9/09, version 041 r&p 002.09

¹⁶² Last amended effective 23/11/13, version 051 r&p 004.13

¹⁶³ Last amended effective 3/10/06, version 031 r&p 004.06

¹⁶⁴ Inserted effective 21/5/12, version 047 r&p 001.12

¹⁶⁵ Last amended effective 1/4/02, version 010 r&p 002.02

Exchange of Items (other than by bilateral agreement) will not take place on National Public Holidays. On any day other than a National Public Holiday, Tier 1 Framework Participants in those States/Territories which are closed (for example, because of State/Territory public holidays) must be available to receive transmissions from all other Tier 1 Framework Participants.¹⁶⁶

4.4 Variation of Official Exchange Times

Where normal operations have been adversely affected by extraordinary circumstances, the Chief Executive Officer may vary the Official Exchange Times, Official Government File Exchange Times and/or the time by which exchanges must be completed. The Chief Executive Officer will notify all Framework Participants in writing of any variations under this clause which apply overnight or longer.¹⁶⁷

4.5 DE File Specifications

All Items (including Record Type 1 Items issued by any User, Returned Items, Refused Items, and Reversing Items) and Files (including Files containing Record Type 1 Items issued by any User, Return Files, Refusal Files and Reversal Files) exchanged between Framework Participants must conform with requirements set out in PART 12 and the applicable DE File Specifications in Annexures C1, C2, C3 and C5.¹⁶⁸

4.6 Transaction Codes

The following transaction codes form part of the DE File User Item Specifications and apply to Record Type 1 Items issued by Users and exchanged in BECS. All Framework Participants must ensure that these transaction codes are used where applicable.¹⁶⁹

- 13 externally initiated Debit Items
- 50 externally initiated Credit Items with the exception of those bearing transaction codes 51-57 inclusive
- 51 Australian government security interest
- 52 basic family payments/additional family payment
- 53 pay
- 54 pension
- 55 allotment
- 56 dividend
- 57 debenture/note interest.

¹⁶⁶ Last amended effective 17/1/11, version 044 r&p 004.10

¹⁶⁷ Last amended effective 1/4/02, version 010 r&p 002.02

¹⁶⁸ Last amended effective 4/8/00, version 021 r&p 004.00

¹⁶⁹ Inserted effective 28/10/96

Clauses 4.7 to 4.16.1 inclusive are Confidential

4.17 Reversing FI ID Number¹⁹⁷

To facilitate Reversals, each Framework Participant must have a special identification number in the form “997XXX” (where “XXX” is the relevant BSB Number). That number is referred to in these Procedures as the Reversing FI ID Number. The Company assigns the Reversing FI ID Numbers to Framework Participants (see Annexure G1).

4.18 Processing by Account Number Details only¹⁹⁸

Ledger FIs are entitled to rely solely on Account Number Details in all circumstances when processing Items received by them, regardless of whether any account name details are transmitted with the Account Number Details or are otherwise known to the Ledger FI. Ledger FIs are not obliged (including under any duty to the Lodgement FI which may but for this clause 4.8 arise at law or in equity) to check whether the Account Number Details are correct.¹⁹⁹

4.19 Amount Credited or Debited to the Wrong Account

(a) Subject to clause 4.19(b), if an amount has been credited or debited by the Ledger FI in accordance with the Account Number Details provided by the Lodgement FI but the amount has been credited or debited to the wrong account, then as between the Lodgement FI and the Ledger FI, the Ledger FI is not liable to compensate the Lodgement FI, any person on whose behalf the Lodgement FI exchanges an Item, the intended beneficiary of a Credit Item, a customer whose account has been wrongly debited or any other person for any loss or damage. In these circumstances, liability, if any, for compensating any person for any loss or damage which a person may suffer directly or indirectly in connection with the wrong crediting or debiting is the responsibility of the Lodgement FI. If a Ledger FI suffers loss or damage, or receives any claim for loss or damage arising because the Ledger FI has relied solely on Account

¹⁹⁷ Inserted effective 4/8/00, version 021 r&p 004.00

¹⁹⁸ Last amended effective 3/5/04, version 020 r&p 005.04

¹⁹⁹ Last amended effective 3/5/04, version 020 r&p 005.04

Number Details provided by the Lodgement FI when processing an Item, the Lodgement FI must fully indemnify the Ledger FI in relation to such loss, damage or claim. A Ledger FI must give the Lodgement FI written notification as soon as possible after the Ledger FI has suffered loss or damage or received a claim for loss or damage, and in any case before the Ledger FI agrees to settle or accept a claim.²⁰⁰

- (b) If an amount has been credited or debited by the Ledger FI in accordance with the Account Number Details provided by the Lodgement FI but the amount has been credited or debited to the wrong account due to an account number being reissued or duplicated by the Ledger FI, then as between the Lodgement FI and the Ledger FI, the Lodgement FI is not liable to compensate the Ledger FI, any person on whose behalf the Lodgement FI exchanges an Item, the intended beneficiary of a Credit Item, a customer whose account has been wrongly debited or any other person for any loss or damage. In these circumstances, liability, if any, for compensating any person for any loss or damage which a person may suffer directly or indirectly in connection with the wrong crediting or debiting is the responsibility of the Ledger FI. If a Lodgement FI suffers loss or damage, or receives any claim for loss or damage arising because the Ledger FI has relied solely on Account Number Details provided by the Lodgement FI when processing an Item, but the loss, damage or claim arises because the relevant account number had been reissued or duplicated by the Ledger FI, the Ledger FI must fully indemnify the Lodgement FI in relation to such loss, damage or claim. A Lodgement FI must give the Ledger FI written notification as soon as possible after the Lodgement FI has suffered loss or damage or received a claim for loss or damage, and in any case before the Lodgement FI agrees to settle or accept a claim.²⁰¹

Note:

1. *For the purposes of clauses 4.18 and 4.19, Account Number Details means the BSB number and the account number or, in the case of a Ledger FI which has a unique account numbers system, the account number only.*
2. *The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires that certain information must be included in electronic funds transfer instructions. Please refer to Part 5 of the Act for details.²⁰²*

4.20 Summary File Specification²⁰³

A Summary File must accompany each File and Government File. A Summary File must conform with requirements set out in PART 14 and the Summary File Specification in Annexure C6.

²⁰⁰ Last amended effective 7/12/20, version 063 r&p 001.20

²⁰¹ Amended effective 7/12/20, version 063 r&p 001.20

²⁰² Inserted effective 16/4/07, version 033 r&p 001.07

²⁰³ Inserted effective 28/10/05

4.21 Encryption of Direct Connection²⁰⁴

Each Tier 1 Framework Participant must ensure that all of its Direct Connections to Tier 1 Framework Participants are encrypted using, at a minimum, triple DES or its equivalent. It is recommended that Direct Connections between each Representative and Appointor should be encrypted using, at a minimum, triple DES or its equivalent.²⁰⁵

Note: It is recommended that Direct Connections between each Representative and Appointor should be encrypted using triple DES or its equivalent.

The next page is Part 5

²⁰⁴ Inserted effective 23/12/09, version 042 r&p 003.09

²⁰⁵ Amended effective 3/10/23, version 067 r&p 002.23

PART 5 GENERAL REQUIREMENTS IN RELATION TO USERS

5.1 Approval and Termination

A User FI must ensure that a prospective User is approved in accordance with these Procedures before the processing of any Items belonging to that User takes place. See clause 5.2 below.

If the User FI gives written notice of termination of its arrangements with a User to the User then the arrangements between the User and its User FI will be terminated as to future Items but without prejudice to any right or liability arising under the terms of any proprietary arrangements with regard to Debit Items between them or under any Credit User Application in force in accordance with these Procedures.²⁰⁶

A User FI must notify the details of any of its new Users, any changes to any existing User and termination of any arrangements with its Users to Framework Participants in accordance with clause 5.3.²⁰⁷

A Lodgement FI must give at least 30 days' prior written notice to all Tier 1 Framework Participants before it exchanges any Government Files for the first time in BECS. The notice must specify the date on which the Lodgement FI will commence exchanging Government Files in BECS (which must not be sooner than 30 days after the expected date of receipt of the notice by all Tier 1 Framework Participants).²⁰⁸

5.2 Compliance by Users

User FIs must ensure that Users wishing to:

- (a) issue Credit Items (including by using a Bureau), comply with the requirements specified in Part 6; and
- (b) issue Debit Items, comply with the requirements specified in PART 7.

5.3 Notification of User Details²⁰⁹

In the case of a Credit User, the User FI, and in the case of a Debit User, the Sponsor, must enter the details of any new User, any changes to any existing User and any termination of arrangements with a User in BECS Connect. The details required to be entered are set out in the Direct Entry System Advice (Annexure A4), Debit User/Credit User – Change of User Details (Annexure A17) and Debit User – Transfer of Business Advice (Annexure A18).²¹⁰

²⁰⁶ Last amended effective 31/3/00, version 019 r&p 001.00

²⁰⁷ Amended effective 16/9/19, version 062 r&p 002.19

²⁰⁸ Inserted effective 22/4/02, version 011 r&p 003.02

²⁰⁹ Amended effective 16/9/19, version 062 r&p 002.19

²¹⁰ Last amended effective 16/9/19, version 062 r&p 002.19

Each time a User FI or a Sponsor enters new data in BECS Connect, they warrant to the Company and each Framework Participant that they have fulfilled the requirements of PART 5, PART 6 and PART 7 of the BECS Procedures relating to the new data.²¹¹

BECS Connect will automatically generate, for the purpose of notifying all Framework Participants of any changes, a Daily Summary Report, which will issue no later than the following business day after the changes were entered.²¹²

A User FI must ensure that a Credit User does not, and a Sponsor must ensure that a Debit User does not, commence lodging Items or Items reflecting changed details until 3 business days (inclusive of State/Territory public holidays where these fall on a business day) after the issue of the relevant Daily Summary Report, or earlier if the relevant Lodgement FI consents.²¹³

5.4 [Deleted]²¹⁴

5.5 [Deleted]²¹⁵

5.6 [Deleted]²¹⁶

5.7 Change of Credit User FI or Debit User Sponsor²¹⁷

When a change identified below occurs, the responsible party must carry out the required actions promptly:

(a) When the Credit User changes its User FI, the **new User FI** must:

- (i) ensure the Credit User executes fresh Credit User documentation;
- (ii) enter the changed details in BECS Connect, based on the content required in Annexure A17;
- (iii) change the name of the User FI on the descriptive record of the User's File;
- (iv) change the BSB Number and account number in the Trace Record on the User's File; and
- (v) (if applicable), establish a new TNA for those Users lodging Credit Items through a Bureau or Lodgement FI.

(b) When the Credit User changes its User FI, the **outgoing User FI** must cancel the existing TNA (if applicable).

²¹¹ Inserted effective 16/9/19, version 062 r&p 002.19

²¹² Last amended effective 16/9/19, version 062 r&p 002.19

²¹³ Last amended effective 16/9/19, version 062 r&p 002.19

²¹⁴ Deleted effective 14/12/95

²¹⁵ Deleted effective 14/12/95

²¹⁶ Deleted effective 14/12/95

²¹⁷ Last amended effective 16/9/19, version 062 r&p 002.19

- (c) Any person making a claim under a Credit User Application must make a claim under the most recently executed Credit User Application existing as at the date of the occurrence of the event or circumstance in respect of which the claim is being made.
- (d) When the Debit User changes its Sponsor:
 - (i) the **new Sponsor** must enter the changed details in BECS Connect based on the content required in Annexure A17; and
 - (ii) the **outgoing Sponsor** must notify of the terminated arrangements in BECS Connect based on the content required in Annexure A17.
 - (iii) the **outgoing Sponsor** must retain contact details of the Debit User for 6 years after the sponsorship has ended; and ²¹⁸
 - (iv) the **outgoing Sponsor** must provide to the **new Sponsor** its relevant DDR Claims Contact (for the purposes of any indemnity claims). ²¹⁹

5.8 Liquidation or Insolvency of User

In the event of the liquidation or insolvency of a User, the User may continue to have access to BECS if:²²⁰

- (a) the User FI and, in the case of the Debit User, the Sponsor is prepared to continue its arrangements with the User. If a Sponsor is prepared to continue to permit a Debit User access to BECS it does so at its own risk under these Procedures, in particular, clauses 7.5 and 7.6 of these Procedures; and
- (b) the liquidator, trustee in bankruptcy or other person responsible for the administration ("**Administrator**") of that User confirms that the User, under the administration of the Administrator, wishes to continue using BECS and, in the case of a Credit User, confirms the terms of the Credit User Application.

5.9 Change of User's Name and/or Transfer of Business²²¹

When one of the following changes occurs, the required actions must be carried out within a reasonable time prior to lodgement of the first File under the new name.

- (a) When a **Credit User** changes its name, the **User FI** must:
 - (i) ensure that the User executes a Credit User application;
 - (ii) enter the name change details in BECS Connect, based on the content required in Annexure A17;

²¹⁸ Inserted effective 1/1/23, version 065 r&p 003.22

²¹⁹ Inserted effective 1/1/23, version 065 r&p 003.22

²²⁰ Last amended effective 16/9/19, version 062 r&p 002.19

²²¹ Amended effective 16/9/19, version 062 r&p 002.19

- (iii) instruct the User to change the details on the User's File (eg User Identification Number, name of remitter, User preferred name and Trace Record); and
 - (iv) issue a new TNA (if applicable).
- (b) When a **Debit User** changes its name, the **Sponsor FI** must:
 - (i) advise the User to notify its clients of the change as soon as practicable within a specified period;
 - (ii) enter details of the change in BECS Connect based on the content required in Annexure A17; and
 - (iii) instruct the User to change the details on the User's File (eg User Identification Number, name of remitter, User preferred name and Trace Record);
- (c) When a **Credit User** transfers its business to another User ('Transferee User') by merger, takeover, or sale of business, the **User FI** must:
 - (i) ensure that the Transferee User executes a Credit User Application;
 - (ii) enter details of the change in BECS Connect based on the content required in Annexure A18;
 - (iii) instruct the Transferee User to change the details on the Transferee User's File (eg User Identification Number, name of remitter, User preferred name and Trace Record); and
 - (iv) issue a new TNA (if applicable).
- (d) When a **Debit User** transfers its business to another User ('Transferee User') by merger, takeover, or sale of business, the **Sponsor FI** must:
 - (i) advise the Transferee User to notify its clients of the change as soon as practicable within a specified period;
 - (ii) assess and determine if the Transferee User is suitable for continued access to BECS as Debit User;
 - (iii) enter details of the change in BECS Connect;
 - (iv) instruct the Transferee User to change the details on the transferee User's File (eg User Identification Number, name of remitter, User preferred name and Trace Record); and
 - (v) maintain proprietary arrangements with the Transferee User, including regarding indemnity arrangements for claims in connection with Direct Debit Requests originally given to the User.

5.10 [Deleted]²²²**5.11 Trace Record**

Each User FI must ensure that each User which it represents in BECS includes in each of that User's Files in character positions 81 - 96 of Record Type 1 a correct Trace Record to which an Item must be returned electronically if it cannot be applied. A Trace Record is usually the same for each Item on any one File but may be different for some Items or for groups of Items if required by the User. A financial institution which is not the User FI may be specified in the Trace Record, but only if it has given its prior written consent to the User FI.²²³

Note: In many cases the Trace Record is also used to satisfy the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) concerning the inclusion of Tracing Information in electronic funds transfer instructions. Please refer to Part 5 of the Act for details.

5.12 User Identification Numbers²²⁴

Each User must have a unique User Identification Number issued to it.

A Framework Participant may, from time to time, apply via BECS Connect for a block allocation of User Identification Numbers as configured by BECS Connect. Where a block allocation is made available, the Framework Participant will issue User Identification Numbers from the block allocation to its new Users. Alternatively, a Framework Participant may apply via BECS Connect for the issue of a User Identification Number to each individual User and enter the full User name and other relevant details.

In all cases, all newly approved Users and their User Identification Numbers must be entered in BECS Connect by Framework Participants in accordance with clause 5.3.

Framework Participants which issue User Identification Numbers from a block allocation must:

- (a) establish an appropriate process within their institutions for the accurate and systematic assignment of User Identification Numbers; and
- (b) before issuing a User Identification Number, ensure that the User is not already recorded in BECS Connect as a User. If it is, consider treatment as an extension of usage of the system under the previously issued User Identification Number.

²²² Deleted effective 31/3/00, version 019 r&p 001.00

²²³ Last amended effective 27/7/07, version 035 r&p 005.07

²²⁴ Amended effective 16/9/19, version 062 r&p 002.19

Clauses 5.14 to 5.22 inclusive are Confidential

The next page is Part 6

PART 6 DIRECT CREDIT SYSTEM**6.1 Persons Authorised to Approve Credit Users**

Any User FI may approve a person as a Credit User.

6.2 User FI Approval

A User FI must ensure that a prospective Credit User makes application to the User FI by lodging Credit User documentation in accordance with these Procedures and such other documentation as the User FI requires. Upon receipt of such documentation and if the User FI approves of the application, the User FI must obtain for, or issue to, the prospective Credit User a User Identification Number in accordance with clause 5.12 and notify the details of the prospective Credit User (including the name of any Bureau) in accordance with clause 5.3. The User FI is not obliged to approve any application by a prospective Credit User.²⁷⁰

6.3 Approval of Credit User

A User FI may approve a Credit User without reference to any Framework Participants but before that approval it must:²⁷¹

- (a) subject to clause 6.4, ensure the proper completion, execution, stamping (where relevant) and maintenance of legally binding Credit User documentation (including a Credit User Application) prior to the prospective Credit User being permitted to lodge Credit Items in BECS. Credit User documentation must be made available by the User FI (by way of certified copy) to the Company and any Framework Participant upon request; and
- (b) if the User FI is not also the Lodgement FI, ensure the completion of a TNA in accordance with clause 6.9 prior to the prospective Credit User being permitted to lodge Credit Items in BECS.²⁷²

6.4 Waiver or variation of 6.3(a)

The requirement set out in clause 6.3(a) may be waived or varied with the prior written consent of the Management Committee. The Management Committee will provide its consent where the User FI undertakes to the satisfaction of the Management Committee to fulfil the obligations of both a Credit User and a User FI whether or not a Credit User Application is or has been obtained from the Credit User. In these circumstances, the documentation which exists between the User FI and the Credit User is proprietary.

²⁷⁰ Amended effective 16/9/19, version 062 r&p 002.19

²⁷¹ Last amended effective 14/12/95

²⁷² Amended effective 16/9/19, version 062 r&p 002.19

6.5 User FI Responsibilities

A User FI which approves a Credit User must:

- (a) ensure that the Credit User: ²⁷³
 - (i) completes and executes in a legally authorised manner all Credit User documentation as required by the User FI;
 - (ii) promptly verifies (by signature comparison or other means) and if verified processes a Notice of Variation of Account Details. If there is any doubt as to the Customer's authorisation, then the Credit User must contact the Customer to verify; and²⁷⁴
 - (iii) promptly notify the Customer upon completion of processing a Notice of Variation of Account Details.²⁷⁵
- (b) maintain control over the Credit User's lodgement of Credit Items and be solely accountable for terminating the Credit User's right to lodge Credit Items as it sees fit;

ensure that: ²⁷⁶

 - (i) the Credit User has a correct Trace Record for each transaction on its File; and
 - (ii) if the Trace Record Institution specified or to be specified in respect of the Credit User's Credit Items is not the User FI, that Trace Record Institution has consented in writing to be specified as the Trace Record Institution for that User's Credit Items.
- (c) If the User FI conducts the account nominated in the Trace Record, the User FI must accept every Returned Item which is sent to it electronically by the Ledger FI as a Record Type 2 in accordance with the Regulations and these Procedures (see in particular clauses 5.16.1(f), 5.17, 5.18 and 8.1);²⁷⁷
- (d) except in relation to Government Payments, not exchange Credit User's Credit Items with a "Date to be Processed" in Record Type "0" other than on the date which is the date specified in that field (although future dated Credit Items may be exchanged with other financial institutions in accordance with bilateral arrangements);²⁷⁸
- (e) accept Returned Items on behalf of the Credit User where such Items were incorrectly applied to a Ledger FI account by virtue of incorrect details being supplied by the Credit User;

²⁷³ Last amended effective 1/11/08, version 039 r&p 005.08

²⁷⁴ Amended effective 1/7/12, version 048 r&p 002.12

²⁷⁵ Amended effective 1/7/12, version 048 r&p 002.12

²⁷⁶ Inserted effective 28/10/96

²⁷⁷ Last amended effective 11/6/08, version 038 r&p 004.08

²⁷⁸ Last amended effective 1/4/02, version 010 r&p 002.02

- (f) notify other Framework Participants within the appropriate time frame prior to change of Credit User name, mergers and the like taking effect in accordance with clause 5.3;²⁷⁹
- (g) keep copies of all Credit User documentation while the Credit User remains a Credit User and for a period of seven years from the date that Credit User ceases to be a Credit User;²⁸⁰
- (h) promptly forward to the Credit User any Notice of Redirection of a Direct Entry Item received (addressed to the Credit User) from a Ledger FI (as referred to in clause 5.21); and²⁸¹

*Note: A User FI is required to promptly forward any Notice of Redirection of Direct Entry Items received from Ledger FIs. Where this involves a large number of accounts, a User FI must use best endeavours to do so within 3 months from receipt of the Notice.*²⁸²

- (i) forward a Notice of Variation of Account Details (addressed to the Credit User) to the Credit User within 3 business days of receipt.²⁸³

6.6 Exchange of Credit Items – Consent of Ledger FI

Each User FI agrees that upon exchange of Credit Items, each such Credit Item represents cleared funds and that Recalls and Returns of the Credit Items cannot be made without consent of the Ledger FI or its Representative. See clauses 5.14, 5.16 and 5.17. Each User FI also agrees that Reversals may only be made in accordance with the procedures set out in clause 5.16.1.²⁸⁴

6.7 Ledger FI Responsibilities

A Ledger FI must:²⁸⁵

- (a) subject to Regulations 2.5 to 2.7 inclusive:²⁸⁶
 - (i) receive each Credit User's Credit Items sent by the Sending Member, apply funds to the relevant Customers' accounts as at a date no later than the PD Day (or the next business day after the PD Day if the PD Day is a public holiday in the relevant State/Territory) and effect settlement in accordance with the Regulations and these Procedures;²⁸⁷
 - (ii) unless otherwise agreed bilaterally between the User FI and the Ledger FI, Credit Items received by the Ledger FI must be posted to the Ledger FI's accounts dated as at PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State/Territory);²⁸⁸

²⁷⁹ Last amended effective 16/9/19, version 062 r&p 002.19

²⁸⁰ Last amended effective 1/11/08, version 039 r&p 005.08

²⁸¹ Last amended effective 1/11/08, version 039 r&p 005.08

²⁸² Inserted effective 3/6/23, version 066 r&p 001.23

²⁸³ Amended effective 1/7/12, version 048 r&p 002.12

²⁸⁴ Last amended effective 18/1/02, version 008 r&p 008.01

²⁸⁵ Last amended effective 28/10/96

²⁸⁶ Last amended effective 8/1/07, version 032 r&p 006.06

²⁸⁷ Last amended effective 5/12/07, version 036 r&p 006.07

²⁸⁸ Last amended effective 5/12/07, version 036 r&p 006.07

- (iii) subject to clause 6.7.1, make Credit Items which have been posted to the Ledger FI's accounts pursuant to clause 6.7(a)(ii), other than Government Payments, available to the Customer in the normal course of operations by 9.00 am local time on the next business day after PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State/Territory); and²⁸⁹
- (iv) subject to clause 6.7.1, with respect to Government Payments, use reasonable endeavours to make Credit Items which have been posted on the Ledger FI's accounts pursuant to clause 6.7(a)(ii) available to the Customer by 9.00 am on PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State/Territory);²⁹⁰

*Note: The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) imposes pre-conditions which must be satisfied before financial institutions may initiate, pass on or take any other action to carry out electronic funds transfer instructions. Please refer to Part 5 of the Act for details.*²⁹¹

- (b) return any Credit Users' Credit Items electronically which cannot or will not be applied, no later than the close of business on the next business day after the PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State/Territory);²⁹²
- (c) assist its Customers with enquiries on Credit Items made to the Customers' accounts, and follow the Unwanted Credits process in clause 5.17.1 if applicable;²⁹³
- (d) ensure that the name of remitter and, where present, the lodgement reference details from the Detail Record are printed on all Customer statements;
- (e) if it receives any Refused Item (Record Type 3) which it cannot accept, ascertain from the Detail Record for that Refused Item the identity of the relevant User FI and arrange on-forwarding of the Refused Item in accordance with that User FI's directions; and²⁹⁴
- (f) nominate a Receiving Dataset for transmission of Government Files.²⁹⁵

6.7.1 Ledger FI Responsibilities – Availability of Credit Items

A Ledger FI is only obliged to make Credit Items available to the Customer for which it has received value settlement in accordance with PART 9 of these Procedures.²⁹⁶

²⁸⁹ Last amended effective 5/12/07, version 036 r&p 006.07

²⁹⁰ Last amended effective 5/12/07, version 036 r&p 006.07

²⁹¹ Inserted effective 16/4/07, version 033 r&p 001.07

²⁹² Last amended effective 5/12/07, version 036 r&p 006.07

²⁹³ Amended effective 5/12/07, version 036 r&p 006.07

²⁹⁴ Last amended effective 1/11/08, version 039 r&p 005.08

²⁹⁵ Last amended effective 1/11/08, version 039 r&p 005.08

²⁹⁶ Inserted effective 8/1/07, version 032 r&p 006.06

6.7.2 Account Switching: Switching Initiated by Incoming FI²⁹⁷

The following provisions (clauses 6.7.2 to 6.7.7) provide two alternative mechanisms to facilitate account switching and the establishment of new Regular Payments arrangements, either by enabling a Customer to easily obtain a Regular Payments List from its existing financial institution (clause 6.7.7) or by enabling a Switching Customer's new financial institution to obtain the Regular Payments List on their behalf (clause 6.7.2). The Customer has the option of requesting either its existing financial institution (Ledger FI), or new financial institution (Incoming FI), to assist with establishing new direct debit arrangements (see PART 7) and new direct credit arrangements (PART 6).²⁹⁸

An Incoming FI must, upon request by a Switching Customer:²⁹⁹

- (a) request, via the AusPayNet Mailbox, and obtain, a Regular Payments List on behalf of the Switching Customer from the Outgoing FI; and
- (b) upon receipt of the Regular Payments List (whether from the Switching Customer or from the Outgoing FI via the AusPayNet Mailbox) assist the Switching Customer to notify Credit Users of a change in the account to be credited by:
 - (i) assisting the Switching Customer to identify the Credit Users on the Regular Payments List that need to receive a Notice of Variation of Account Details;
 - (ii) completing a Notice of Variation of Account Details, attaching a schedule detailing Credit Users identified pursuant to clause 6.7.2(b)(i), for the Switching Customer to sign; and
 - (iii) forwarding a copy of the signed Notice of Variation of Account Details to each applicable User FI via the AusPayNet Mailbox or to each applicable User FI's Account Switching Contact Point (specified in Annexure B12) within 2 business days of the Switching Customer signing it.

Note: under clause 6.7.7 the Outgoing FI is obliged to provide the Customer with a Regular Payments List upon request.³⁰⁰

6.7.3 Outgoing FI Obligations - Valid Requests

An Outgoing FI which receives a request, which it determines to be a Valid Request, must provide an Incoming FI with a Regular Payments List via the AusPayNet Mailbox as soon as practicable and in any event within 3 business days of receiving the Valid Request.³⁰¹

²⁹⁷ Inserted effective 1/7/12, version 048 r&p 002.12

²⁹⁸ Amended effective 1/1/23, version 065 r&p 003.22

²⁹⁹ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰⁰ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰¹ Amended effective 4/9/17, version 059 r&p 002.17

*Note: The Outgoing FI should make such inquiries as is necessary, having regard to the type of account to which the request relates, to satisfy itself that a request received from an Incoming FI is a Valid Request as defined. This may include comparison of the customer's signature (as provided on the request) with any specimen signature for that customer held by the Outgoing FI, checking account name(s) and account authority/ies. Under no circumstances will the Outgoing FI be obliged to contact its customer to validate the request.*³⁰²

6.7.4 Invalid Requests

If an Outgoing FI determines that a request is not a Valid Request, it must immediately notify the Incoming FI and provide reasons for its determination.³⁰³

6.7.5 Deemed Receipt

An Outgoing FI is deemed to have received a request under clause 6.7.3 if the request is sent by the Incoming FI to the Outgoing FI via the AusPayNet Mailbox.³⁰⁴

6.7.6 Regular Payments List

An Incoming FI which obtains a Regular Payments List on behalf of a Switching Customer from an Outgoing FI under clause 6.7.2, indemnifies the Outgoing FI in respect of all claims, liabilities, expenses and losses suffered or incurred by the Outgoing FI arising from the Outgoing FI's disclosure of the Regular Payments List.³⁰⁵

6.7.7 Account Switching: Switching Initiated by Customer³⁰⁶

A Ledger FI must, if requested by a Customer:³⁰⁷

- (a) provide the Customer with a Regular Payments List as soon as practicable and in any event within 3 business days of receiving the request; and³⁰⁸
- (b) assist the Customer to notify Credit Users of a change in the account to be credited by:
 - (i) assisting the Customer to identify the Credit Users on the Regular Payments List that need to receive a Notice of Variation of Account Details;
 - (ii) completing a Notice of Variation of Account Details, attaching a schedule detailing Credit Users identified pursuant to clause 6.7.7(b)(i) for the Customer to sign; and

³⁰² Inserted effective 1/7/12, version 048 r&p 002.12

³⁰³ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰⁴ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰⁵ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰⁶ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰⁷ Inserted effective 1/7/12, version 048 r&p 002.12

³⁰⁸ Amended effective 4/9/17, version 059 r&p 002.17

- (iii) forwarding a copy of the Notice of Variation of Account Details to the applicable User FI via the AusPayNet Mailbox or to the applicable User FI's Account Switching Contact Point (specified in Annexure B12) within 2 business days of the Customer signing it.

The obligations in clause 6.7.7 only apply to a Personal Account.³⁰⁹

*Note: The Notice of Variation of Account Details is used whenever a Credit User is to be notified via the User FI of a change in its customer's account to be credited.*³¹⁰

6.8 Lodgement FI Responsibilities

The Lodgement FI must ensure that:³¹¹

- (a) each Credit User's Files and Items which are exchanged conform with the DE File User Item Specifications (see Annexure C1) prior to them being exchanged;³¹²
- (b) the Credit User has a correct Trace Record for each transaction on the Credit Files lodged by the Lodgement FI; and³¹³
- (c) when Government Files are exchanged, they are not transmitted with other Files except pursuant to a bilateral agreement (see clause 6.2 for exchange times).³¹⁴

*Note: The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires that certain information must be included in electronic funds transfer instructions and that certain information must be obtained in respect of those instructions before financial institutions may initiate, pass on or take any other action to carry out the electronic funds transfer instructions. Please refer to Part 5 of the Act for details.*³¹⁵

Lodgement FIs processing and receiving transactions for a third party should agree with that third party as to who is to check Files received for correctness and who will create any necessary Return Files, Refusal Files and Reversal Files.³¹⁶

The Lodgement FI must check that, if a TNA is required in accordance with clause 6.9, a TNA is held for the relevant Credit User's File and that the total value of such File is within the amount authorised by the TNA.³¹⁷

³⁰⁹ Inserted effective 1/7/12, version 048 r&p 002.12

³¹⁰ Inserted effective 1/7/12, version 048 r&p 002.12

³¹¹ Last amended effective 18/1/02, version 008 r&p 008.01

³¹² Last amended effective 27/7/07, version 035 r&p 005.07

³¹³ Last amended effective 27/7/07, version 035 r&p 005.07

³¹⁴ Last amended effective 27/7/07, version 035 r&p 005.07

³¹⁵ Inserted effective 16/4/07, version 033 r&p 001.07

³¹⁶ Last amended effective 4/8/00, version 021 r&p 004.00

³¹⁷ Last amended effective 27/7/07, version 035 r&p 005.07

Where the Lodgement FI is not the User FI and the Lodgement FI processes a File for a User where the total value of the File exceeds the amount authorised by the current TNA for that User, the File is processed at the risk of the Lodgement FI unless the excess is first approved by the User FI as an exception. The Lodgement FI should seek the User FI's approval via BECS Connect. As a fallback in a contingency event only, the Lodgement FI may seek the User FI's approval by some other mutually agreed method through the TNA Excesses Contact Point of the User FI specified in Annexure B4.³¹⁸

It is the Lodgement FI's responsibility to satisfy itself that any File received from a Bureau or User for processing under TNA drawings is genuine (ie that it has in fact been provided by the Bureau or User).

6.9 Transaction Negotiation Authority (TNA)

Establishment of a TNA by the User FI is mandatory whenever a Credit User's File (prepared either by the Credit User or a Bureau) is to be processed by a Lodgement FI which is other than the User FI. Each relevant TNA Issuer is to create the necessary TNA via BECS Connect (incorporating the content set out in Annexure A8) in favour of the Lodgement FI.³¹⁹

For the avoidance of doubt, nothing in these Procedures requires a TNA to be obtained where the Lodgement FI is also the User FI but the funding account is held with another financial institution.

The TNA, which is to be approved in accordance with the relevant TNA Issuer's internal requirements, authorises processing of a File up to the value of a specified processing limit, limit frequency and period and guarantees payment of the drawing for the total value of such File plus any charges levied by the Lodgement FI, as applicable.³²⁰

A TNA Issuer may temporarily increase the authorised amount of a TNA, in order to accommodate certain extraordinary payments (eg Christmas payroll). A temporary increase of the authorised amount of the TNA should be approved by the TNA Issuer in accordance with its internal requirements and entered via BECS Connect.³²¹

A TNA or a notice of temporary increase in authorised amount is activated upon the Lodgement FI's acknowledgement of it via BECS Connect.³²²

Subject to clause 6.10, where there is any change to the instructions contained in the original TNA, a replacement TNA must be prepared and authorised via BECS Connect.³²³

³¹⁸ Last amended effective 16/9/19, version 062 r&p 002.19

³¹⁹ Last amended effective 16/9/19, version 062 r&p 002.19

³²⁰ Last amended effective 16/9/19, version 062 r&p 002.19

³²¹ Last amended effective 16/9/19, version 062 r&p 002.19

³²² Last amended effective 16/9/19, version 062 r&p 002.19

³²³ Last amended effective 16/9/19, version 062 r&p 002.19

A TNA may be terminated by the relevant TNA Issuer, by notice given via BECS Connect. Termination is effective upon acknowledgement of the notice by the Lodgement FI via BECS Connect, provided that a Lodgement FI may be unable to immediately act on advice of termination of a TNA which is received after commencement of processing of the User's File to which the TNA relates.³²⁴

If a Lodgement FI becomes aware (other than by notice from the TNA Issuer) that an arrangement for lodging TNAs with it has ceased, it should advise the TNA Issuer, and the TNA Issuer should record the termination or transfer of TNA, as the case may be, via BECS Connect.³²⁵

6.10 Change of Lodgement FI by a User or Bureau³²⁶

If a User or Bureau wishes to change its Lodgement FI, the relevant TNAs must be transferred or replaced at the relevant TNA Issuer's option. If transfer is the preferred method the parties must co-operate to complete the transfer process promptly, including the following steps:

- (a) the parties agree a start date that allows time to complete (b) – (d) before the changes are entered in BECS Connect and any files are processed by the new Lodgement FI;
- (b) the User or Bureau requests the new Lodgement FI to take over the processing role and provides details of the existing TNAs;
- (c) the TNA Issuer and the new Lodgement FI communicate with each other to confirm details of each TNA;
- (d) the TNA Issuer ensures that the Credit User is aware of the change if the change is initiated by the Bureau;
- (e) the TNA Issuer approves individual changes via BECS Connect;
- (f) the existing Lodgement FI receives email notice of the TNA transfers to the new Lodgement FI via BECS Connect;
- (g) the new Lodgement FI ensures that the Record Type 0 (Header) field is amended as necessary.

³²⁴ Last amended effective 16/9/19, version 062 r&p 002.19

³²⁵ Last amended effective 16/9/19, version 062 r&p 002.19

³²⁶ Last amended effective 16/9/19, version 062 r&p 002.19

6.11 Credit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc.³²⁷

Where a prospective Credit User is a responsible entity/trustee/manager of a managed investment scheme, trust, superannuation fund or other fund, the User FI must, with the help of such legal expertise as appropriate, ascertain from the Memorandum and Articles of Association of the Credit User (if a corporate Credit User) and the trust deed/constitution (as appropriate) establishing the managed investment scheme, trust, superannuation fund or other fund whether the responsible entity/trustee/manager is empowered to give an indemnity under the Credit User Application. If it is not, the application cannot proceed.³²⁸

Where the responsible entity/trustee/manager has the power to give but has insufficient assets of its own to support such an indemnity, or otherwise refuses personal liability under such an indemnity, the User FI must ascertain whether the responsible entity/trustee/manager is entitled under the trust deed/constitution (as appropriate) to recover from the assets of the managed investment scheme, trust, superannuation fund or other fund any amount which it may become liable to pay under the indemnity given under a Credit User Application.³²⁹

If the responsible entity/trustee/manager has recourse to the assets of the managed investment scheme, trust, superannuation fund or other fund, the application may be supported by the balance sheet of the managed investment scheme, trust, superannuation fund or other fund and the following clause may be added to the Credit User application (without the need to obtain the consent of the Management Committee):³³⁰

"8. The indemnity contained in Clause 3 of this Credit User Application is given by the Credit User as responsible entity/trustee/manager of the (Managed Investment Scheme/Trust/Fund) and, except in the case of fraud, negligence, breach of trust or breach of duty by the Credit User, liability under that Clause 3 is limited to the value of the assets of the said (Managed Investment Scheme/Trust/Fund) under its administration from time to time."³³¹

If the responsible entity/trustee/manager has no recourse to the assets of the managed investment scheme, trust, superannuation fund or other fund under the trust deed/constitution (as appropriate), this clause must not be included, the responsible entity/trustee/manager will be liable in its own right, and any Credit User Application must be supported by the responsible entity/trustee/manager's own balance sheet.³³²

³²⁷ Last amended effective 15/10/99

³²⁸ Last amended effective 15/10/99

³²⁹ Last amended effective 15/10/99

³³⁰ Last amended effective 15/10/99

³³¹ Last amended effective 15/10/99

³³² Last amended effective 15/10/99

6.12 Credit User Application - Stamp Duty³³³

It is the responsibility of the User FI to appropriately stamp the Credit User Application in the relevant stamp duty jurisdiction. (In this regard note that at the date these Procedures come into effect all State and Territories of Australia apply their respective stamp duty laws to instruments signed in those States or Territories, and there are additional nexus provisions (which vary from State to State and Territory to Territory) which may apply if a Credit User Application signed in one State or Territory is physically held in another State or Territory or relates to a matter to be done in another State or Territory)."

6.13 Notification of an Unapplied Credit Item and Request for Information (Superannuation Entities)³³⁴

If a Credit Item is posted by a Ledger FI to the account of a Superannuation Entity on or after 1 December 2008 and the funds cannot be:

- (a) applied by the Superannuation Entity to a superannuation fund maintained by the Superannuation Entity; and
- (b) returned electronically in accordance with clause 6.7(b),

then the Ledger FI may seek further particulars of the Credit Item from the Credit User by sending a Notice of Unapplied Credit Item (Superannuation) form set out in Annexure A26 to the Lodgement FI's Notice of Unapplied Credit Item (Superannuation) Contact Point specified in Annexure B13 by facsimile or email.³³⁵

On receipt of a Notice of Unapplied Credit Item (Superannuation) a Lodgement FI must:

- (a) contact the Credit User to obtain further particulars; and
- (b) within 20 business days from the date of receipt of the Notice of Unapplied Credit Item (Superannuation), send a written response to the Ledger FI (to the fax number or email address specified in the Notice of Unapplied Credit Item (Superannuation)).

If on receipt of any further particulars supplied by the Credit User the funds still cannot be applied or if no response to the Notice of Unapplied Credit Item (Superannuation) is received within 20 business days from the date of sending the Notice of Unapplied Credit Item (Superannuation) to the Lodgement FI, then the unapplied Credit Item may be returned by the Superannuation Entity to the Trace Record account as a new Record Type 1 using transaction code 50 and quoting the:

- (a) reference details from Notice of Unapplied Credit Item (Superannuation) in the lodgement reference field; and

³³³ Inserted effective 21/3/95

³³⁴ Inserted effective 1/12/08, version 039 r&p 006.08

³³⁵ Amended effective 7/12/20, version 063 r&p 001.20

- (b) title of account from the original Credit Item in the name of remitter field.

Any return of an unapplied Credit Item by a Superannuation Entity pursuant to this clause 6.13 must be sent to the Trace Record account within 90 business days of receipt of the Credit Item.

If the unapplied Credit Item is returned by the Superannuation Entity to the Trace Record account and the account has been closed then the Credit Item must be returned with the answer "Account Closed". The Superannuation Entity should then treat the funds as Unclaimed Moneys.

Changes to contact details in Annexure B13 must be promptly notified to the Company in accordance with clause 4.1.

Note: Clause 6.13 is only to be used as a last resort. Superannuation Entities should have appropriate reconciliation systems in place, so that a Notice of Unapplied Credit Item (Superannuation) is only issued when absolutely necessary (for example due to a Credit User (Employer) error.

The next page is Part 7

PART 7 DIRECT DEBIT SYSTEM

7.1 Framework Participants Authorised to Sponsor Debit Users

Subject to Regulation 4.3(e)(ii)(B), any Framework Participant may sponsor a person as a Debit User. A Tier 2 Framework Participant must, however, have the agreement of its Representative to sponsor a person as a Debit User. Where a Tier 2 Framework Participant has the agreement of its Representative to sponsor a person as a Debit User, the Representative will be deemed to have given the indemnification set out in clause 7.7. The arrangements under which a Tier 2 Framework Participant's Representative agrees to the Tier 2 Framework Participant sponsoring a person as a Debit User are proprietary.³³⁶

*Note: a Framework Participant may be a Debit User. In such a case, the Framework Participant is responsible for complying with the provisions of this PART 7 as a Sponsor and as a Debit User.*³³⁷

7.2 Sponsor Approval

- (a) A Sponsor may approve a person as a Debit User without reference to any other Framework Participants, but before that approval it must:
 - (i) carry out a risk assessment, including a credit risk assessment, of the prospective Debit User and satisfy itself that the integrity, reliability and financial strength of the prospective Debit User qualify it as a suitable Debit User in BECS, and³³⁸
 - (ii) determine appropriate controls (if any) to manage the associated risk with regard to the prospective Debit User throughout the life of the sponsorship.³³⁹
- (b) A Sponsor is not obliged to approve any prospective Debit User.³⁴⁰
- (c) Documentation brought into effect between the Sponsor and a Debit User in connection with the Debit User's participation in BECS in that capacity and the Sponsor's obligation, as Sponsor, to ensure the Debit User meets certain obligations and responsibilities required of it under this PART 7 (see, for example, clauses 7.5, 7.10 and 7.11) is proprietary.³⁴¹

Note: Ledger FIs have recourse against a Sponsor for claims arising pursuant to the Debit User's participation in BECS: see clauses 7.5(b) and 7.6.

³³⁶ Amended effective 1/1/15, version 054 r&p 005.14

³³⁷ Amended effective 1/9/25, version 071 r&p 001.25

³³⁸ Amended effective 1/9/25, version 071 r&p 001.25

³³⁹ Inserted effective 1/9/25, version 071 r&p 001.25

³⁴⁰ Last amended effective 31/3/00, version 019 r&p 001.00

³⁴¹ Inserted effective 31/3/00, version 019 r&p 001.00

- (d) Each Framework Participant may use a logo approved by the Company in connection with direct debits in BECS on any of that Framework Participant's proprietary documentation published in accordance with these Procedures and relating to the provision by it of direct debit services through BECS. Each Framework Participant acknowledges and agrees for the benefit of the Company that its entitlement to use any such logo ceases immediately upon its ceasing to act in the capacity of a Framework Participant in BECS, and that subsequent use of the logo by it will be taken to be an infringement of the Company's rights in that mark.³⁴²

7.3 Debit User Approval – User Identification Number

If a Sponsor approves a person as a Debit User, the Sponsor must obtain for, or assign to, the prospective Debit User a User Identification Number in accordance with clause 5.12. The Sponsor must notify the details of the prospective Debit User and, in the case of a Sponsor which is a Tier 2 Framework Participant, its Representative's agreement to the Tier 2 Framework Participant sponsoring the prospective Debit User, to the Chief Executive Officer in accordance with clause 5.3.³⁴³

7.4 Direct Debit Requests³⁴⁴

A Direct Debit Request may only be given in writing or by telephone by the relevant Customer to and in favour of a Debit User (or to a third party in its capacity as agent for that named Debit User).

*Note: A DDR may be given in writing by electronic communication – see clauses 1.2 (d), 1.2(e) and 7.10(a).*³⁴⁵

7.4.1 Requirements for Direct Debit Request³⁴⁶

A Direct Debit Request must satisfy the following minimum requirements:³⁴⁷

- (a) A Direct Debit Request must;³⁴⁸
- (i) be identified as a direct debit request (see Note 4);³⁴⁹
 - (ii) authorise and/or request a Debit User to debit a Customer's account through BECS;³⁵⁰
 - (iii) set out the Ledger FI's name and BSB Number to identify the Ledger FI to which the relevant debit payment instructions are to be given;³⁵¹

³⁴² Inserted effective 31/3/00, version 019 r&p 001.00

³⁴³ Last amended effective 31/3/00, version 019 r&p 001.00

³⁴⁴ Inserted effective 31/3/00, version 019 r&p 001.00

³⁴⁵ Amended effective 1/9/25, version 071 r&p 001.25

³⁴⁶ Amended effective 1/9/25, version 071 r&p 001.25

³⁴⁷ Last amended effective 1/9/25, version 071 r&p 001.25

³⁴⁸ Inserted effective 1/9/25, version 071 r&p 001.25

³⁴⁹ Last amended effective 1/9/25, version 071 r&p 001.25

³⁵⁰ Amended effective 1/9/25, version 071 r&p 001.25

³⁵¹ Last amended effective 1/9/25, version 071 r&p 001.25 .19

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- (iv) set out the account name and account number to identify the Customer's account to be debited;³⁵²
 - (v) set out the name and User Identification Number(s) of the Debit User in favour of which the Customer's authority is given; and³⁵³
 - (b) When establishing a Direct Debit Request:³⁵⁴
 - (i) there must be a process or attempt to identify the Customer and obtain their confirmation of their authority to act on the account;
 - (ii) the Customer must be provided access to, or made aware of, the terms and conditions of the applicable DDR Service Agreement within 7 days of confirmation of the Direct Debit Request.

Note: 1. Clause 7.14 sets out further requirements in relation to the printing/publication of written Direct Debit Requests and use of the Company logo.³⁵⁵

- 2. A Debit User must obtain written authorisation from its Sponsor BEFORE it may obtain DDRs in writing by electronic communication or by telephone – see clause 7.10(b).*
- 3. Annexure A27 is provided to assist Sponsors with preparation of their DDRs insofar as it suggests a form of DDR incorporating all required content. Notwithstanding any implied or express statement to the contrary in these Procedures, provided DDRs comply with substantive content provisions of these Procedures, a Sponsor may determine the form of DDR it uses in its absolute discretion.³⁵⁶*
- 4. As long as the purpose and the payment system in 7.4.1(a)(i) and 7.4.1(a)(ii) are identified, the words used are not critical. For example, forms can be identified as a Direct Debit Request, Direct Debit Authorisation or similar. BECS has also been variously known as and referred to as the Bulk Electronic Clearing System, Direct Entry, Direct Debit and Periodic Debit System.³⁵⁷*

³⁵² Amended effective 1/9/25, version 071 r&p 001.25

³⁵³ Amended effective 1/9/25, version 071 r&p 001.25

³⁵⁴ Inserted effective 1/9/25, version 071 r&p 001.25

³⁵⁵ Amended effective 3/3/06, version 031 r&p 004.06

³⁵⁶ Inserted effective 17/1/11, version 044 r&p 004.10

³⁵⁷ Inserted effective 1/9/25, version 071 r&p 001.25

7.5 Sponsor Responsibilities

A Sponsor which approves a Debit User must:

- (a) ensure that the Debit User complies with its responsibilities as set out in these Procedures;
- (b) indemnify each Ledger FI against claims arising from the Debit User issuing Debit Items through BECS, in the terms set out in clause 7.6;³⁵⁸
- (c) ensure that:³⁵⁹
 - (i) the Debit User has a correct Trace Record for each transaction on its File; and
 - (ii) if the Trace Record Institution specified or to be specified in respect of the Debit User's Debit Items is not the Sponsor, that Trace Record Institution has consented in writing to be specified as the Trace Record Institution for that Debit User's Debit Items.

If the Sponsor conducts the account nominated in the Trace Record, the Sponsor must accept every Returned Item which is sent to it electronically as a Record Type 2 in accordance with the Regulations and these Procedures (*see in particular clauses 5.16.1(f), 5.17, 5.18 and 8.1*). The Sponsor must inform the Debit User promptly of each such Returned Item referable to that Debit User;³⁶⁰

- (d) manage the on-going conduct of the Debit User by ensuring that the Debit User's lodgements are consistent with the Debit User's normal business practice or needs and install a "User Profile" to monitor File lodgements and manage unusual variations to lodgement patterns on an on-going basis. In monitoring File lodgements by its Debit Users, a Sponsor must have regard to:³⁶¹
 - (i) the total value of Debit Items contained in any one File being in excess of the agreed figure or in excess of the normal pattern;
 - (ii) the frequency of lodgements; and
 - (iii) any other relevant matters;
- (e) be satisfied as to the Debit User's continued financial stability and continued suitability to be sponsored for access to BECS and, where required, undertake reviews to the extent necessary;³⁶²
- (f) be solely accountable for terminating the Debit User's right to lodge Debit Items and access to BECS as a Debit User as it sees fit;³⁶³

³⁵⁸ Last amended effective 31/3/00, version 019 r&p 001.00

³⁵⁹ Inserted effective 28/10/96

³⁶⁰ Last amended effective 11/6/08, version 038 r&p 004.08

³⁶¹ Last amended effective 28/10/96

³⁶² Last amended effective 1/9/25, version 071 r&p 001.25

³⁶³ Last amended effective 1/9/25, version 071 r&p 001.25

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- (g) immediately review a Debit User's suitability if the Sponsor becomes aware of any material change in the Debit User's circumstances or is requested by the Company. If, as a result of the review, the Sponsor cancels the Debit User's access to BECS as a Debit User, the Sponsor must notify the Company and the Debit User immediately of such cancellation (and the Debit User should also be notified of the withdrawal of its entitlement and access to any logo of the Company relating to direct debits). The Company will then issue a cancellation advice to the Framework Participants according to the urgency of the request. A change to a Debit User's circumstances may include, without limitation, reduced integrity, reliability or financial standing;³⁶⁴
 - (h) notify the Company within the appropriate time-frame prior to change of Debit User name, mergers, and the like taking effect in accordance with clause 5.3;³⁶⁵
 - (i) notify the Company not less than 5 business days before making any change to its DDR Claims Contact or Claims Account details as published in Annexure B7, nominating an effective date for the change, to enable the Company to publish any amended details to Framework Participants before they take effect;³⁶⁶
 - (j) promptly forward to the Debit User a Direct Debit Cancellation Request received from a Ledger FI (as referred to in clause 7.12(h));³⁶⁷
 - (k) promptly forward to the Debit User any Notice of Redirection of a Direct Entry Item received (addressed to the Debit User) from a Ledger FI (as referred to in clause 5.21);³⁶⁸

*Note: A Sponsor is required to promptly forward any Notice of Redirection of Direct Entry Items received from Ledger FIs. Where this involves a large number of accounts, a Sponsor must use best endeavours to do so within 3 months from receipt of the Notice.*³⁶⁹

- (l) forward a Notice of Variation of Account Details (addressed to the Debit User) to the Debit User within 3 business days of receipt;³⁷⁰
- (m) notify the Debit User that before obtaining Direct Debit Requests in writing by electronic communication or by telephone the Sponsor must review and approve the format, content, medium and procedures proposed for obtaining Direct Debit Requests in writing by electronic communication or by telephone; and³⁷¹

³⁶⁴ Last amended effective 1/9/25, version 071 r&p 001.25

³⁶⁵ Last amended effective 20/7/01, version 005 r&p 005.01

³⁶⁶ Last amended effective 24/1/12, version 046 r&p 005.11

³⁶⁷ Last amended effective 1/7/12, version 048 r&p 002.12

³⁶⁸ Inserted effective 1/11/08, version 039 r&p 005.08

³⁶⁹ Inserted effective 3/6/23, version 066 r&p 001.23

³⁷⁰ Last amended effective 1/1/23, version 0065 r&p 003.22

³⁷¹ Last amended effective 1/11/08, version 039 r&p 005.08

- (n) where a claim is accepted under 7.10(i) or there may otherwise be a claim under Section 7.6, seek payment (or recovery) of the disputed amount from the Debit User in the first instance.³⁷²

7.6 Sponsor Indemnification³⁷³

A Sponsor which approves a Debit User indemnifies all Framework Participants on behalf of themselves and on behalf of each Non-member Appointor for which that Framework Participant is a Representative in respect of all claims, liabilities, expenses and losses suffered or incurred by the Framework Participant and each Non-member Appointor in respect of all Valid Claims in accordance with this clause.

In this clause, a "Valid Claim" is a claim, supported by full particulars, made in writing by a Framework Participant, addressed to the Sponsor in relation to the Framework Participant's Customer or its Non-member Appointor's Customer to whose account a Debit Item is debited, that:³⁷⁴

- (a) the Customer's account has been debited where there is no valid Direct Debit Request;³⁷⁵
- (b) the account of any such Customer has been debited with, and payment made to the Debit User of, amounts not at the time authorised by that Customer;³⁷⁶
- (c) despite there being a valid Direct Debit Request:³⁷⁷
 - (i) the Customer's account was not debited in accordance with that Direct Debit Request or any DDR Service Agreement (or relevant terms) provided;
 - (ii) the Customer has not been provided with, or made aware of, the terms and conditions of the applicable DDR Service Agreement; or
 - (iii) the Direct Debit Request has been obtained by fraudulent means,

and includes any claim:
- (d) that the Sponsor has accepted as meeting all conditions under this clause; or³⁷⁸
- (e) that the Sponsor has accepted liability for irrespective of the circumstances; or³⁷⁹
- (f) where any relevant industry ombudsman or a court makes a decision or an order that the Sponsor make a payment in respect of the claim.³⁸⁰

³⁷² Inserted effective 1/1/23, version 0065 r&p 003.22

³⁷³ Amended effective 1/9/25, version 071 r&p 001.25

³⁷⁴ Last amended effective 31/3/00, version 019 r&p 001.00

³⁷⁵ Inserted effective 1/9/25, version 071 r&p 001.25

³⁷⁶ Last amended effective 1/9/25, version 071 r&p 001.25

³⁷⁷ Inserted effective 1/9/25, version 071 r&p 001.25

³⁷⁸ Last amended effective 31/3/00, version 019 r&p 001.00

³⁷⁹ Last amended effective 31/3/00, version 019 r&p 001.00

³⁸⁰ Last amended effective 31/3/00, version 019 r&p 001.00

For the avoidance of doubt, the Sponsor indemnification remains in effect for a period of 6 years after termination of sponsorship where the Valid Claim arose in respect of a Debit payment(s) that occurred while the sponsorship was in effect. Where there has been a change of Sponsor, the current Sponsor may make a claim against the indemnity of the Sponsor sponsoring the Debit User at the time.³⁸¹

The indemnification contained in this clause 7.6 shall apply to each Debit User which has or should have been advised by the Sponsor to the Company in accordance with these Procedures whether such advice was given on or before the commencement of BECS.³⁸²

7.7 Representative Indemnification

A Representative which has agreed to allow a Tier 2 Framework Participant to sponsor a person as a Debit User indemnifies all Framework Participants (other than the Tier 2 Framework Participant), on behalf of themselves and on behalf of each Non-member Appointor for which that Framework Participant is a Representative, in respect of any loss caused by or arising from the Tier 2 Framework Participant's failure to comply with the indemnity which it has given under clause 7.6 as a Sponsor and its failure to comply with any other aspect of Sponsor obligations in clause 7.

7.8 Claim Procedures under Sponsor Indemnification and Representative Indemnification

The procedures for Ledger FIs to claim under the Sponsor's indemnification as set out in clause 7.6 and the Representative's indemnification as set out in clause 7.7 are as follows:³⁸³

(a) when a Customer approaches a Ledger FI to make a claim the Ledger FI must:

- (i) make reasonable enquiries as to the circumstances of the claim;
- (ii) determine whether, in its reasonable opinion, the claim appears to be a Valid Claim;
- (iii) if it determines that the claim appears to be a Valid Claim, obtain from the Customer a completed Customer Claim which must:³⁸⁴
 - (A) be identified on its face as a "Direct Debit Customer Claim" or words to that effect;³⁸⁵
 - (B) identify the Customer;³⁸⁶
 - (C) identify the Debit User or, if different, remitter named on the Customer's account statement;³⁸⁷

³⁸¹ Inserted effective 1/1/23, version 0065 r&p 003.22

³⁸² Last amended effective 1/9/25, version 071 r&p 001.25

³⁸³ Last amended effective 1/3/02, version 009 r&p 001.02

³⁸⁴ Last amended effective 31/3/00, version 019 r&p 001.00

³⁸⁵ Amended effective 1/9/25, version 071 r&p 001.25

³⁸⁶ Amended effective 1/9/25, version 071 r&p 001.25

³⁸⁷ Inserted effective 31/3/00, version 019 r&p 001.00

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- (D) identify the disputed debit transaction by date, amount, BSB Number and account number and include the lodgement reference details printed on the Customer's account statement;³⁸⁸
 - (E) set out the basis on which the Customer disputes the Debit User's authority to debit;³⁸⁹
 - (F) be dated; and³⁹⁰
- (iv) advise the Customer that the claim may be disputed;
- (b) after receiving a completed Customer Claim, if the Ledger FI decides to make a claim under clause 7.6 and/or clause 7.7, the Ledger FI's DDR Claims Contact specified in Annexure B7 must, before close of business on the business day (in the State/Territory where that DDR Claims Contact is located) which next follows the date of the Customer Claim;³⁹¹
 - (i) provide full particulars of the claim, including the date of the claim and the information referred to in clause 7.8(a)(iii)(B)-(E) inclusive, by facsimile or by e-mail to the Sponsor's DDR Claims Contact specified in Annexure B7, together with a completed Claim Request, demanding payment by the Sponsor, under the indemnity given by the Sponsor pursuant to clause 7.6, of the amount of the claim; and at the same time,³⁹²
 - (ii) if the Sponsor is a Tier 2 Framework Participant, also send to the Sponsor's Representative full particulars of the claim with a demand for payment by the Representative, under the indemnity which the Representative has given under clause 7.7, of the amount of the claim in the event that payment is not received by the Ledger FI from the Sponsor under the Sponsor's indemnity;³⁹³
- (c) the Sponsor's DDR Claims Contact must:³⁹⁴
 - (i) forward the claim to the Debit User as soon as practicable and require it to produce evidence of its authority to effect the disputed debit transaction;³⁹⁵
 - (ii) at the same time, if the claim relates to the transaction that occurred while the Debit User had a different Sponsor, forward the Claim Request to the previous Sponsor and give notice that if the claim is upheld, it may make a claim against that previous Sponsor's indemnity. However, failure to give notice to the previous Sponsor does not preclude the current Sponsor from making a claim against the previous Sponsor's indemnity;³⁹⁶

³⁸⁸ Amended effective 1/9/25, version 071 r&p 001.25

³⁸⁹ Inserted effective 31/3/00, version 019 r&p 001.00

³⁹⁰ Last amended effective 5/7/19, version 061 r&p 001.19

³⁹¹ Last amended effective 11/6/08, version 038 r&p 004.08

³⁹² Last amended effective 24/1/12, version 046 r&p 005.11

³⁹³ Last amended effective 31/3/00, version 019 r&p 001.00

³⁹⁴ Last amended effective 11/6/08, version 038 r&p 004.08

³⁹⁵ Inserted effective 31/3/00, version 019 r&p 001.00

³⁹⁶ Inserted effective 1/1/23, version 0065 r&p 003.22

(iii) respond in writing to the Ledger FI's DDR Claims Contact (with a copy to the Sponsor's Representative, if any) as to whether the claim is accepted or refused (and if it is refused, written reasons for that, together with DDR Claims Evidence):³⁹⁷

(A) in the case of disputed debits made less than 12 months before the date of the Customer Claim (apart from disputed debits involving a Debit User that is under the administration of an Administrator (as defined in clause 5.8)), by no later than close of business on the fifth business day (in the State/Territory where the Sponsor's DDR Claims Contact is located) after its receipt of the claim; and³⁹⁸

(B) in the case of all other disputed debits, within one month of its receipt of the claim; and³⁹⁹

*Note: the intention is to allow the Sponsor's DDR Claims Contact 5 clear business days to process a claim under (A) above. Ledger FIs must ensure, in calculating the date by which a response is required from the Sponsor, that they exclude public holidays in the State/Territory where the Sponsor's DDR Claims Contact is located.*⁴⁰⁰

(iv) if the claim is accepted, seek payment (or recovery) of the disputed amount from the Debit User in the first instance. Where the claim relates to a transaction that occurred while the Debit User had a different Sponsor, only make a claim against the previous Sponsor's indemnity if the disputed amount cannot otherwise be recovered from the Debit User.⁴⁰¹

(d) the Ledger FI must inform the Customer of the Sponsor's response no later than the morning of the next business day (being a business day in each of the States/Territories (if different) where the Ledger FI and the Ledger FI's DDR Claims Contact are located) following the expiry of the period allowed for the Sponsor's response under clause 7.8(c)(iii)(A) or (B);⁴⁰²

(e) if the Sponsor accepts any claim or if it fails to respond to the Ledger FI's DDR Claims Contact within the specified period under clause 7.8(c)(iii)(A) or (B), the Ledger FI may:⁴⁰³

(i) refund to the Customer the amount of the claim; and⁴⁰⁴

³⁹⁷ Last amended effective 5/7/19, version 061 r&p 001.19

³⁹⁸ Last amended effective 5/7/19, version 061 r&p 001.19

³⁹⁹ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁰⁰ Last amended effective 11/6/08, version 038 r&p 004.08

⁴⁰¹ Inserted effective 1/1/23, version 0065 r&p 003.22

⁴⁰² Last amended effective 11/6/08, version 038 r&p 004.08

⁴⁰³ Last amended effective 11/6/08, version 038 r&p 004.08

⁴⁰⁴ Inserted effective 31/3/00, version 019 r&p 001.00

- (ii) draw on the Sponsor's (or if applicable, Sponsor's Representative's) claims account nominated for that purpose in Annexure B7, for an equivalent amount;⁴⁰⁵

at the time it notifies the Customer under clause 7.8(d). The Ledger FI must confirm its drawing by facsimile or email to the Sponsor's DDR Claims Contact on the same business day that it effects the drawing, providing in that facsimile or email adequate information to enable the Sponsor to identify the claim which is the basis of that drawing. All drawings pursuant to clause 7.8(e)(ii) must be made electronically in accordance with the specifications set out in Annexure C4;⁴⁰⁶

- (f) if: ⁴⁰⁷

- (i) the Sponsor refuses the claim and produces DDR Claims Evidence within the required period; and
- (ii) the Customer wants to contest refusal of the claim; and
- (iii) the Ledger FI determines, in its reasonable opinion, that the claim is still appropriate, then

the Ledger FI must give written notice that rejection of the claim is disputed to the Sponsor, and if the Sponsor is a Tier 2 Framework Participant, copied to the Sponsor's Representative;⁴⁰⁸

- (g) upon receipt by the Sponsor and, if applicable, its Representative of notice under clause 7.8(f), the Sponsor and the Ledger FI and, if applicable, the Representative must use reasonable endeavours to resolve the dispute;⁴⁰⁹
- (h) if a disputed claim is not resolved under clause 7.8(g) within 30 days from the date on which the Sponsor (or if applicable, the later of the respective dates on which the Sponsor and its Representative) received notice of the dispute under clause 7.8(f), the disputed claim may be referred to the Management Committee, pursuant to Regulation 13, by the Ledger FI or the Sponsor or, if applicable, the Sponsor's Representative;⁴¹⁰
- (i) any claim in respect of which the evidence does not include a copy of a valid written Direct Debit Request containing the Customer's signature shall be determined in favour of the Ledger FI unless the Sponsor can establish that the Debit User has obtained a valid Direct Debit Request from the Customer in writing by electronic communication or by telephone, based on evidence of the type described in paragraph (a)(ii) of the definition of DDR Claims Evidence.⁴¹¹

⁴⁰⁵ Last amended effective 4/3/08, version 037 r&p 002.08

⁴⁰⁶ Last amended effective 5/7/19, version 061 r&p 001.19

⁴⁰⁷ Last amended effective 5/7/19, version 061 r&p 001.19

⁴⁰⁸ Last amended effective 31/3/00, version 019 r&p 001.00

⁴⁰⁹ Amended effective 3/3/06, version 031 r&p 004.06

⁴¹⁰ Amended effective 3/3/06, version 031 r&p 004.06

⁴¹¹ Last amended effective 1/9/25, version 071 r&p 001.25

For the avoidance of doubt, nothing in the preceding provisions of this clause 7.8 will be taken to prevent a Ledger FI, having determined that in its opinion a claim is a Valid Claim, from refunding, from its own funds, to the Customer the amount of the disputed Debit Item *before* making its claim on the Sponsor in accordance with clause 7.8(b). In that case, once the Ledger FI makes a claim on the Sponsor under clause 7.8(b), clauses 7.8(c)-7.8(i) inclusive will then apply in accordance with their terms EXCEPT THAT risk as to whether the claim will be accepted by the Sponsor (or, if disputed, as to whether it will ultimately be determined to be a Valid Claim) rests solely with the Ledger FI and any funds subsequently refunded to the Ledger FI pursuant to this clause 7.8 will be taken to be received or drawn by it for its own benefit.⁴¹²

If the Customer commences legal action against the Ledger FI, the Ledger FI must keep the Sponsor and, if applicable, the Sponsor Representative reasonably informed about that legal action. Each Sponsor consents to being joined as a party to any such action if the Ledger FI so requires, with each party to be responsible in the first instance for its own costs. It may also be that the Sponsor and/or the Sponsor's Representative will wish to become involved in the legal action to defend its involvement in processing the transaction.⁴¹³

7.9 Cancellation of Sponsor Indemnification and Representative Indemnification⁴¹⁴

Upon notification to the Company of the cancellation of a Debit User's right of access to BECS as a Debit User, the Sponsor indemnification given under clause 7.6 and, if applicable, the Representative indemnification under clause 7.7 shall cease to apply in respect of that Debit User in relation to Items of that Debit User exchanged by it after that notification, but without prejudice to any right or liability arising under the Sponsor indemnification given under clause 7.6 in relation to that Debit User prior to such cancellation or in relation to any other Debit Users lodging for whom that Sponsor is responsible and, if applicable, the Representative indemnification given under clause 7.7.

7.10 Debit User Responsibilities

A Sponsor must not approve a prospective Debit User unless the Debit User agrees to comply with all the conditions, accountabilities and responsibilities required of a Debit User in these Procedures. Therefore, a Sponsor must ensure that its Debit Users:

(a) in respect of each new Customer:⁴¹⁵

(i) obtain a valid Direct Debit Request that meets the requirements specified in clause 7.4.1;⁴¹⁶

⁴¹² Amended effective 3/3/06, version 031 r&p 004.06

⁴¹³ Amended effective 31/3/00, version 019 r&p 001.00

⁴¹⁴ Last amended effective 31/3/00, version 019 r&p 001.00

⁴¹⁵ Last amended effective 5/7/19, version 061 r&p 001.19

⁴¹⁶ Last amended effective 1/9/25, version 071 r&p 001.25

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- (ii) enter into a DDR Service Agreement that meets the requirements specified in clause 7.11 either in writing or by telephone and if the DDR Service Agreement is entered into:⁴¹⁷
 - (A) in writing by electronic communication then the information described in clause 7.11 must be communicated to the Customer in writing and the requirements specified in clause 1.2(d) and 1.2(e) must be satisfied in respect of that information; or⁴¹⁸
 - (B) by telephone then the information described in: ⁴¹⁹
 - (1) clause 7.11(b); and
 - (2) unless the Customer elects not to receive it the remainder of clause 7.11;

must be communicated to the Customer by a procedure that the Sponsor has approved which must identify the Customer and indicate the Customer's approval of the information communicated by a method that is in accordance with clause 1.2(e)(i);
 - (iii) provide the Customer with the terms and conditions of the DDR Service Agreement in writing. If the terms and conditions of DDR Service Agreement are provided to the Customer in writing by electronic communication then the requirements specified in clause 1.2(e) must be satisfied; and⁴²⁰
 - (iv) with respect to Direct Debit Requests obtained in writing by electronic communication or by telephone, use its best endeavours to comply with the Guidelines for Establishing Direct Debit Requests Electronically or by Telephone to the extent to which such guidelines are applicable.⁴²¹
 - (b) only obtain Direct Debit Requests in writing by electronic communication or by telephone if the Sponsor has authorised them in writing to do so and then subject to such conditions as the Sponsor may impose;⁴²²
 - (c) issue Debit Items strictly in accordance with the Direct Debit Request provided by the Customer to the Debit User, honour the spirit of the commitment made to the Customer under the Debit User's applicable DDR Service Agreement and do not exceed the conditions (if any) specified in the Direct Debit Request provided by the Customer;⁴²³

⁴¹⁷ Amended effective 3/3/06, version 031 r&p 004.06

⁴¹⁸ Amended effective 1/9/25, version 071 r&p 001.25

⁴¹⁹ Inserted effective 3/3/06, version 031 r&p 004.06

⁴²⁰ Amended effective 1/9/25, version 071 r&p 001.25

⁴²¹ Last amended effective 1/9/25, version 071 r&p 001.25

⁴²² Inserted effective 3/3/06, version 031 r&p 004.06

⁴²³ Amended effective 3/3/06, version 031 r&p 004.06

- (d) inform Customers of any change in the terms of the debit arrangements agreed between them (as set out in the Debit User's DDR Service Agreement and Direct Debit Request and includes, without limitation, any change to the Debit User's details as set out in the Direct Debit Request), in accordance with the notice period required in the DDR Service Agreement. If the change is unfavourable to the Customer, at least 30 days' notice must be given;⁴²⁴
- (e) inform the Sponsor (within any notification period specified by the Sponsor) of any significant changes in arrangements made in relation to the issue of Debit Items including changes to File values and/or frequency;⁴²⁵
- (f) inform the Sponsor of any proposed change to Debit User name, mergers, and the like in accordance with any notification period specified by the Sponsor;⁴²⁶

*Note: such a notification period may be necessary to enable the Sponsor to evaluate the nature of the proposed change and to determine whether or not to agree to it and, in the event that it agrees, to act in accordance with clauses 5.3 and 5.9.*⁴²⁷

- (g) in respect of processing a Notice of Variation of Account Details:⁴²⁸
 - (i) promptly verify (by signature comparison or other means) a Notice of Variation of Account Details prior to processing. If there is any doubt as to the Customer's authorisation, then the Debit User must contact the Customer to verify; and⁴²⁹
 - (ii) promptly notify the Customer upon completion of processing a Notice of Variation of Account Details;
- (h) act promptly in accordance with any instruction given by a Customer to it directly or received from the Customer via the Ledger FI and the Sponsor or via the Incoming FI and the Sponsor to:⁴³⁰
 - (i) cancel or suspend a Direct Debit Request;⁴³¹
 - (ii) stop or defer individual Debit Items from time to time;⁴³²
 - (iii) vary a Direct Debit Request in accordance with a verified Notice of Variation of Account Details; or⁴³³

⁴²⁴ Last amended effective 1/9/25, version 071 r&p 001.25

⁴²⁵ Amended effective 3/3/06, version 031 r&p 004.06

⁴²⁶ Amended effective 3/3/06, version 031 r&p 004.06

⁴²⁷ Inserted effective 31/3/00, version 019 r&p 001.00

⁴²⁸ Inserted effective 1/7/12, version 048 r&p 002.12

⁴²⁹ Amended effective 1/7/12, version 048 r&p 002.12

⁴³⁰ Last amended effective 1/7/12, version 048 r&p 002.12

⁴³¹ Last amended effective 1/11/08, version 039 r&p 005.08

⁴³² Last amended effective 1/11/08, version 039 r&p 005.08

⁴³³ Amended effective 1/7/12, version 048 r&p 002.12

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- (iv) vary a Direct Debit Request in accordance with a Notice of Redirection of a Direct Entry Item.⁴³⁴

*Note: In relation to any Returned Item referable to a Debit User, the Debit User must act promptly to take such action as may be necessary, which may include referring to the Customer, to ensure the continuing accuracy of each Direct Debit Request.*⁴³⁵

- (i) investigate and deal promptly and in good faith with any query, claim or complaint relating to alleged incorrect or wrongful debits that is received from a Sponsor, assist the Sponsor to deal with all such queries, claims or complaints and respond to the Sponsor within any period specified by the Sponsor, by either⁴³⁶
- (i) accepting the claim and paying the disputed amount to the Sponsor in any manner agreed between them; or
- (ii) disputing the claim and providing the Sponsor with full particulars of reasons for disputing the claim, which must include DDR Claims Evidence;⁴³⁷
- (j) are made aware of:⁴³⁸
- (i) the Debit User's responsibility to ensure that correct account information appears on any Direct Debit Request given to it; and
- (ii) the Sponsor's potential liability under its indemnity in clause 7.6 (and the implications in terms of any liability of the Debit User to that Sponsor under their proprietary documentation) in circumstances where the Debit User has initiated debits in reliance on incorrect account information provided by a Customer in a Direct Debit Request;
- (k) ensure the correct User Identification Number for the Debit User appears on each Direct Debit Request, and all correspondence to the Customer which the Debit User initiates;⁴³⁹
- (l) retain all Direct Debit Requests, Notice of Variation of Account Details, Notices of Redirection of a Direct Entry Item and instructions from Customers (whether received directly from a Customer or via a Ledger FI (or Incoming FI) and Sponsor) to cancel or suspend a Direct Debit Request given to the Debit User in writing (other than by electronic communication or by telephone) and reliable records of all such requests, forms or instructions given to the Debit User in writing by electronic communication or by telephone, as well as records of its Sponsors (and periods of sponsorship), for a period of not less than 7 years from the date of the last debit made under the relevant Direct Debit Request,

⁴³⁴ Inserted effective 1/11/08, version 039 r&p 005.08

⁴³⁵ Inserted effective 26/7/10, version 043 r&p 001.10

⁴³⁶ Last amended effective 1/11/08, version 039 r&p 005.08

⁴³⁷ Amended effective 5/7/19, version 061 r&p 001.19

⁴³⁸ Last amended effective 1/11/08, version 039 r&p 005.08

⁴³⁹ Last amended effective 1/11/08, version 039 r&p 005.08

and produce these on request by the Sponsor or the Ledger FI for verification of the Debit User's authority to debit;⁴⁴⁰

- (m) acknowledge and agree, for the benefit of the Company, that the Debit User's entitlement to use a logo approved by the Company on its form of Direct Debit Request and related material (in each case as approved by the Sponsor), is contingent on the Debit User's continuing to act in the capacity of a Debit User in BECS and to comply fully with its obligations in that capacity, such that if:⁴⁴¹

- (i) the Debit User's access to BECS is withdrawn by the Sponsor; or
- (ii) the Debit User otherwise ceases to be a Debit User in BECS,

the Debit User's entitlement to use that logo will cease immediately and any further use of the logo by the Debit User will be taken to be an infringement of the Company's rights in that mark; and⁴⁴²

- (n) acknowledge and agree that Customers are entitled to cancel or suspend Direct Debit Requests addressed by those Customers to those Debit Users by notice to the Ledger FIs in accordance with sub-paragraph 7.12(h).⁴⁴³

7.11 DDR Service Agreement⁴⁴⁴

Each DDR Service Agreement must:

- (a) be identified as a DDR Service Agreement or setting out the terms and conditions for a Direct Debit Request;⁴⁴⁵
- (b) set out reasonable details (or, if such details are contained in the DDR, refer the Customer to it) of the terms of the debit arrangements to apply between the Debit User and the Customer including, if applicable, the basis on which the Debit User will issue billing advices to the Customer;⁴⁴⁶
- (c) specify the notice period required if the Debit User proposes to vary any of the terms of those debit arrangements. If the change is unfavourable to the Customer, at least 30 days' notice must be given;⁴⁴⁷
- (d) set out clearly and in reasonable detail the procedure available to the Customer to request deferment of, or alteration to, any of those arrangements;⁴⁴⁸

⁴⁴⁰ Last amended effective 1/1/23, version 0065 r&p 003.22

⁴⁴¹ Last amended effective 1/11/08, version 039 r&p 005.08

⁴⁴² Last amended effective 20/7/01, version 005 r&p 005.01

⁴⁴³ Last amended effective 1/11/08, version 039 r&p 005.08

⁴⁴⁴ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁴⁵ Last amended 1/9/25, version 071 r&p 001.25

⁴⁴⁶ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁴⁷ Last amended effective 1/9/25, version 071 r&p 001.25

⁴⁴⁸ Amended effective 5/7/19, version 061 r&p 001.19

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- (e) set out clearly and in reasonable detail the procedure available to the Customer to stop any Debit Item or cancel a Direct Debit Request with the Debit User, and advise the Customer that all requests for such stops or cancellations may be directed to the Debit User or the Ledger FI;⁴⁴⁹
 - (f) set out in reasonable detail the procedure available to the Customer to dispute any Debit Item with the Debit User and the dispute resolution process to apply between them, and advise the Customer that claims may also be directed to the Ledger FI;⁴⁵⁰
 - (g) indicate:⁴⁵¹
 - (i) that direct debiting through BECS may not be available on all accounts; and
 - (ii) that the Customer is advised to check account details against a recent statement from the Ledger FI,

and direct the Customer, if uncertain, to check with the Ledger FI before completing the DDR;⁴⁵²
 - (h) state that it is the responsibility of the Customer to have sufficient clear funds available in the relevant account by the due date to permit the payment of Debit Items initiated in accordance with the relevant Direct Debit Request;⁴⁵³
 - (i) state its policy when the due date for payment falls on a day which is not a Business Day in the place of lodgement, and indicate that if the Customer is uncertain as to when the debit will be processed to the Customer's account, they should enquire direct of the Ledger FI;⁴⁵⁴
 - (j) state its policy when Debit Items are returned unpaid by the Ledger FI, including the application by the Debit User of any related fees; and⁴⁵⁵
 - (k) state its policy on the privacy to be accorded to the Customer's records and account details, while noting that the Sponsor may require such information to be provided in connection with a claim made on it relating to an alleged incorrect or wrongful debit.⁴⁵⁶

⁴⁴⁹ Last amended effective 1/1/24, version 068 r&p 004.23

⁴⁵⁰ Last amended effective 19/2/04, version 017 r&p 001.04

⁴⁵¹ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁵² Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁵³ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁵⁴ Amended effective 31/3/00, version 019 r&p 001.00

⁴⁵⁵ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁵⁶ Inserted effective 31/3/00, version 019 r&p 001.00

- Note: 1. A DDR Service Agreement may be entered into in writing, in writing by electronic communication or by telephone – see clauses 1.2(d) and 1.2(e) and 7.10(a).⁴⁵⁷*
- 2. Annexure A28 is provided to assist Sponsors with preparation of their DDR Service Agreements, insofar as it suggests a form of DDR Service Agreement incorporating all required content. Notwithstanding any implied or express statement to the contrary in these Procedures, provided DDR Service Agreements comply with substantive content provisions of these Procedures, a Sponsor may determine the form of DDR Service Agreement it uses in its absolute discretion.)⁴⁵⁸*
- 3. In preparing the DDR Service Agreement (and any additional terms), Sponsors are reminded (and should remind their Debit Users) to be mindful of unfair contract terms.)⁴⁵⁹*

7.12 Ledger FI's Responsibilities

A Ledger FI must:

- (a) receive Debit Users' Debit Items from a Sending Member, draw funds from the relevant Customers' accounts as at a date no later than PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State/Territory) and effect settlement in accordance with the Regulations and these Procedures. Unless otherwise agreed bilaterally between the User FI and Ledger FI, Debit Items received by the Ledger FI must be posted to the Customer's account as at PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State/Territory).⁴⁶⁰

Note: The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires that certain information must be included in electronic funds transfer instructions and imposes pre-conditions which must be satisfied before financial institutions may initiate, pass on or take any other action to carry out the electronic funds transfer instructions. Please refer to Part 5 of the Act for details.⁴⁶¹

- (b) return any Debit Items which cannot or will not be paid, no later than the close of business on the next business day after the PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State/Territory) in accordance with clause 7.15;⁴⁶²
- (c) promptly assist its Customers with enquiries on Debit Items made to the Customers' accounts;⁴⁶³

⁴⁵⁷ Last amended effective 1/9/25, version 071 r&p 001.25

⁴⁵⁸ Inserted effective 17/1/11, version 044 r&p 004.10

⁴⁵⁹ Inserted effective 1/1/24, version 068 r&p 004.23

⁴⁶⁰ Last amended effective 5/12/07, version 036 r&p 006.07

⁴⁶¹ Inserted effective 5/12/07, version 036 r&p 006.07

⁴⁶² Last amended effective 5/12/07, version 036 r&p 006.07

⁴⁶³ Last amended effective 5/12/19, version 061 r&p 001.19

- (d) promptly process claims on behalf of Customers to the relevant Sponsors and, if applicable, Representatives of Sponsors which are Tier 2 Framework Participants, in each case through the relevant DDR Claims Contact listed in Annexure B7 and otherwise in accordance with these Procedures;⁴⁶⁴
- (e) ensure that the name of remitter and, where present, the lodgement reference details from the Detail Record are printed on all Customer statements;⁴⁶⁵
- (f) if it receives any Refused Item (Record Type 3) which it cannot accept, ascertain from the Detail Record for that Refused Item the identity of the relevant Sponsor and arrange on-forwarding of that Refused Item in accordance with that Sponsor's directions;⁴⁶⁶
- (g) notify the Company not less than 5 business days before making any change to its DDR Claims Contact or Claims Account details as published in Annexure B7, nominating an effective date for the change, to enable the Company to publish any amended details to Framework Participants before they take effect;⁴⁶⁷
- (h) accept an instruction that it receives from a Customer to cancel a Direct Debit Request addressed by that Customer to a Debit User and act promptly on that instruction by forwarding to the Sponsor's DDR Claims Contact specified in Annexure B7 a Direct Debit Cancellation Request and ensuring, as far as practicable (having regard to the fact that some Debit Items may already have been exchanged and/or partly processed), that no further Debit Items under the Direct Debit Request which is the subject of the Customer's instruction to cancel are posted to the Customer's account.⁴⁶⁸

But nothing in this PART 7 is to be taken to require a Ledger FI to accept and post Debit Items to a Customer's account when: ⁴⁶⁹

- (i) to do so would be contrary to the Customer's formal instructions to it; or⁴⁷⁰
- (ii) the Debit Item will be returned in accordance with clause 7.15(b) because it will not be paid.⁴⁷¹

A Ledger FI that does not post a Debit Item to a Customer's account because of the circumstances described in (i) or (ii) above is not relieved of the obligation to effect settlement for that Debit Item in accordance with the Regulations and these Procedures.⁴⁷²

⁴⁶⁴ Last amended effective 5/12/19, version 061 r&p 001.19

⁴⁶⁵ Last amended effective 31/3/00, version 019 r&p 001.00

⁴⁶⁶ Last amended effective 31/3/00, version 019 r&p 001.00

⁴⁶⁷ Last amended effective 24/1/12, version 046 r&p 005.11

⁴⁶⁸ Last amended effective 15/7/19, version 061 r&p 001.19

⁴⁶⁹ Last amended effective 1/11/08, version 039 r&p 005.08

⁴⁷⁰ Last amended effective 1/11/08, version 039 r&p 005.08

⁴⁷¹ Last amended effective 1/11/08, version 039 r&p 005.08

⁴⁷² Last amended effective 1/11/08, version 039 r&p 005.08

Debit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc. [Deleted]⁴⁷³

Debit User Indemnity - Stamp Duty [Deleted]⁴⁷⁴

Account Switching: Switching Initiated by Incoming FI⁴⁷⁵

*The following provisions (clauses 7.12.1 to 7.12.5) provide two alternative mechanisms to facilitate account switching and the establishment of new Regular Payments arrangements, either by enabling a Customer to easily obtain a Regular Payments List from its existing financial institution (clause 7.12.5) or by enabling a Switching Customer's new financial institution to obtain the Regular Payments List on their behalf (clause 7.12.1). The Customer has the option of requesting either its existing financial institution (Ledger FI) or new financial institution (Incoming FI) to assist with establishing new direct debit arrangements (see PART 7) and new direct credit arrangements (PART 6).*⁴⁷⁶

The Incoming FI will also assist the customer to cancel any Direct Debit Requests the customer wishes to discontinue.

7.12.1 Incoming FI Obligations

An Incoming FI must, upon request by a Switching Customer:⁴⁷⁷

- (a) request, via the AusPayNet Mailbox, and obtain a Regular Payments List, on behalf of the Switching Customer, from the Outgoing FI;
- (b) assist the Switching Customer to notify Debit Users of a change in the account to be debited by:
 - (i) assisting the Switching Customer to identify the Debit Users on the Regular Payments List that need to receive a Notice of Variation of Account Details;
 - (ii) completing a Notice of Variation of Account Details, attaching a schedule detailing Debit Users identified pursuant to clause 7.12.1(b)(i), for the Switching Customer to sign; and
 - (iii) forwarding a Notice of Variation of Account Details to the applicable Sponsor via the AusPayNet Mailbox or to the applicable Sponsor's Account Switching Contact Point (specified in Annexure B12) within 2 business days of the Switching Customer signing it; and
- (c) assist a Switching Customer to notify a Debit User of its wish to cancel a Direct Debit Request by:
 - (i) assisting the Switching Customer to identify, on the Regular Payments List, any Direct Debit Request that it wishes to cancel;

⁴⁷³ Deleted effective 31/3/00, version 019 r&p 001.00

⁴⁷⁴ Deleted effective 31/3/00, version 019 r&p 001.00

⁴⁷⁵ Inserted effective 1/7/12, version 048 r&p 002.12

⁴⁷⁶ Amended effective 1/1/23, version 065 r&p 003.22

⁴⁷⁷ Inserted effective 1/7/12, version 048 r&p 002.12

- (ii) completing a Direct Debit Cancellation Request in respect of each such Direct Debit Request for the Switching Customer to sign; and
- (iii) forwarding the signed Direct Debit Cancellation Request to the Outgoing FI and each applicable Sponsor via the AusPayNet Mailbox or to each applicable Sponsor's Account Switching Contact Point (specified in Annexure B12) within 2 business days of the Switching Customer signing it,

Note: In accordance with clause 7.5, a Sponsor is obliged to promptly forward a copy of a Direct Debit Cancellation Request to the Debit User, and under clause 7.10, to ensure each Debit User acts promptly in relation to any instruction given by or on behalf of a customer to cancel a Direct Debit Request.

7.12.2 Outgoing FI Obligations

Subject to clause 7.12.3, an Outgoing FI which receives a request from an Incoming FI, which it determines to be a Valid Request must provide the Incoming FI with a Regular Payments List via the AusPayNet Mailbox as soon as practicable and in any event within 3 business days of receiving the Valid Request.⁴⁷⁸

Note: The Outgoing FI should make such as enquiries as is necessary, having regard to the type of account to which the request relates, to satisfy itself that a request received from an Incoming FI is a Valid Request as defined. This may include comparison of the customer's signature (as provided on the request) with any specimen signature for that customer held by the Outgoing FI, checking account name(s) and account authority/ies. Under no circumstances will the Outgoing FI be obliged to contact its customer to validate the request.

7.12.3 Outgoing FI- Valid Requests

If an Outgoing FI determines that a request is not a Valid Request, it must immediately notify the Incoming FI and provide reasons for its determination.⁴⁷⁹

7.12.4 Regular Payment List - Indemnity

An Incoming FI which requests and obtains a Regular Payments List on behalf of a Switching Customer from an Outgoing FI under clause 7.12.1, indemnifies the Outgoing FI in respect of all claims, liabilities, expenses and losses suffered or incurred by the Outgoing FI arising from the Outgoing FI's disclosure of the Regular Payments List. An Outgoing FI must give the Incoming FI written notification as soon as possible after the Outgoing FI suffers loss or damage or receives a claim for loss or damage, and in any case before the Outgoing FI agrees to settle or accept a claim.⁴⁸⁰

⁴⁷⁸ Amended effective 4/9/17, version 059 r&p 002.17

⁴⁷⁹ Amended effective 4/9/17, version 059 r&p 002.17

⁴⁸⁰ Amended effective 7/12/20, version 063 r&p 001.20

7.12.5 Account Switching: Switching Initiated by Customer⁴⁸¹

A Ledger FI must, if requested by a Customer:⁴⁸²

- (a) provide the Customer with a Regular Payments List as soon as practicable and in any event within 3 business days of receiving the request; and⁴⁸³
- (b) assist the Customer to notify Debit Users of a change in the account to be debited by:
 - (i) assisting the Customer to identify the Debit Users on the Regular Payments List that need to receive a Notice of Variation of Account Details;
 - (ii) completing a Notice of Variation of Account Details attaching a schedule detailing the Debit Users identified pursuant to clause 7.12.5(b)(i) for the Customer to sign; and
 - (iii) forwarding a copy of the Notice of Variation of Account Details to the applicable Sponsor via the AusPayNet Mailbox or to the applicable Sponsor's Account Switching Contact Point (specified in Annexure B12) within 2 business days of the Customer signing it.

The obligations in clause 7.12.5 only apply to a Personal Account.⁴⁸⁴

*Note: The Notice of Variation of Account Details is used whenever a Debit User is to be notified (via its Sponsor) of a change in its customer's account to be debited.*⁴⁸⁵

7.13 Lodgement FI's responsibilities⁴⁸⁶

A Lodgement FI must ensure that:

- (a) each Debit User's Files and Items which are exchanged conform with the DE File User Item Specifications (see Annexure C1) prior to their being exchanged;

*Note: The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) requires that certain information must be included in electronic funds transfer instructions and that certain information must be obtained in respect of those instructions before financial institutions may initiate, pass on or take any other action to carry out the electronic funds transfer instructions. Please refer to Part 5 of the Act for details.*⁴⁸⁷

⁴⁸¹ Inserted effective 4/9/17, version 059 r&p 002.17

⁴⁸² Inserted effective 4/9/17, version 059 r&p 002.17

⁴⁸³ Amended effective 4/9/17, version 059 r&p 002.17

⁴⁸⁴ Inserted effective 1/7/12, version 048 r&p 002.12

⁴⁸⁵ Inserted effective 1/7/12, version 048 r&p 002.12

⁴⁸⁶ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁸⁷ Inserted effective 16/4/07, version 033 r&p 001.07

- (b) if it is not itself the Sponsor, approval in writing has been obtained from the Sponsor prior to lodging the Debit Files on behalf of the User;
- (c) the Debit User has a correct Trace Record for each transaction on the Debit Files lodged by the Lodgement FI ;
- (d) if the Trace Record Institution specified or to be specified in respect of the Debit User's Debit Items is not the Sponsor, that Trace Record Institution has consented in writing to be specified as the Trace Record Institution for that Debit User's Debit Items; and
- (e) the Debit User's lodgements are consistent with the Debit User's normal business practice or needs and systems are in place to monitor File lodgements and manage unusual variations to lodgement patterns on an on-going basis.

If the Lodgement FI is not itself the Sponsor and lodges Debit Files for a User without having obtained prior approval from the Sponsor of that User for the time being, the Lodgement FI is held liable in respect of all Debit Items lodged by it, for all purposes under these Procedures as if it were the Sponsor, that is, for all responsibilities as prescribed in clause 7.5 of the Procedures (including without limitation the Sponsor's indemnity referred to in clause 7.5(b)). For this purpose, any such Lodgement FI must ensure its DDR Claims Contact and Claims Account details are published in Annexure B7 and that it notifies the Company not less than 5 business days before making any change to those details, nominating an effective date for the change, to enable the Company to publish any amended details to Framework Participants before they take effect.⁴⁸⁸

7.14 **Printing/Publication of Direct Debit Request**⁴⁸⁹

A Sponsor must notify a prospective Debit User and, where relevant, an existing Debit User:⁴⁹⁰

- (a) that the Sponsor must check and approve the format, content and medium proposed for a Direct Debit Request and any information which these Procedures require a Sponsor to ensure is given to Customers in connection with the Direct Debit Request (including without limitation the DDR Service Agreement) **BEFORE** printing or other formal means of publication to Customers is undertaken by the Debit User;
- (b) that the Debit User may include its logo on the Direct Debit Request or other related material approved by the Sponsor for the purposes of, and in accordance with, these Procedures;
- (c) that the Debit User may include a logo approved by the Company for use in connection with the provision of direct debit services in BECS (as notified by the Sponsor) on the Direct Debit Request and other related material approved by the Sponsor for the purposes of, and in accordance with, these Procedures **BUT ONLY** for as long as the Debit User continues to comply fully with its obligations as a Debit User.

⁴⁸⁸ Last amended effective 24/1/12, version 046 r&p 005.11

⁴⁸⁹ Inserted effective 31/3/00, version 019 r&p 001.00

⁴⁹⁰ Last amended effective 31/3/00, version 019 r&p 001.00

The Sponsor, on behalf of the Company, must ensure that the Debit User uses any logo of the Company strictly as required by clause 7.14(c) and ceases to use any such logo immediately upon its access to BECS as a Debit User being withdrawn by the Sponsor or otherwise ceasing.

7.15 Unpaid Direct Debits

Every Debit Item received by a Framework Participant must be:⁴⁹¹

- (a) paid; or
- (b) returned electronically to the Trace Record Institution by no later than the close of business on the next business day after the PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State/Territory).⁴⁹²

For the avoidance of doubt, the electronic return of a Debit Item to the BSB Number and account number in character positions 81 to 96 inclusive of the Detail Record for that Debit Item is sufficient for the purposes of clause 7.15(b) above.⁴⁹³

The next page is Part 8

Part 8 is Confidential

⁴⁹¹ Last amended effective 28/10/96

⁴⁹² Last amended effective 5/12/07, version 036 r&p 006.07

⁴⁹³ Inserted effective 27/7/07, version 035 r&p 005.07

PART 8 FILE/ITEM REJECTION

(Confidential)

The next page is Part 9

⁵⁰¹ Last amended effective 4/3/08, version 037 r&p 002.08

⁵⁰² Last amended effective 4/3/08, version 037 r&p 002.08

PART 9 SETTLEMENT

9.1 Date of Settlement

Subject to clause 9.1.1, settlement between Tier 1 Framework Participants must be effected;⁵⁰³

- (a) in the case of Items exchanged at the 10.30pm Official Exchange Time, in the Nine AM (9am) Settlement on the PD Day; or⁵⁰⁴
- (b) in the case of all other Items, in the next scheduled Multilateral Intraday Settlement on the PD Day;⁵⁰⁵

unless the Tier 1 Framework Participants who are parties to the transaction bilaterally agree to an earlier individual settlement, if permitted by the rules governing RITS.⁵⁰⁶

If, due to exceptional circumstances, settlement is not effected on the PD Day, it must be effected by 9.00am Sydney time on the business day after the PD Day, with an interest adjustment on balances owing being passed between Tier 1 Framework Participants in accordance with clause 9.2.6, or otherwise at such times and in such manner and at such rates and in respect of such type or types of Items as may be determined from time to time by the Management Committee.⁵⁰⁷

Subject to Regulation 12.6 and the regulations and procedures or manual governing any other Framework, Tier 1 Framework Participants may submit a File Settlement Instruction for value settlement amounts which relate to payment instructions which are exchanged between Framework Participants but which payment instructions are not Items exchanged in BECS.⁵⁰⁸

If such value settlement amounts for payment instructions which are exchanged between Framework Participants but which are not Items are incorporated into a File Settlement Instruction with respect to value settlement for Items exchanged in BECS, then settlement of such amounts must be performed in accordance with the provisions of the Regulations and these Procedures (including without limitation any provisions applicable where an FTS Event occurs) as though those payment instructions are Items exchanged in BECS.⁵⁰⁹

⁵⁰³ Last amended effective 23/11/13, version 051 r&p 004.13

⁵⁰⁴ Inserted effective 23/11/13, version 051 r&p 004.13

⁵⁰⁵ Inserted effective 23/11/13, version 051 r&p 004.13

⁵⁰⁶ Inserted effective 23/11/13, version 051 r&p 004.13

⁵⁰⁷ Last amended effective 23/11/13, version 051 r&p 004.13

⁵⁰⁸ Amended effective 23/11/13, version 051 r&p 004.13

⁵⁰⁹ Amended effective 23/11/13, version 051 r&p 004.13

9.1.1 Government Payments

Settlement in respect of Government Payments must be effected by transfer between Tier 1 Framework Participants' Exchange Settlement Accounts in the Morning Settlement Session on the PD Day, in accordance with the procedures applicable to settlement of Government Files in RITS as advised by the Reserve Bank of Australia from time to time.⁵¹⁰

9.2 Method of Settlement

The procedures detailed in this clause 9.2 do not apply to settlements of the type referred to in clause 9.1.1.⁵¹¹

Subject to clause 9.4, settlement must be effected in Exchange Settlement Funds for the net amount owing between each Tier 1 Framework Participant and all other Tier 1 Framework Participants.⁵¹²

9.2.1 Obligation to Submit File Settlement Instructions⁵¹³

Tier 1 Framework Participants which transmit Files and Government Files must prepare and submit File Settlement Instructions in accordance with clause 4.2.1. Each File Settlement Instruction must specify the settlement obligation of the Tier 1 Framework Participant owed to, or by, its Counterparty, calculated by reference to the net value of Credit Items and Debit Items contained in the File, or Government File, transmitted to its Counterparty at that exchange time.

If a Tier 1 Framework Participant transmits a null File or Government File to another Framework Participant it must also submit a \$0 File Settlement Instruction via the RITS Low Value Settlement Service.

When a Tier 1 Framework Participant is manually entering File Settlement Instructions into RITS due to a specific processing difficulty it is not necessary to manually enter \$0 File Settlement Instructions. However if manual entry is being used as a business-as-usual mode of operation then entry of \$0 File Settlement Instructions is still required.⁵¹⁴

9.2.2 Rejection of File Settlement Instructions⁵¹⁵

In the event that a File Settlement Instruction is rejected by the RITS Low Value Settlement Service, the Originator must promptly review and rectify all defects in the original File Settlement Instruction and submit a revised File Settlement Instruction, if required. The Originator should promptly notify its Counterparty, by its LVSS Contact, of the estimated timing of submission of a revised File Settlement Instruction.

⁵¹⁰ Last amended effective 23/11/13, version 051 r&p 004.13

⁵¹¹ Inserted effective 16/4/99

⁵¹² Last amended effective 23/11/13, version 051 r&p 004.13

⁵¹³ Amended effective 23/11/13, version 051 r&p 004.13

⁵¹⁴ Inserted effective 20/3/13, version 049 r&p 001.13

⁵¹⁵ Inserted effective 21/5/12, version 047 r&p 001.12

9.2.3 *Obligation to Monitor Accruing Settlement Obligation*⁵¹⁶

Each Tier 1 Framework Participant must monitor its accruing settlement obligations in RITS in the period prior to settlement. In the event that a Counterparty disputes any value or amount in an unsettled File Settlement Instruction submitted by the Originator of that instruction, it will promptly notify the Originator, by its LVSS Contact, and the provisions of clause 9.2.5 will apply.

9.2.4 *Recalling File Settlement Instructions*⁵¹⁷

Subject to the rules governing RITS, an Originator may recall any File Settlement Instruction using a File Recall Instruction.

If an Originator submits a File Recall Instruction in respect of a particular File Settlement Instruction, it will promptly notify the relevant LVSS Contact of the Counterparty and advise the reason for recall. The Originator must identify the defect or error in the original File Settlement Instruction, or otherwise address the reason for the recall. The Originator must promptly submit a new File Settlement Instruction via the RITS Low Value Settlement Service if a new instruction is required.

9.2.5 *Disputed Amounts*⁵¹⁸

Subject to the rules governing the RITS Low Value Settlement Service, if at any time prior to settlement a Counterparty disputes any value or reference to a number of Files within a File Settlement Instruction submitted by an Originator, it will promptly notify the Originator. The Originator must review the disputed value or number in the File Settlement Instruction and, if it identifies any error, promptly:

- (a) submit a File Recall Instruction to recall that particular File Settlement Instruction; and
- (b) submit a corrected File Settlement Instruction, if required.

If for any reason, the Originator is unable to recall a File Settlement Instruction in respect of which an error is identified, the error is to be rectified after settlement in accordance with the provisions of clause 4.11.

This provision applies without prejudice to the right of any party to invoke the dispute resolution procedures under Part 13 of the Regulations.

⁵¹⁶ Inserted effective 21/5/12, version 047 r&p 001.12

⁵¹⁷ Inserted effective 21/5/12, version 047 r&p 001.12

⁵¹⁸ Inserted effective 21/5/12, version 047 r&p 001.12

9.2.6 Interest Adjustments⁵¹⁹

Where settlement in respect of any exchange of any Item is (for whatever reason) effected on a day other than the PD Day (in this clause 9.2.6, referred to as a “**Deferred Settlement Obligation**”), the creditor and debtor Tier 1 Framework Participants must make an adjustment of interest between them in respect of that Item calculated at the interest rate (termed the “ESR” by the Reserve Bank of Australia) payable by the Reserve Bank of Australia on overnight credit balances of Exchange Settlement Accounts held with the Reserve Bank of Australia.⁵²⁰

Each Tier 1 Framework Participant acknowledges that:

- (a) if a Deferred Settlement Obligation is included in the Nine AM (9 am) Settlement, RITS will:⁵²¹
 - (i) calculate the interest on the net position between each Tier 1 Framework Participant for the number of days elapsed between the PD Day and the day of settlement using the ESR applicable to each of those days during that period; and⁵²²
 - (ii) automatically generate interest adjustment transactions for the settlement of clearing interest obligations between each Tier 1 Framework Participant and its counterparties. These interest adjustment entries will be incorporated into the Nine AM (9am) Settlement for each Tier 1 Framework Participant; and
- (b) if a Deferred Settlement Obligation is not included in the Nine AM (9am) Settlement, an adjustment for interest is to be made between the Originator and Counterparty, by RITS cash transfer or otherwise as bilaterally agreed.⁵²³

9.2.7 Settlement of File Settlement Instructions⁵²⁴

Settlement under these Procedures will be effected for the net amount owing between each Tier 1 Framework Participant and all other Tier 1 Framework Participants, being the aggregate amount of all File Settlement Instructions submitted at an Official Exchange Time or other bilaterally agreed exchange time.⁵²⁵

⁵¹⁹ Inserted effective 21/5/12, version 047 r&p 001.12

⁵²⁰ Amended effective 23/11/13, version 051 r&p 004.13

⁵²¹ Amended effective 23/11/13, version 051 r&p 004.13

⁵²² Amended effective 23/11/13, version 051 r&p 004.13

⁵²³ Amended effective 23/11/13, version 051 r&p 004.13

⁵²⁴ Amended effective 23/11/13, version 051 r&p 004.13

⁵²⁵ Amended effective 23/11/13, version 051 r&p 004.13

For each Nine AM (9am) Settlement and Multilateral Intraday Settlement, RITS will generate for each Tier 1 Framework Participant a final settlement figure to be payable to or receivable by that Tier 1 Framework Participant and after computing and making adjustments for (on a multilateral net basis) the final net cross Framework settlement figure for that Tier 1 Framework Participant as a consequence of its participation in the Bulk Electronic Clearing System Framework (CS2) and any other Framework operating on a multilateral settlement basis (including but not limited to the High Value Clearing System Framework (CS4) if that system is settling on a multilateral settlement basis in fall back mode because settlements cannot occur in real time as a result of some contingency). The generation by RITS will be deemed to notify that Tier 1 Framework Participant of its final settlement figure and final net cross Framework settlement figure for that settlement. At the time of deemed notification the Tier 1 Framework Participant must settle its final net cross Framework settlement figure.⁵²⁶

The Reserve Bank of Australia will directly apply to the Exchange Settlement Accounts of Tier 1 Framework Participants entries in accordance with the final net cross Framework settlement figures generated by the RITS Low Value Settlement Service.⁵²⁷

9.2.8 Late Submission of File Settlement Instruction⁵²⁸

Each Tier 1 Framework Participant acknowledges and agrees that:

- (a) subject to sub-clause 9.2.8(b), any File Settlement Instruction which is submitted after the time of formation of a Multilateral Intraday Settlement group may be settled individually if the individual settlement method is selected in RITS or will otherwise be held in RITS for settlement in the next scheduled Multilateral Intraday Settlement; and
- (b) any File Settlement Instruction which is submitted after the time of formation of the final Multilateral Intraday Settlement group may be settled individually if the individual settlement method is selected in RITS, or must otherwise be resubmitted for settlement at in the next scheduled Nine AM (9am) Settlement.

9.2.9 Settlement of File Settlement Instructions at End of Day⁵²⁹

Each Tier 1 Framework Participant acknowledges and agrees that:

- (a) if the final scheduled Multilateral Intraday Settlement is not completed (for whatever reason), any unsettled File Settlement Instruction will be tested for and, where possible, settled by, individual settlement in RITS; and
- (b) if, at the end of Evening Settlement Session, any such File Settlement Instruction remains unsettled, it must be resubmitted for settlement in the next Nine AM (9am) Settlement.

Clause 9.3 is Confidential

⁵²⁶ Last amended effective 23/11/13, version 051 r&p 004.13

⁵²⁷ Last amended effective 23/11/13, version 051 r&p 004.13

⁵²⁸ Inserted effective 23/11/13, version 051 r&p 004.13

⁵²⁹ Inserted effective 23/11/13, version 051 r&p 004.13

9.4 Variations to Normal Settlement

On any day which is a holiday in both Sydney and Melbourne, settlement will be deferred to the next day which is a business day in Sydney or Melbourne or both.⁵³¹

9.5 RITS Low Value Settlement Service⁵³²

The RITS Low Value Settlement Service facility must be used to submit File Settlement Instructions, File Recall Instructions, and to receive responses and advices which the Framework Participant has elected to receive. Tier 1 Framework Participants must establish and maintain contingency arrangements to ensure that File Settlement Instructions and, if necessary, File Recall Instructions, can be manually submitted during any type of contingency event.

In the event that member user access to RITS is unavailable such that RITS Low Value Settlement Service instructions cannot be entered, viewed or managed, then affected Tier 1 Framework Participants must immediately contact the RITS Help Desk by telephone and request assistance and otherwise comply with the requirements set out in Part 10 of these Procedures and the requirements of the LVSS BCP Arrangements.

As soon as an applicant is advised by the Secretary that its application for BECS Tier 1 membership has been accepted it must contact the RITS Help Desk to arrange testing and implementation of its functional connectivity to the RITS Low Value Settlement Service. The business rules and technical specifications for the RITS Low Value Settlement Service and the LVSS BCP Arrangements can be accessed via links on the Company's extranet.

The next page is Part 10

⁵³⁰ Amended effective 7/12/20, version 063 r&p 001.20

⁵³¹ Last amended effective 21/5/12, version 047 r&p 001.12

⁵³² Inserted effective 21/5/12, version 047 r&p 001.12

PART 10 CONTINGENCY PROCEDURES

10.1 Responsibilities

Framework Participants have a responsibility to each other and to BECS as a whole, to co-operate in resolving any processing difficulties including during Contingencies.

To the extent that such co-operation does not adversely affect its own processing environment, a Framework Participant receiving a request for assistance may not unreasonably withhold such assistance.

All Tier 1 Framework Participants must include the use of email as a minimum contingency exchange arrangement.⁵³³

10.1.1 *Bilaterally Agreed Contingency Exchange – Half yearly Testing*

If bilaterally agreed contingency exchange arrangements are invoked as part of the half yearly testing of such contingency arrangements, the Sending Institution must ensure that files sent are not duplicated.⁵³⁴

10.1.2 *Bilaterally Agreed Contingency Exchange – Disabling Event*

If bilaterally agreed contingency exchange arrangements are invoked in an actual Disabling Event (that is, not a test), it is the responsibility of the Receiving Institution to ensure that it does not process duplicated files received over the primary link.⁵³⁵

10.2 Options

Where processing difficulties occur, depending upon the circumstances, remedial action could include:⁵³⁶

- (a) agreeing to delay transmission pending resolution of the problem;⁵³⁷
- (b) invoking bilaterally agreed arrangements which are in place and recorded in Annexure L; ⁵³⁸
- (c) invoking the contingency procedures (as set out in Annexure I); or⁵³⁹
- (d) invoking use of bilaterally agreed physical medium for contingency exchanges where the use of electronic communications for primary and contingency exchange arrangements are rendered unusable.⁵⁴⁰

⁵³³ Inserted effective 30/6/03, version 014 r&p 002.03

⁵³⁴ Last amended effective 1/11/08, version 039 r&p 005.08

⁵³⁵ Inserted effective 03/4/06, version 029 r&p 002.06

⁵³⁶ Last amended effective 30/6/03, version 014 r&p 002.03

⁵³⁷ Last amended effective 30/6/03, version 014 r&p 002.03

⁵³⁸ Last amended effective 30/6/03, version 014 r&p 002.03

⁵³⁹ Last amended effective 30/6/03, version 014 r&p 002.03

⁵⁴⁰ Inserted effective 23/9/02, version 004 r&p 007.02

If bilaterally agreed contingency exchange arrangements are invoked, the sending or Disabled Tier 1 Framework Participant must complete and forward a Contingency File Exchange Form (as set out in Annexure M1) to the receiving Tier 1 Framework Participant.⁵⁴¹

All Tier 1 Framework Participants are required to record all agreed primary exchange arrangements in the BECS Procedures Annexure K and immediately notify the Company of any changes to these arrangements.⁵⁴²

All Tier 1 Framework Participants are required to record all bilaterally agreed contingency exchange arrangements in the BECS Procedures Annexure L and immediately notify the Company of any changes to these arrangements.⁵⁴³

Member Incident Plan

In the event of processing difficulty or other contingency event, notwithstanding any other remedial action which might be taken, the Chief Executive Officer may, if he considers it appropriate to do so, invoke the Member Incident Plan, which is available on the Company's Extranet, either by written notice to, or verbally notifying, the Management Committee. The Member Incident Plan provides a framework for Management Committee communication and consultation during applicable contingency events. If the Chief Executive Officer invokes the Member Incident Plan, the Management Committee will comply with its requirements.⁵⁴⁴

10.3 Magnetic Tape Handling [Deleted]⁵⁴⁵

10.4 Physical Medium Exchange Standards⁵⁴⁶

Full identifying information relating to ownership of the physical medium and the details of contents must be marked on each piece of physical medium exchanged. Such information is to include the following:⁵⁴⁷

- creation date;⁵⁴⁸
- Item number 'n' of Total Items (eg. cartridge 1 of 3);
- date to be processed; and
- Sending or Disabled Tier 1 Framework Participant's full name and return address.

⁵⁴¹ Inserted effective 30/6/03, version 014 r&p 002.03

⁵⁴² Last amended effective 30/6/03, version 014 r&p 002.03

⁵⁴³ Last amended effective 30/6/03, version 014 r&p 002.03

⁵⁴⁴ Inserted effective 20/3/13, version 049 &p 001.13

⁵⁴⁵ Deleted effective 23/9/02, version 004 r&p 007.02

⁵⁴⁶ Last amended effective 23/9/02, version 004 r&p 007.02

⁵⁴⁷ Last amended effective 23/9/02, version 004 r&p 007.02

⁵⁴⁸ Last amended effective 30/6/03, version 014 r&p 002.03

10.5 Read/Write Format Standards for Physical Medium⁵⁴⁹

The industry standard for physical medium is compact disc. The following read/write format standards apply unless other formatting is bilaterally agreed between exchanging parties:⁵⁵⁰

CD-ROM

CD-ROM, 600 Megabyte (MB)

Other forms of physical medium used must be bilaterally agreed between exchanging parties.

10.6 Structure of File

File header - unspecified⁵⁵¹

Descriptive record (one per User)

Detail records

File total record (one per User)

Trailer labels – unspecified

Example of File formats:

Multi User

Descriptive	(0)
Detail	(1)
File Total	(7)

Descriptive	(0)
Detail	(1)
File Total	(7)

Single User

Descriptive	(0)
Detail	(1)
File Total	(7)

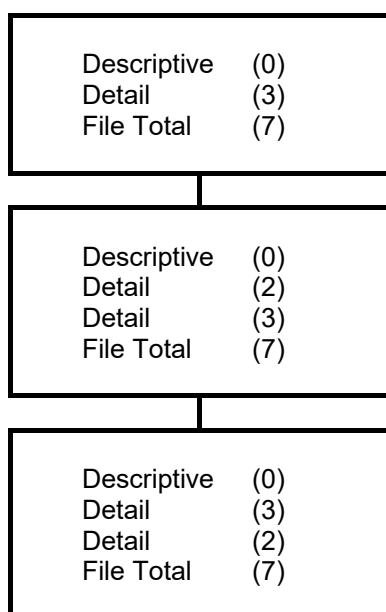
Return/Refusal Files

Descriptive	(0)
Detail	(2)
File Total	(7)

⁵⁴⁹ Last amended effective 23/9/02, version 004 r&p 007.02

⁵⁵⁰ Last amended effective 23/9/02, version 004 r&p 007.02

⁵⁵¹ Last amended effective 23/9/02, version 004 r&p 007.02



10.7 Blocking Factor [Deleted]⁵⁵²

Clause 10.8 is Confidential

10.9 Contingency Exchange Arrangements⁵⁵⁴

Tier 1 Framework Participants who experience partial or total loss of primary exchange arrangements, resulting in a Disabling Event (see Annexure I, clause 5.2), may be required to invoke contingency exchange arrangements with other Tier 1 Framework Participants. The industry standard for these arrangements is bilaterally agreed alternate electronic communications.⁵⁵⁵

10.9.1 Periodic Testing

Tier 1 Framework Participants must establish, and periodically test, contingency arrangements to ensure that File Settlement Instructions and, if necessary, File Recall Instructions can be manually submitted during any loss of connectivity to the RITS Low Value Settlement Service. The industry standard for testing such contingency arrangements is set out in the LVSS BCP Arrangements which may be accessed via a link on the Company's extranet.⁵⁵⁶

⁵⁵² Deleted effective 23/9/02, version 004 r&p 007.02

⁵⁵⁴ Inserted effective 23/9/02, version 004 r&p 007.02

⁵⁵⁵ Last amended effective 4/3/08, version 037 r&p 002.08

⁵⁵⁶ Inserted effective 21/5/12, version 047 r&p 001.12

10.10 Bilateral Testing of Contingency Exchange Arrangements⁵⁵⁷

A Tier 1 Framework Participant must bilaterally test its contingency exchange arrangements, which may be alternate electronic communications or a secondary method of contingency exchange arrangements, with a minimum of one other Tier 1 Framework Participants at least once each calendar half year and in accordance with the Contingency Exchange Testing Schedule. Compliance with the Contingency Exchange Testing Schedule can also be satisfied if a Tier 1 Framework Participant has used its contingency exchange arrangements with the relevant scheduled Tier 1 counterparty whilst managing a Disabling Event or other production issue in the 12 months before the final date of the scheduled testing period. In those circumstances, the use of the contingency exchange arrangements must still meet the testing requirements set out in this clause 10.10, including the use of live data and manual entry of File Settlement Instructions.⁵⁵⁸

The Contingency Exchange Testing Schedule specifies the Tier 1 Framework Participants with which to conduct testing on a rotating regular basis to ensure that the contingency exchange arrangements with all Tier 1 Framework Participants are tested over a period of time that is no more than four calendar years apart. The Contingency Exchange Testing Schedule will be revised in the event of the admission or resignation of a Tier 1 Framework Participant or a change in the capacity in which a Tier 1 Framework Participant participates in the Bulk Electronic Clearing System Framework (CS2).⁵⁵⁹

A Tier 1 Framework Participant must send live data (DE transaction data and the associated DE summary file) using the contingency exchange arrangement and the data received must be used to process actual live transactions. Transmitting duplicate data during the test using primary exchange arrangements is not permitted.⁵⁶⁰

To test members' ability to use the RITS facility that provides for the manual entry of File Settlement Instructions, each Tier 1 Framework Participant must manually input some or all of the File Settlement Instructions corresponding to the Files exchanged in bilateral testing of contingency exchange arrangements.⁵⁶¹

In addition, Tier 1 Framework Participants using physical medium for contingency exchange arrangements must complete a successful test of each bilateral arrangement at least once each calendar half year until replaced with alternate electronic communications.⁵⁶²

⁵⁵⁷ Inserted effective 23/9/02, version 004 r&p 007.02

⁵⁵⁸ Last amended effective 28/2/22, version 064 r&p 001.22

⁵⁵⁹ Last amended effective 1/11/08, version 039 r&p 005.08

⁵⁶⁰ Inserted effective 3/4/06, version 029 r&p 002.06

⁵⁶¹ Inserted effective 25/3/14, version 052 r&p 001.14

⁵⁶² Last amended effective 11/6/08, version 038 r&p 004.08

10.11 Contingency Procedures Testing Certificate⁵⁶³

All Tier 1 Framework Participants must sign a Contingency Procedures Testing Certificate each calendar half year to certify that the Tier 1 Framework Participant has successfully tested its contingency exchange arrangements in accordance with clause 10.10. The Certificate must specify whether the testing was done according to the Contingency Exchange Testing Schedule or in the course of managing a Disabling Event or other production issue.⁵⁶⁴

The Company will issue all Tier 1 Framework Participants with a memorandum and Contingency Procedures Testing Certificate each calendar half year requesting Tier 1 Framework Participants to finalise all bilateral testing and sign the Certificate. The Certificate must be returned to the Company in the time frames specified.⁵⁶⁵

The Management Committee will be advised of all outcomes including any Tier 1 Framework Participant who fails to provide a signed Certificate. The Management Committee will determine the course of action required.

10.12 Standards For Email File Exchange and Security⁵⁶⁶

Each sending Tier 1 Framework Participant must comply with the following minimum standards for the exchange of files:

- (a) the email must be flagged as “High Priority” or “High Importance”;
- (b) the maximum file size which can be attached to the email must not exceed 5 Megabytes (MB);
- (c) the email security package must, at a minimum, include the following encryption features:
 - (i) the ability to prevent viewing of email and its attachments by outside parties other than the intended recipient;
 - (ii) the ability to prevent the email and its attachments being read by unauthorised persons within your organisation;
 - (iii) the ability to prevent viewing of email and its attachments by outside parties other than the intended recipient;
 - (iv) the ability to prevent the email and its attachments being read by unauthorised persons within your organisation;
 - (v) the ability to securely send the email and its attachments ‘locked’ with a public key;
 - (vi) the ability of the recipient to open the email and its attachments by ‘unlocking’ the transmission with a securely generated private key;

⁵⁶³ Inserted effective 23/9/02, version 004 r&p 007.02

⁵⁶⁴ Last amended effective 28/2/22, version 064 r&p 001.22

⁵⁶⁵ Last amended effective 11/6/08, version 038 r&p 004.08

⁵⁶⁶ Inserted effective 30/6/03, version 014 r&p 002.03

- (vii) the ability of the sender to digitally sign the email transmission; and
- (d) the following naming conventions for the email are recommended, however members may bilaterally agree to variations:⁵⁶⁷
- (i) The format of the file name is:
- DE_F_xx_SSS_RRR_CCC
- (ii) F = the file type as follows:
- T = Direct Entry transaction file⁵⁶⁸
S = Direct Entry summary file
G = Government Direct Entry transaction file
H = Government Direct Entry summary file
- (iii) xx = file number 01-99. For each Disabling Event the file number commences at 01 and increases by 1 for each file (irrespective of file type), until processing returns to normal, even if the Disabling Event spans several days. This ensures that each file has a unique file number.
- (iv) SSS = 3 character Sending Member mnemonic. A Member sending Files on behalf of another Member must, with respect to those files, use the mnemonic belonging to the Member on whose behalf it is sending those Files.
- (v) RRR = 3 character Receiving Member mnemonic. A Member receiving Files on behalf of another Member must, with respect to those Files, use the mnemonic belonging to the Member on whose behalf it is receiving those Files.
- (vi) CCC = 3 character financial institution mnemonic of the courier, if applicable.
- (vii) The email subject line must include the file name.
- (viii) Each email must contain one file only. Members can agree to include more than one File by bilateral agreement and in this case the File names in the subject line must be separated by a slash ("/").
- (ix) The Sending Member must send the email to the nominated email address provided by the Receiving Member on the email file exchange contacts database managed by the Company. The email address should preferably be a generic address (eg. operations@FI.com.au) rather than an individual's address (eg. Mike@FI.com.au).
- (x) Members can agree to exchange zipped files by bilateral agreement. The file name will have an extension of '.zip'.

⁵⁶⁷ Amended effective 19/7/11, version 045 r&p 003.11

⁵⁶⁸ Amended effective 19/7/11, version 045 r&p 003.11

10.13 Email File Exchange Contacts Database⁵⁶⁹

Where a Tier 1 Framework Participant uses an email security package which requires the exchange of public keys to securely send and read emails, the Tier 1 Framework Participant must have lodged any of its public keys in the email file exchange contacts database maintained by the Company.

The email file exchange contacts database is managed by the Company and Tier 1 Framework Participants are required to nominate an authorised contact to access the database for lodgement and downloading of public keys and provide the following details:

- the Tier 1 Framework Participant's:
 - Framework;
 - full name;
 - ACN/ARBN/ABN;
 - mnemonic;
 - public key;
 - authorised contact name and title;
 - authorised contact email and telephone details;
 - target email address for file transmissions;
 - contact name and telephone number to confirm receipt of email; and
- the date the Tier 1 Framework Participant's details were added/updated on the database.

All Tier 1 Framework Participants must complete and lodge an online Email File Exchange Contacts Lodgement Form (as set out in Annexure M2) including attachment of the public keys for use by other Tier 1 Framework Participants. The lodgement form is available on the Company's extranet.

When a Tier 1 Framework Participant makes changes to its public keys or contact details, the Email File Exchange Contacts Lodgement Form must be completed and lodged noting the changes to contact details and/or attaching new public keys. Tier 1 Framework Participants will be advised of changes to the database by CS2 operational memorandum.

The Email File Exchange Contacts Lodgement Form (as set out in Annexure M2) is used for lodging or amending public keys or contact details which effect only Tier 1 Framework Participants.

The next page is Part 11

⁵⁶⁹ Inserted effective 30/6/03, version 014 r&p 002.03

PART 11 LIABILITY IN THE EVENT OF FRAUD

11.1 Fraudulent Items

Tier 1 Framework Participants must ensure that their systems and procedures give adequate protection in regard to fraud in connection with Items. Tier 1 Framework Participants may return an Item or resort to the dispute resolution process specified in Regulation 13 to resolve any situation with regard to a fraudulent Item.

Clause 11.2 is Confidential

PART 12 DE FILE SPECIFICATIONS

12.1 Overview

The DE File Specifications cover the format for electronic exchanges of Files (including Files containing Record Type 1 Items issued by Users, Return Files, Refusal Files and Reversal Files) between Framework Participants. All Files exchanged between Framework Participants must conform with these specifications.⁵⁷⁰

The DE File User Item Specifications cover the normal electronic exchange of Users' Record Type 1 Credit Items and Debit Items (detailed in Annexure C1), electronic return of those Users' Items (detailed in Annexure C2), electronic Refusal of Returned Items (detailed in Annexure C3) and electronic Reversal of Items (detailed in Annexure C5). The format is the same regardless of whether the Sending Member uses normal electronic transmission or, if exchanges are done under Contingency Procedures.⁵⁷¹

Items and Files not conforming with the applicable DE File Specifications may be rejected by Receiving Members in accordance with clauses 8.1 and 8.2.

Nothing in this clause 12.1 prevents a Sending Member accepting non-standard data (which does not conform with the applicable DE File Specifications) from a User or Bureau or a Lodgement FI, and converting it to the required format for exchange.

12.2 Record Types

- (a) Descriptive Record (Record Type 0): Except for minor variations in some Field Descriptions, this record type is common to all Files (including Files containing Record Type 1 Items issued by Users, Return Files, Refusal Files and Reversal Files).⁵⁷²
- (b) Detail Record Type 1: this Record Type is used for both Credit Items and Debit Items issued by a User and credit and debit Reversing Items and contains the required details to enable posting to Customers' accounts at the Ledger FI.⁵⁷³
- (c) Detail Record Type 2: this Record Type is used by the Ledger FI to electronically return a User's (Record Type 1) Item to the Trace Record Institution if that Item cannot be applied.⁵⁷⁴
- (d) Detail Record Type 3: this Record Type is used when the financial institution holding the Trace Record account is not prepared to accept a Returned Item and sends it back electronically to the Ledger FI.

⁵⁷⁰ Last amended effective 4/8/00, version 021 r&p 004.00

⁵⁷¹ Amended effective 10/6/16, version 056 r&p 001.16

⁵⁷² Last amended effective 4/8/00, version 021 r&p 004.00

⁵⁷³ Last amended effective 4/8/00, version 021 r&p 004.00

⁵⁷⁴ Last amended effective 25/5/07, version 034 r&p 003.07

- (e) File Total Record (Record Type 7) is common to all Files (including Files containing Record Type 1 Items issued by Users, Return Files, Refusal Files and Reversal Files) and shows the respective totals of Record Type 1, 2 or 3 Items, as applicable, and the net difference between Credit Items and Debit Items and the totals of each as well as the total number of these Records on the File.⁵⁷⁵

12.3 Character Bit Structure

Files exchanged between Framework Participants are to be in EBCDIC format. Any translation made to or from the EBCDIC format must ensure that the same characters are represented in both the source file and the output file and that the characters comply with the BECS Character Set.⁵⁷⁶

12.4 Structure of File

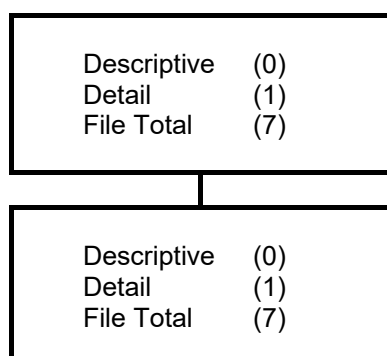
Descriptive Record (one per User)

Detail Records

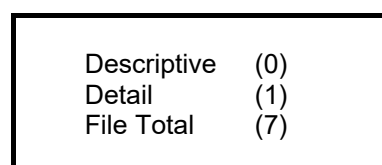
File Total Record (one per User)

Example of File formats:

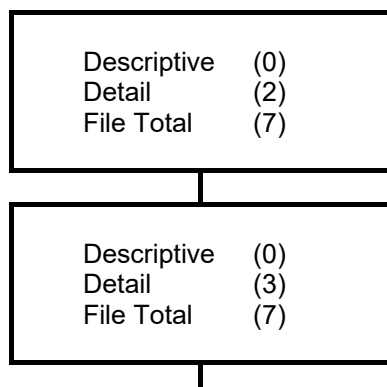
Multi User



Single User

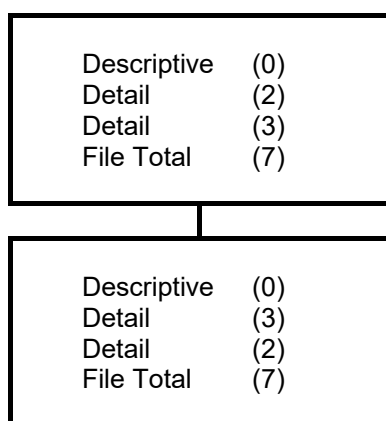


Return/Refusal Files



⁵⁷⁵ Last amended effective 4/8/00, version 021 r&p 004.00

⁵⁷⁶ Last amended effective 26/7/10, version 043 r&p 001.10



12.5 Record Format

Commonly used terms associated with File formatting, and their meanings, are as follows:

- left justified start input in the first character position of that field.
- right justified end input in the last character position of that field.
- blank filled fills the unused portion of that field with blank spaces.
- zero filled fills the unused portion of that field with zeros.
- unsigned used in amount field. Amount will not be specified as debit or credit.

Record Type "0" - Descriptive Record,⁵⁷⁷

Record Type "1" - Detail Record,

Record Type "2" - Returned Item Record;

Record Type "3" - Refusal Record; and

Record Type "7" - File Total Record

Are set out in Annexure C.

12.6 Publication of DE User Item File Specifications

Framework Participants may publish and disseminate the DE User Item File Specifications to third parties provided that the column headed "Validation Standard (financial institution use only)" and the information contained in that column are not included in any such publication.

The next page is Part 13

Part 13 is Confidential

⁵⁷⁷ Last amended effective 25/5/07, version 034 r&p 003.07

PART 13 USER RECORDS⁵⁷⁸

(Confidential)

The next page is Part 14

PART 14 SUMMARY FILE SPECIFICATION⁵⁷⁹**14.1 Overview**

All Summary Files exchanged between Framework Participants must conform with the Summary File Specification detailed in Annexure C6.

The format is the same regardless of whether the Sending Member uses normal electronic transmission or, if exchanges are done under Contingency Procedures.

Summary Files not conforming with the applicable Summary File Specification may be rejected by Receiving Members.

14.2 Record Types

- (a) Header Record (Record Type H) : This Record Type is common to all Summary Files.
- (b) Summary Record (Record Type S): This Record Type contains summary information for a User as set out in Annexure C6.
- (c) Trailer Record (Record Type T): This Record Type is common to all Summary Files.

14.3 Character Bit Structure

Files exchanged between Framework Participants are to be in EBCDIC format. Any translation made to or from the EBCDIC format must ensure that the same characters are represented in both the source file and the output file and that the characters comply with the BECS Character Set.⁵⁸⁰

14.4 Structure of Summary File

Header Record (one per Summary File)

Summary Record (one per User)

Trailer Record (one per Summary File)

14.5 Record Format

Commonly used terms associated with File formatting, and their meanings, are as follows:

- left justified : start input in the first character position of that field.
- right justified : end input in the last character position of that field.
- blank filled : fills the unused portion of that field with blank spaces.
- zero filled : fills the unused portion of that field with zeros.

⁵⁷⁹ Inserted effective 28/10/05

⁵⁸⁰ Last amended effective 26/7/10, version 043 r&p 001.10

- unsigned: used in amount field. Amount will not be specified as debit or credit.

Record Type "H" - Header Record;

Record Type "S" - Summary Record; and

Record Type "T" - Trailer Record,

are set out in Annexure C6.

14.6 Publication of Summary File Specification

Framework Participants may publish and disseminate the Summary File Specification to third parties provided that the column headed "Validation Standard (financial institution use only)" and the information contained in that column are not included in any such publication.

The next page is Annexure A

Annexure A is Confidential

Annexure A. FORMS

Annexure A is located separately

The next page is Annexure B

Annexure B. CONTACTS AND CONTACT POINTS

Annexure B is located separately

The next page is Annexure C

Annexure C. DE FILE SPECIFICATIONS

C.1 DE File User Item Specifications⁵⁸¹

DE FILE USER ITEM SPECIFICATIONS - RECORD FORMAT (VALIDATION STANDARD COLUMN CONFIDENTIAL)

RECORD TYPE 0 - DESCRIPTIVE RECORD

Char Pos	Field Size	Field Description	User Specification
1	1	Record Type 0	Must be '0'.
2-18	17	Blank	Must be blank filled.
19-20	2	Reel Sequence Number	Must be numeric commencing at 01. Right justified. Zero filled.
21-23	3	Name of User Financial Institution	Must be an approved financial institution abbreviation. (refer to AusPayNet publication <i>BSB Numbers in Australia</i>).
24-30	7	Blank	Must be blank filled.
31-56	26	Name of User Supplying File (User preferred name as advised in application)	Left justified. Blank filled. Full BECS character set valid. Must not be all blanks. Should be User preferred name.
57-62	6	Number of User Supplying File	Must be User Identification Number which is assigned by AusPayNet and User Financial Institutions. Must be numeric. Right justified. Zero filled.
63-74	12	Description of Entries on File (for example "Payroll")	Full BECS character set valid. Should accurately describe contents of File. Left justified. Blank filled if needed.
Continued next page			

⁵⁸¹ Last amended effective 24/1/12, version 058 r&p 001.17

DE FILE USER ITEM SPECIFICATIONS - RECORD FORMAT (**VALIDATION STANDARD COLUMN CONFIDENTIAL**)

RECORD TYPE 0 - DESCRIPTIVE RECORD (CONTINUED)

Char Pos	Field Size	Field Description	User Specification
75-80	6	Date to be Processed (ie, with respect to all Items except Government Payments, the date transactions are released to all Financial Institutions. For Government Payments the date is the next day after exchange of the File).	Must be numeric and in the format of DDMMYY. Must be a valid date. Zero filled.
81-120	40	Blank	Must be blank filled.
<i>Continued next page</i>			

DE FILE USER ITEM SPECIFICATIONS - RECORD FORMAT **(VALIDATION STANDARD COLUMN CONFIDENTIAL)**

RECORD TYPE 1 - DETAIL RECORD

Char Pos	Field Size	Field Description	User Specification
1	1	Record Type 1	Must be '1'.
2-8	7	BSB Number	Must be numeric with a hyphen in character position 5. Character positions 2 to 4 must be a valid 2 or 3 digit Institution Identifier issued by AusPayNet. (Refer to AusPayNet publication <i>BSB Numbers in Australia</i>).
9-17	9	Account Number to be Credited /Debited	Alpha (26 letters of the alphabet), numeric, hyphens & blanks only are valid. Must not contain all blanks or all zeros. Leading zeros, which are part of an account number must be shown. (Some Financial Institutions have leading zeros in valid account numbers, ie 00-1234.) Edit out hyphens where account number exceeds nine characters. Right justified. Blank filled.
18	1	Indicator	<p>Must be a space or the letter 'N', 'T', 'W', 'X', or 'Y'.</p> <p>'N' for new or varied BSB number or name details. 'T' for a drawing under a Transaction Negotiation Authority.</p> <p>Withholding Tax Indicators: 'W' dividend paid to a resident of a country where a double tax agreement is in force. 'X' dividend paid to a resident of any other country. 'Y' interest paid to all non-residents.</p> <p>Where applicable, the amount of withholding tax is to appear in character positions 113-120.</p> <p>Note: Accounts of non-residents. Where withholding tax has been deducted, the appropriate Indicator as shown above, is to be used and will override the normal Indicator.</p>

Continued next page

DE FILE USER ITEM SPECIFICATIONS - RECORD FORMAT (**VALIDATION STANDARD COLUMN CONFIDENTIAL**)

RECORD TYPE 1 - DETAIL RECORD (CONTINUED)

Char Pos	Field Size	Field Description	User Specification
19-20	2	Transaction Code	Must only be valid industry standard trancodes. (Refer BECS Procedures 4.6). Only numeric valid.
21-30	10	Amount	Only numeric valid. Must be greater than zero. Show in cents without punctuations. Right justified. Zero filled. Unsigned.
31-62	32	Title of Account to be Credited /Debited	Full BECS character set valid. Must not contain all blanks. Left justified. Blank filled. Desirable format: - surname (period) blank - given names with blank between each name.
63-80	18	Lodgement Reference Reference as submitted by the User, indicating details of the origin of the entry, eg., Payroll Number, Invoice, Contract Number. <i>Note:</i> <i>This field is used by Financial Institutions for statement narrative.</i>	Full BECS character set valid. Left justified. Blank filled.
81-96	16	Trace Record The BSB Number and account number to which an Item (including any Record Type 1 Item issued by any User, any Returned Item, any Refused Item and any Reversing Item) must be returned if it cannot be applied ⁵⁸² . <i>Continued next page.</i>	

⁵⁸² Note: In many cases the Trace Record is also used to satisfy the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) concerning the inclusion of Tracing Information in electronic funds transfer instructions. Please refer to Part 5 of the Act for details.

DE FILE USER ITEM SPECIFICATIONS - RECORD FORMAT **(VALIDATION STANDARD COLUMN CONFIDENTIAL)**

RECORD TYPE 1 - DETAIL RECORD (CONTINUED)

Char Pos	Field Size	Field Description	User Specification
(81-87)	7	(BSB Number in format XXX-XXX)	Must be numeric with a hyphen in character position 84. Character positions 81 to 83 must be a valid 2 or 3 digit Institution Identifier issued by AusPayNet. (Refer to AusPayNet publication BSB Numbers in Australia).
(88-96)	9	(Account Number)	Alpha (26 letters of the alphabet), numeric, hyphens & blanks only are valid. Must not contain all blanks or all zeros. Leading zeros, which are part of an account number must be shown. Edit out hyphens where account number exceeds nine characters. Right justified. Blank filled.
97-112	16	Name of Remitter (Name of originator of the entry. This may vary from Name of User). <i>Note:</i> <i>This field is used by Financial Institutions for statement narrative. When a Detail Record is used for a Financial Institution drawing under a TNA, this field must contain the name of the Lodgement Financial Institution.</i>	Full BECS character set valid. Must not contain all blanks. Left justified. Blank filled.
113-120	8	Amount of withholding tax	Numeric only valid. Show in cents without punctuation. Right justified. Zero filled. Unsigned.

Note: All fields must be completed.

DE FILE USER ITEM SPECIFICATIONS - RECORD FORMAT *(VALIDATION STANDARD COLUMN CONFIDENTIAL)*

RECORD TYPE 7 - FILE TOTAL RECORD

Char Pos	Field Size	Field Description	User Specification
1	1	Record Type 7	Must be '7'.
2-8	7	BSB Number	Must be 999-999.
9-20	12	Blank	Must be blank filled.
21-30	10	File (User) Net Total Amount	Numeric only valid. Show in cents without punctuation. Right justified. Zero filled. Unsigned.
31-40	10	File (User) Credit Total Amount	Numeric only valid. Show in cents without punctuation. Right justified. Zero filled. Unsigned.
41-50	10	File (User) Debit Total Amount	Numeric only valid. Show in cents without punctuation. Right justified. Zero filled. Unsigned.
51-74	24	Blank	Must be blank filled.
75-80	6	File (User) Count of Record Type 1	Numeric only valid. Right justified. Zero filled.
81-120	40	Blank	Must be blank filled.

Note: All unused fields must be blank filled.

C.2 DE File Return Specifications⁵⁸³

DE FILE RETURN/REFUSAL SPECIFICATIONS - RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 0 - DESCRIPTIVE RECORD

⁵⁸³ Last amended effective 19/7/11, version 045 r&p 003.11

DE FILE RETURN/REFUSAL SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 0 - DESCRIPTIVE RECORD (CONTINUED)

DE FILE RETURN SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 2 - DETAIL RECORD

DE FILE RETURN SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 2 - DETAIL RECORD (CONTINUED)

DE FILE RETURN/REFUSAL SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 7 - FILE TOTAL RECORD

C.3 DE File Refusal Specifications⁵⁸⁴

**DE FILE RETURN/REFUSAL SPECIFICATIONS - RECORD FORMAT (CONFIDENTIAL)
RECORD TYPE 0 - DESCRIPTIVE RECORD**

DE FILE RETURN/REFUSAL SPECIFICATIONS - RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 0 - DESCRIPTIVE RECORD (CONTINUED)

DE FILE REFUSAL SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 3 - DETAIL RECORD

DE FILE REFUSAL SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 3 - DETAIL RECORD (CONTINUED)

DE FILE RETURN/REFUSAL SPECIFICATIONS - RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 7 - FILE TOTAL RECORD

C.4 DE File Claim Specifications⁵⁸⁵

DE FILE CLAIM SPECIFICATIONS — RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 0 — DESCRIPTIVE RECORD

DE FILE CLAIM SPECIFICATIONS — RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 0 — DESCRIPTIVE RECORD (CONTINUED)

DE FILE CLAIM SPECIFICATION: — RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 1 — DETAIL RECORD

DE FILE CLAIM SPECIFICATION — RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 1 — DETAIL RECORD (CONTINUED)

DE FILE CLAIM SPECIFICATION — RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 7 — FILE TOTAL RECORD

C.5 DE File Reverse Specifications

DE FILE REVERSAL SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 0 - DESCRIPTIVE RECORD

DE FILE REVERSAL SPECIFICATIONS - RECORD FORMAT (CONFIDENTIAL)

RECORD TYPE 0 - DESCRIPTIVE RECORD (CONTINUED)

DE FILE REVERSAL SPECIFICATIONS - RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 1 - DETAIL RECORD

DE FILE REVERSAL SPECIFICATIONS - RECORD FORMAT *(CONFIDENTIAL)*

RECORD TYPE 1 - DETAIL RECORD (CONTINUED)

DE FILE REVERSAL SPECIFICATIONS - RECORD FORMAT (*CONFIDENTIAL*)

RECORD TYPE 7 - FILE TOTAL RECORD

C.6 Summary File Specifications⁵⁸⁶

SUMMARY FILE SPECIFICATION – RECORD FORMAT (*CONFIDENTIAL*)

Record Type H – Header Record

SUMMARY FILE SPECIFICATION – RECORD FORMAT (*Confidential*)

Record Type S – Summary Record

SUMMARY FILE SPECIFICATION – RECORD FORMAT (*Confidential*)

Record Type S – Summary Record (Continued)

SUMMARY FILE SPECIFICATION – RECORD FORMAT (*Confidential*)

Record Type T – Trailer Record

C.7 BECS Character Set⁵⁸⁷

BECS CHARACTER SET	
Type	Description
Numeric	0 to 9
Alphabetic	Uppercase A to Z and Lowercase a to z
Special Characters	
+	Plus sign
-	Minus sign or hyphen
@	At sign
SP	Space
\$	Dollar sign
!	Exclamation mark
%	Percentage sign
&	Ampersand
(Left Parenthesis
)	Right Parenthesis
*	Asterik
.	Period or decimal point
/	Solidus (slash)
#	Number Sign (Pound or Hash)
=	Equal Sign
:	Colon
;	Semicolon
?	Question mark
,	Comma
'	Apostrophe
[Left square bracket
]	Right square bracket
_	Low line (underscore)
^	Circumflex

⁵⁸⁷ Inserted effective 26/7/10, version 058 r&p 001.17

C.8 Unwanted Credits⁵⁸⁸

(Confidential)

Annexure D. SPECIFIED LOCATIONS [DELETED]⁵⁸⁹

[Deleted]

The next page is Annexure E

⁵⁸⁹ Deleted effective 28/10/96

**Annexure E. APPROVED REPRESENTATION AND COURIER
ARRANGEMENTS⁵⁹⁰**

[Deleted]

The next page is Annexure F

⁵⁹⁰ Deleted effective 28/10/96

Annexure F. APPROVED ELECTRONIC EXCHANGE ARRANGEMENTS

Annexure F is located separately

The next page is Annexure G

Annexure G is Confidential

Annexure G. FINANCIAL INSTITUTION IDENTIFICATION NUMBERS

G.1 Returning / Refusing FI ID Numbers, Reversing FI ID Numbers and Unwanted Credit FI ID Numbers

Annexure G.1 is located separately.

G.2 Direct Debit Request Claiming Financial Institution Identification Numbers

Annexure G.2 is located separately.

The next page is Annexure H

Annexure H. LEDGER FI REQUIRING PD-C LISTS⁵⁹¹

[Deleted]

The next page is Annexure I

⁵⁹¹ Deleted effective 31/3/00, version 019 r&p 001.00

Annexure I. CONTINGENCY PROCEDURES FOR DISABLING EVENTS

Disabling Events Guidelines

Section 1 Executive Summary

Section 2 Roles and Responsibilities

Section 3 Communications

Section 4 Contingency Procedures

Section 5 Disabling Events

1. EXECUTIVE SUMMARY

1.1. Overview

These guidelines have been prepared and endorsed by the Management Committee. They are not mandatory rules but intended to guide the Tier 1 Framework Participants when exercising discretion to determine what action is to be taken in response to a Disabling Event.

Each Disabling Event should be treated on its merits.

1.2. Settlement

Unless specifically deferred, settlement will not be affected by the occurrence of a Disabling Event. Settlement will always be effected on the exchange balances. ⁵⁹²

1.3. Interest

As covered in PART 9, clause 9.2.6, interest will be payable (as normal) on any exchanged Item in respect of which, settlement is effected later than the day on which that Item is exchanged for value. ⁵⁹³

Debit Items

Where a Disabling Event occurs and other Tier 1 Framework Participants are asked, by a Disabled Framework Participant, to hold Debit Files that would have been exchanged in those other Members' outward exchanges if not for a Disabling Event, those held Debit Files should retain the original PD-Day. When those Files are actually exchanged, interest will be payable by the Disabled Framework Participant from the PD-Day until the date settlement of those Debit Items is effected.

No interest is payable with respect to any Debit Items held unexchanged by a Disabled Framework Participant where the Disabled Framework Participant holds the Items because of a Disabling Event affecting its outward exchanges.

Credit Items

Where a Disabling Event occurs and other Tier 1 Framework Participants are asked, by a Disabled Framework Participant, to hold Credit Items that would have been exchanged in those other Members' outward exchanges if not for a Disabling Event, no interest will be payable to the Disabled Framework Participant.

No interest is payable with respect to any Credit Items held unexchanged by a Disabled Framework Participant where the Disabled Framework Participant holds the Items because of a Disabling Event affecting its outward exchanges.

⁵⁹² Last amended effective 21/5/12, version 047 r&p 001.12

⁵⁹³ Last amended effective 21/5/12, version 047 r&p 001.12

2. ROLES AND RESPONSIBILITIES

2.1. Australian Payments Network Limited (the Company)

The roles and responsibilities of the Company, in relation to a Disabling Event, are as follows:

- to provide support and recommend appropriate actions to be taken by the Disabled Tier 1 Framework Participant and impacted Framework Participants; and
- to communicate with Framework Participants on matters that affect industry payments and clearing arrangements.

2.2. Framework Participants

The roles and responsibilities of Framework Participants in relation to a Disabling Event are as follows:

- to ensure that their internal contingency plans are consistent with these industry Contingency Procedures (PART 10);
- to implement internal contingency procedures in response to a Disabling Event and manage the impact on their internal operations;
- to assist in implementing industry contingency procedures, if applicable; and
- communicate directly with their customers, the Company and other relevant parties.

3. COMMUNICATIONS

3.1. Overview of Contingency Communication Process

This section defines the communications process between the Company and Tier 1 Framework Participants in the event of a Disabling Event.

3.2. Tier 1 Framework Participant Activates Contingency Arrangements

When a Tier 1 Framework Participant reports a Disabling Event, they may invoke internal contingency plans, which include invoking Contingency Arrangements as required by BECS Regulations and Procedures.

3.3. Tier 1 Framework Participant Advises of a Disabling Event⁵⁹⁴

If a Tier 1 Framework Participant experiences a Disabling Event, they may complete a PDN (see Annexure J) on the Company's Extranet.

The Disabled Tier 1 Framework Participant keeps Framework Participants updated on any change concerning the Disabling Event by updating the PDN (or completing and forwarding subsequent PDNs) at regular intervals. Guidelines on completing and updating a PDN are set out in the PDN User Guidelines issued by the Company and available on the Company's Extranet.⁵⁹⁵

3.4. The Company Actions Tier 1 Framework Participant's Advice [Deleted]⁵⁹⁶

⁵⁹⁴ Amended effective 10/10/16, version 057 r&p 002.16

⁵⁹⁵ Amended effective 10/10/16, version 057 r&p 002.16

⁵⁹⁶ Deleted effective 10/10/16, version 057 r&p 002.16

4. CONTINGENCY PROCEDURES FOR DISABLING EVENTS

4.1. The Company's Contingency Role [Deleted]⁵⁹⁷

4.2. Tier 1 Framework Participants' Contingency Procedure

This procedure may be followed by Tier 1 Framework Participants where a Disabling Event occurs:

- actively pursue the identification and appropriate resolution of problem causing the Disabling Event;
- invoke the appropriate internal contingency plans which may include invoking the Contingency Procedures set out in the BECS Procedures (PART 10) and Annexure I;
- notify the Company of the internal assessment that a Disabling Event may directly or indirectly impact other Framework Participants by completing a PDN (Annexure J);
- consider and take appropriate action on the advice and recommendations given by the Company regarding the Disabling Event, if appropriate; and
- keep the Company and, if appropriate, all Framework Participants updated of any change concerning the Disabling Event by updating the PDN (or completing and forwarding subsequent PDNs) as deemed necessary. Guidelines on completing and updating a PDN are set out in the PDN User Guidelines issued by the Company and available on the Company's Extranet.⁵⁹⁸

⁵⁹⁷ Deleted effective 10/10/16, version 057 r&p 002.16

⁵⁹⁸ Amended effective 10/10/16, version 057 r&p 002.16

5. DISABLING EVENTS

5.1. Overview

This section describes each identified Disabling Event that may occur and appropriate actions that the Company and Tier 1 Framework Participants may undertake to address them. Each Disabling Event covered is categorised.

5.2. Disabling Events

There are three (3) categories of event that may result in a Disabling Event:

- Tier 1 Framework Participant is unable to electronically send and/or receive data file(s) using primary exchange arrangement;
- Tier 1 Framework Participant is unable to process data file(s); and
- Tier 1 Framework Participant is unable to submit File Settlement Instructions to the RITS Low Value Settlement Service.⁵⁹⁹

Each of these categories only results in a Disabling Event if it affects, or may affect, the ability of a Framework Participant to participate to the normal and usual extent in exchanges of Items (including Record Type 1 Items issued by any User, Returned Items, Refusal Items and Reversing Items).

⁵⁹⁹ Last amended effective 21/5/12, version 047 r&p 001.12

Disabling Events & Actions

5.2.1 Disabling Event Category No. 1⁶⁰⁰

Disabling Event Description: Tier 1 Framework Participant(s) unable to send or receive Direct Entry (DE) files to other Tier 1 Framework Participants using primary exchange arrangements.

EXTENT OF THE DISABLING EVENT	POSSIBLE ACTIONS ¹ BY IMPACTED TIER 1 FRAMEWORK PARTICIPANT(S)	POSSIBLE ACTIONS BY THE COMPANY TO ASSIST
Reported by a Tier 1 Framework Participant where Primary Exchange Arrangement has failed.	<p>Invoke Contingency Procedures which may include:</p> <ul style="list-style-type: none"> • arrange a later transmission after the problem is fixed – agreed bilaterally with other Tier 1 Framework Participants; • complete a Contingency File Exchange Form (as set out in Annexure M1) and forward to the receiving Tier 1 Framework Participant; • exchange files using Contingency Exchange arrangements as tabled in Annexure L “Contingency Exchange Arrangements Matrix”; • send initial PDN to all Framework Participants; and • update the PDN (or complete subsequent PDNs) and broadcast regularly to all Framework Participants as deemed necessary, until Disabling Event resolved. 	<p>To assist Disabled Tier 1 Framework Participant:</p> <ul style="list-style-type: none"> • provide advisory support and coordination to impacted Framework Participant(s); and • monitor progress during business hours.
Reported by a Tier 1 Framework Participant that they have failed to exchange DE files with another Tier 1 Framework Participant using Contingency Exchange Arrangements, assuming that the Primary Exchange Arrangement failure has already been reported.	<p>Invoke Contingency Procedures which may include:</p> <ul style="list-style-type: none"> • arrange a later transmission after the problem is fixed – agreed bilaterally with other Tier 1 Framework Participants; • complete a Contingency File Exchange Form (as set out in Annexure M1) and forward to the receiving Tier 1 Framework Participant; • exchange files using other bilaterally agreed Contingency Exchange arrangements as tabled in Annexure L “Contingency Exchange Arrangements Matrix”; • identify problems and invoke resolutions with Contingency Exchange arrangements; • send PDN to all Framework Participants; and • update the PDN (or complete subsequent PDNs) and broadcast regularly to all Framework Participants as deemed necessary, until Disabling Event resolved. 	<p>To assist Disabled Tier 1 Framework Participant:</p> <ul style="list-style-type: none"> • monitor progress during business hours; and • provide advisory support and coordination to impacted Framework Participants.

¹Agreed bilaterally

⁶⁰⁰ Last amended effective 10/10/16, version 057 r&p 002.16

5.2.2 Disabling Event Category No. 2 ⁶⁰¹

Disabling Situation/Event Description: Framework Participant(s) unable to process Direct Entry (DE) data internally and/or unable to process data received from their Tier 1 Framework Participant representative (if applicable).

EXTENT OF THE DISABLING EVENT	POSSIBLE ACTIONS ¹ BY IMPACTED TIER 1 FRAMEWORK PARTICIPANT(S)	POSSIBLE ACTIONS BY THE COMPANY TO ASSIST
Reported by any Framework Participant that they are unable to process DE data internally	Invoke Contingency Procedures which may include: <ul style="list-style-type: none"> • delay exchange pending resolution of the problem if problem relates to electronic files received - agreed bilaterally with other Tier 1 Framework Participants; • send initial PDN to all Framework Participants; and • update the PDN (or complete subsequent PDNs) and broadcast regularly to all Framework Participants as deemed necessary until Disabling Event resolved. 	To assist Disabled Framework Participant: <ul style="list-style-type: none"> • provide advisory support and coordination to impacted Framework Participant(s); and • monitor progress during business hours.

¹Agreed bilaterally

⁶⁰¹ Amended effective 10/10/16, version 057 r&p 002.16

5.2.3 Disabling Event Category No. 3⁶⁰²

Disabling Situation/Event Description: Tier 1 Framework Participant unable to provide settlement data

EXTENT OF THE DISABLING EVENT	POSSIBLE ACTIONS ¹ BY IMPACTED TIER 1 FRAMEWORK PARTICIPANT(S)	POSSIBLE ACTIONS BY THE COMPANY TO ASSIST
Reported by a Tier 1 Framework Participant that they are unable to provide File Settlement Instructions with respect to Direct Entry files sent for the business day.	Refer to Part 9 of the BECS Procedures.	

¹Agreed bilaterally

The next page is Annexure J

⁶⁰² Last amended effective 21/5/12, version 047 r&p 001.12

Annexure J. PROCESSING DIFFICULTY NOTIFICATION FORMS

J.1 APCS AND BECS PROCESSING DIFFICULTY NOTIFICATION⁶⁰³

APCS and BECS Processing Difficulty Notification

DETAILS

Date of Advice:

DD

MMM

YYYY

Notifying Institution:

Institution Experiencing Difficulty:

CONTACT POINT

Name:

Phone Number:

Fax Number:

Email Address:

PAYMENT SYSTEMS AFFECTED

- ☐ APCS – Australian Paper Clearing System Framework
- ☐ BECS - Bulk Electronic Clearing System Framework

PROCESSES AFFECTED – APCS

- ☐ Delivery of Electronic Presentment
- ☐ Dishonours
- ☐ Refusals
- ☐ Image Required
- ☐ Special Answers
- ☐ Trace Requests
- ☐ Urgent Trace Requests – Electronic
- ☐ Image Exchange Files

- ☐ Priority
- ☐ Send SMS

⁶⁰³ Last amended effective 10/10/16, version 057 r&p 002.16

PROCESSES AFFECTED - BECS

- ☐ Detail Records
- ☐ Returns
- ☐ Refusals
- ☐ Mistaken Payments
- ☐ Account switching
- ☐ Trace requests
- ☐ Urgent trace requests
- ☐ DDR claims
- ☐ Other (mandatory comments)

EXPECTED DURATION OF PROCESSING DIFFICULTY

Date Difficulty Occurred:

DD

MMM

YYYY

Estimated Restoration Time:

(Approximate)

Estimated Restoration Date:

DD

MMM

YYYY

COMMENTS

ATTACHMENTS

There are No Attachments to this PDN

This document and any accompanying documents are confidential.

J.2 BECS Processing Difficulty Notification⁶⁰⁴

BECS Processing Difficulty Notification

DETAILS

Date of Advice:

DD

MMM

YYYY

Notifying Institution:

Institution Experiencing
Difficulty:

CONTACT POINT

Name:

Phone Number:

Fax Number:

Email Address:

PAYMENT SYSTEMS AFFECTED

- ☐ BECS - Bulk Electronic Clearing System Framework

PROCESSES AFFECTED

- ☐ Detail Records
- ☐ Returns
- ☐ Refusals
- ☐ Mistaken Payments
- ☐ Account switching
- ☐ Trace requests
- ☐ Urgent trace requests
- ☐ DDR claims
- ☐ Other (mandatory comments)

⁶⁰⁴ Last amended effective 10/10/16, version 057 r&p 002.16

EXPECTED DURATION OF PROCESSING DIFFICULTY

Date Difficulty Occurred:

DD

MMM

YYYY

Estimated Restoration Time:

(Approximate)

Estimated Restoration Date:

DD

MMM

YYYY

COMMENTS

ATTACHMENTS

There are No Attachments to this PDN

This document and any accompanying documents are confidential.

The next page is Annexure K

Annexure K. PRIMARY EXCHANGE ARRANGEMENTS MATRIX

Annexure K is located separately

The next page is Annexure L

Annexure L. CONTINGENCY EXCHANGE ARRANGEMENTS MATRIX

Annexure L is located separately

The next page is Annexure M

Annexure M. CONTINGENCY FILE EXCHANGE**M.1 Contingency File Exchange Form ⁶⁰⁵**

(Part 1.1, Clause 10.2)

Sending/Disabled Framework Participant's Logo (Optional)***BECS Contingency File Exchange Form*****Date sent:** / /**CONFIDENTIAL COMMUNICATION:**

This communication is confidential and intended only for the use of the addressee. If you have received this communication in error, please notify the financial institution from which you have received it, at the telephone number given, to arrange disposal. Unauthorised use of the information in this message may result in legal proceedings against the user. Thank you.

To: _____ [Full Name of Receiving Framework Participant]**Fax number:** _____ **Email:** _____

Please refer to the email file exchange contacts database for details of Receiving Member's facsimile number / email address.

From: _____ [Full Name & ACN/ARBN/ABN of Sending Framework Participant]**Fax number:** _____ **Email:** _____**Authorised Contact:** _____ **Signature:** _____
(Name & position) _____

We advise that due to a Disabling Event we are experiencing a partial/total loss of our ability to send/receive DE files using our primary exchange arrangements. We seek your assistance in sending/receiving our files as detailed below.

Sending	Filename:	_____
	File size :	_____
	Number of Items in file:	_____
	Type of items in file:	<input type="checkbox"/> Standard (non-Government) Direct Entry items <input type="checkbox"/> Government Direct Entry items
	Total Value of file:	
	Debits	\$ _____
	Credits	\$ _____
	Expected Transmission (Date/Time):	_____

⁶⁰⁵ Inserted effective 30/6/03, version 014 r&p 002.03

ANNEXURE M: CONTINGENCY FILE EXCHANGE

Sending Files: File will be sent using the following Contingency Exchange Arrangement	<div style="border-bottom: 1px solid black; margin-bottom: 10px;"><input type="checkbox"/> Email File Exchange <input type="checkbox"/> Alternate electronic link <input type="checkbox"/> Pass through⁶⁰⁶ Courier – using _____ <input type="checkbox"/> Physical Medium – using _____⁶⁰⁷ <input type="checkbox"/> Other – please specify _____</div> <div><input type="checkbox"/> Email File Exchange <input type="checkbox"/> Alternate electronic link <input type="checkbox"/> Pass through¹ Courier – using _____ <input type="checkbox"/> Physical Medium – using _____ <input type="checkbox"/> Other – please specify _____</div>		
<p>(i) Please acknowledge successful receipt of our file(s) by contacting :</p> <table style="width: 100%;"><tr><td style="width: 50%;">Contact (Name & position) _____</td><td style="width: 50%;">Contact Phone: _____</td></tr></table>		Contact (Name & position) _____	Contact Phone: _____
Contact (Name & position) _____	Contact Phone: _____		
<p>(ii) Please acknowledge acceptance of our file(s) by contacting :</p> <table style="width: 100%;"><tr><td style="width: 50%;">Contact (Name & position) _____</td><td style="width: 50%;">Contact Phone: _____</td></tr></table>		Contact (Name & position) _____	Contact Phone: _____
Contact (Name & position) _____	Contact Phone: _____		


⁶⁰⁶ Include full name or mnemonic of 'pass through' courier.

⁶⁰⁷ Provide details of the type of physical medium to be used (eg: CD, tape cartridge)


M.2 Email File Exchange Forms

(Clause 10.13)

CONTACTS LODGEMENT FORM

Main		Submit		Cancel		Corporate	
 Email File Exchange: Contacts Lodgement Form							
<small>Disclaimer: This document has been compiled in good faith from information provided by third parties. No representation or warranty is made by AusPayNet as to the truth or accuracy of the information and AusPayNet, its officers employees and agents expressly disclaim all and any liability in respect of the information.</small>							
<small>Date of Lodgement: 25/08/2017</small>							
Lodging Financial Institution: Select institution)				- Please Select An Institution -			
FINANCIAL INSTITUTION CONTACT							
Name:							
Position:							
Phone:							
Fax:							
Email:							
FRAMEWORK PARTICIPANT AUTHORISED CONTACT DETAILS FOR ANZ							
APCS FRAMEWORK PARTICIPANT AUTHORISED CONTACT DETAILS:							
Name:				COPY FROM BECS COPY FI CONTACT CLEAR DETAILS SWAP APCS & BECS			
Position:							
Phone:							
Fax:							
Email:							
BECS FRAMEWORK PARTICIPANT AUTHORISED CONTACT DETAILS:							
Name:				COPY FROM APCS COPY FI CONTACT CLEAR DETAILS SWAP APCS & BECS			
Position:							
Phone:							
Fax:							
Email:							
Comments (If you need to add any comments, you can do so below)							
Click Here to Submit this Form to AusPayNet							
AusPayNet's External Close Window							

PUBLIC KEY LODGEMENT FORM

Main		Submit		Cancel		Corporate	
 Email File Exchange: Public Key Lodgement Form							
<small>Disclaimer:</small> This document has been compiled in good faith from information provided by third parties. No representation or warranty is made by AusPayNet as to the truth or accuracy of the information and AusPayNet, its officers employees and agents expressly disclaim all and any liability in respect of the information.							
<small>Lodging Financial Institution:</small> (Select institution)				- Please Select An Institution -			
<small>FINANCIAL INSTITUTION CONTACT</small>							
Name:							
Position:							
Phone:							
Fax:							
Email:							
<small>PUBLIC KEY DETAILS FOR ANZ</small>							
<small>This document contains the following (Check all that apply):</small> <input checked="" type="checkbox"/> APCS Public Key <input checked="" type="checkbox"/> BECS Public Key							
<small>File Attachments</small>							
APCS Public Key:				Choose File No file chosen			
BECS Public Key:				Choose File No file chosen			
<small>Comments (If you need to add any comments, you can do so below)</small>							
<div></div>							
<div>Click Here to Submit this Form to AusPayNet</div>							
<div>AusPayNet's ExtraNet Close Window</div>							

M.3 Contingency Procedures Testing Certificate⁶⁰⁸

(Clause 10.11)

BECS CONTINGENCY PROCEDURES TESTING

Each Tier 1 Framework Participant in the Bulk Electronic Clearing System Framework (BECS/CS2) is required to have in place contingency exchange arrangements and to test such arrangements regularly. These requirements are set out in:

- PART 10, clauses 10.10 to 10.13 of the BECS Procedures.

Specifically, the *Procedures* documents require each Tier 1 Framework Participant to test its contingency exchange arrangement:

- with a minimum of **one** other Tier 1 Framework Participant,
- at least once each calendar **half year**, over a period of time that is no more than four calendar years apart,
- using **live data**, and data received must be used to process actual live transactions,
- either in accordance with the timeframes specified in the Contingency Exchange Testing Schedule, or during management of a production issue in the 12 month period before the end of the Testing Schedule period.

Tests to be done each calendar half year should be with partners, to be arranged bilaterally. Framework Participants choosing to use physical medium for contingency exchange must test each bilateral arrangement at least once every calendar half year, until such physical medium is replaced with alternate electronic communication.

After every test of contingency exchange arrangements, each Tier 1 Framework Participant is required to:

- provide AusPayNet with a signed **Contingency Procedures Testing Certificate**; and
- confirm that you have reviewed the contact details held on AusPayNet's Email File Exchange Contacts Database.

Details of person providing the Contingency Procedures Testing Certificate**From:**

(Name of person)

Institution

(Tier 1 Framework Participant)

ABN/ARBN/ACN:Please complete and return **before [Insert date]** to

AusPayNet Operations
Australian Payments Network Limited

Email: operations@auspaynet.com.au

⁶⁰⁸ Last amended effective 31/10/24, version 0670 r&p 002.24

CONTINGENCY PROCEDURES TESTING CERTIFICATE**WE CONFIRM AND CERTIFY THAT**

Tier 1 Framework Participant: _____

Has completed its bilateral testing of contingency exchange arrangement(s) in the Framework(s) specified below, with at least one Tier 1 Framework Participants (test partner) as indicated.

Bulk Electronic Framework

Name of test partner 1 _____

Date test conducted* _____

Name of test partner 2 _____

Date test conducted* _____

* Test may be conducted in course of using contingency arrangements during a Disabling Event or other production issue in the 12 months period prior to testing schedule window. Specify if that was the case.

Our contingency exchange arrangements for the Framework(s) (indicated above) have been successfully tested and comply with the industry standards outlined (as appropriate) in:

BECS Procedures, PART 10, clauses 10.10 to 10.13.

Email File Exchange Contact Details

The Email File Exchange contacts database is managed by AusPayNet and Tier 1 Framework Participants are required to nominate an authorised contact to access the database for lodgement and downloading of public keys. Tier 1 Framework Participants must review the contact details held in the database and make any amendments as appropriate as set out in the BECS Procedures, PART 10, Clause 10.13.

A link to the Email File Exchange Contacts Database can be found below:

<https://extranet.apca.com.au/extranet/CS12ContDetail.nsf/NDX/Welcome?OpenDocument&Login>

We also **confirm** that our details held on AusPayNet's Email File Exchange Contacts Database are correct for:

BECS☐**Please "tick" box to confirm**

AUTHORISED SIGNATORY

Name of person signing Certificate _____

Position _____

Signature _____

Date _____

END