



# **INTERBANK PAYMENT SYSTEM (NCHL-IPS)**

## **OPERATING RULES**

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## Abbreviations and Definition of Terms

### Abbreviations

- “NRB” means Nepal Rastra Bank, The Central Bank of Nepal
- “NCHL” / “Clearing House” means The Nepal Clearing House Ltd. that will host the NCHL-IPS
- “BFIs” means the banks and financial institution of Nepal.
- “ASP” means application service provider
- “COB” means continuity of business
- “FCY” means any foreign currency
- “IPS” means Interbank Payment System
- “MMS” means mandate management system
- “NPR” means Nepali currency
- “NCP” means Net Clearing Position
- “PKI” means public key infrastructure

### Definition of Terms

- “Beneficiary” means the person to whom or to whose order the payment must be made.
- “Bulk Transaction” refers to multiple transactions in a batch where single debit and multiple credit or multiple debit and single credit.
- “Current Business Day (T)” means the day on which the Debtor’s account will be debited and Creditor’s account will be credited.
- “Debit Cap” means the maximum amount limit to the debiting banks for the settlement position in the system per clearing session/ business day.
- “Digital Certificate” means a user certificate which is required to login NCHL-IPS System
- “Direct Credit” means any transaction which is originated by debtor bank after debiting his customer account and send credit message to the RDFI to credit on beneficiary account.
- “Direct Debit” means any transaction which is originated by the creditor’s bank to debit customer account at debtor’s bank based on the mandate.
- “Direct Member” means Bank or Financial Institution that execute fund transfer payments, and has a membership in NCHL-IPS.
- “DR Site” means the disaster recovery site maintained by the NCHL.
- “Financial Message” means any transaction which falls under the category of direct debit and direct credit message type.
- “Inward clearing” means payment instruction received from the ODFI that are drawn on the RDFI Bank’s customer account.



- “Interbank Payment System” (IPS) means the electronic payment and clearing processing system.
- “ISO Purpose” means the payment purpose which is required to originate any transaction in NCHL-IPS System.
- “ISO Validation” means the validation of NCHL-IPS transaction based on the ISO20022 message specifications.
- “Mandate” is an agreement or an expression of consent authorized by the debtor allowing a beneficiary party known also as the creditor or the originator of the debit payment transaction, to debit an amount from the specified debtor’s account at the debtor’s bank at predefine date fixed in the mandate.
- “National Archive System” is a system which is used to store historical transaction for long-term purpose
- “Net Clearing Position” (NCP) represents the financial position for each member at the closure of each clearing session, The NCP might be net debit or credit, and it is calculated on a multilateral basis.
- “Non-Financial Message” means any transaction generated by NCHL-IPS system which holds a reference of existing transaction and originated for cancellation and rejection.
- “ODFI” means Originating depository Financial Institution which is also referred to as Instructing Bank/ Agent.
- “Outward clearing” means payment instructions send from customers drawn on a different bank.
- “RDFI” means Receiving Depository Financial Institution which is also referred to as Instructed Bank/ Agent.
- “Request Reply Mode” means an explicit response is required either by acceptance or rejection confirmation of each transaction from RDFI.
- “Resilience Mode” means no explicit response is required from RDFI, all transaction will be auto accepted.
- “Rollover” means to rollover the pending transaction to the next available business day/session based on the configuration.
- “Settlement System” is the system that is used for settling any interbank transaction and used to settle the NCP for the NCHL-IPS members.
- “Standing Instruction” is an instruction note given to debtor bank to originate re-occurring direct credit payment transaction through NCHL-IPS System.
- “Unwinding” means to cancel the already accepted transaction before the final settlement done at central bank by the system.
- “Value Date” means the date when payment transaction will be realized and settled.





## 1. Introduction

### 1.1. Background

As per the mandate of Nepal Rastra Bank “to develop a secure, healthy and efficient system of payments” in Nepal and based on the National Payment System Development Strategy, Nepal Rastra Bank seeks to realize modernizing the payment and settlement system by implementing an advanced interbank payment system (NCHL-IPS) that manages the electronic payment instruments including direct credit and direct debit transactions.

The first phase of modernizing payment and settlement process started in 2011 when NRB initiated an implementation of nationwide electronic image based cheque clearing (NCHL-ECC) system for the clearing and settlement of cheques with (T+0) settlement through Nepal Clearing House Ltd. (NCHL). NRB is introducing efficient and secure nationwide fully Automated Clearing House system in Nepal for providing interbank payments (non-paper based and non-card based) services (hereinafter referred to as NCHL-IPS or “the System”) by extending the existing core infrastructure of NCHL-ECC at NCHL.

### 1.2. Interbank payment system (NCHL-IPS)

Interbank Payment System (NCHL-IPS) is the state-of-the-art web based interbank solution, which facilitates domestic fund transfer between accounts, maintained at different banks and financial institutions. It will replace the manual funds transfer system between banks within Nepal.

Under NCHL-IPS system, the payment transaction will be initiated at the Originating Depository Financial Institution (ODFI) and transferred electronically for exchange and clearing, via the secured communication channel, to the receiving depository financial institution (RDFI) for necessary processing. NCHL-IPS will support both Direct Debit & Direct Credit types of transactions and used for various purposes.

NCHL-IPS calculates the multilateral net clearing position and sends to the settlement system of Nepal Rastra Bank for settlement of the net clearing position of the direct members. The core system of the NCHL-IPS lies at NCHL.

Following are the benefits of an Interbank Payment System:

- It promotes non-paper based transactions by reducing dependency on cash/ cheques thereby increasing financial transparency.
- It facilitates increased macroeconomic scales and improved service delivery via faster funding, payments, collecting, and increased liquidity. It also supports in reconciliation and online reporting.
- It supports multiple settlements per day to realize Near Time Real Time Settlement.
- It handles large volume of repetitive payments by means of standing instructions for payments and mandates for collection based on which such transactions can be originated on pre-scheduled dates resulting into improved cash flow for customers.
- It will be possible to introduce multiple products and add channels in interbank payment system
- It can be used as an alternative to SWIFT for domestic interbank transactions thereby improving liquidity and settlement risk for the participating members.



### 1.3. Objectives

The key operational objectives of implementing NCHL-IPS system are to:

1. Achieve a safe and efficient inter-bank payment system that effectively contributes to the use and development of electronic payment instruments including but are not limited to Direct Debit & Direct Credit functionalities, with provision of multiple net settlements to realize near time real time settlement.
2. Replace the current paper-based interbank payment process with an electronic payment and clearing process using a secured payment system.
3. Provide platform for the participating members to introduce efficient and cost effective payment products based on various purposes, yet improve their liquidity management.

### 1.4. Legal and Regulatory Framework

The legal authority of NCHL-IPS Operating Rules is Nepal Rastra Bank Act 2058 BS (2002) and the provisions of Section 5, Sub Section 1 (i) thereof, provides one of the functions, duties and powers of NRB "To establish and promote the system of payment, clearing and settlement and to regulate these activities". The Operating Rules shall be the legal and regulatory framework that must be followed by all concerned parties including NRB, NCHL and all Members. This Document provides the required rules that control the interbank payment process using the new solution NCHL-IPS. It includes the following boundaries:

1. Permission for members operating in Nepal and subject to the provisions of Nepal Rastra Bank to participate in NCHL-IPS.
2. The Clearing House shall run NCHL-IPS as per Operating Rules prescribed by NRB.
3. Each Member of NCHL-IPS shall comply with these Operating Rules, including amendments as and when they are made, when carrying out its banking operations related to NCHL-IPS.
4. The NRB may modify these Operating Rules as necessary with the consultation of NCHL. The participating members and all relevant parties shall be notified accordingly.
5. The rules and procedures mentioned in this "NCHL-IPS Operating Rule" will be effective from the day the system goes live.

## 2. Operating Rules

Managing the NCHL-IPS system effectively needs a complete understanding of the business process along with the roles and the responsibilities of each participant. The NCHL-IPS Operating Rules is a set of rules, practices and standards to achieve interoperability for the provision and operation of interbank payment transactions through NCHL-IPS system.

The purpose of this Operating Rule is to:

- Optimize and document the business processes of interbank payments.
- Create and document NCHL-IPS System rules, operational procedure without any conflict with existing Laws within the Nepal.

The Operating Rules shall govern the compliance of the operations and the use of the NCHL-IPS system. It clarifies the following:

1. Roles and responsibilities of the participants and the settlement bank.
2. Roles and responsibilities of NCHL as operator.
3. Detailed operational rules, procedures and other authoritative information to the participants and relevant parties as to how the system functions in different business situations.



### 3. Currencies

NCHL-IPS will provide the clearing of payment transactions at the inter-member level in all process stages in Nepalese Rupee (NPR), US Dollar (USD), Euro (EUR) and Sterling Pound (GBP) on each business day or any other currency as approved by NRB.

### 4. Thresholds

NRB shall apply a threshold for the payment transaction amount to be cleared through NCHL-IPS. The thresholds will be defined and validated automatically by the system as the following:

1. System Thresholds: The maximum amount limit allowed for exchange and clearing through NCHL-IPS.
2. Session Thresholds: The maximum amount limit allowed for exchange and clearing in a specific session.
3. Transaction threshold: The maximum amount transaction limit allowed for exchange and clearing for a specific purpose.

### 5. Response Mode

Based on certain criteria including the payment message type, amount, and purpose, the response modes of each transaction at the end of the exchange session in NCHL-IPS shall be configured as following;

1. Resilience mode (no news good news): In resilience mode, no explicit acceptance response is required from RDFI for the transaction. All submitted transactions will be automatically processed as Auto Accepted at the end of the clearing session unless they are rejected explicitly by the RDFI. This mode will be applied for all Direct Credit transactions.
2. Request/Reply mode: In request/ reply mode, an explicit response is required either as acceptance or rejection from RDFI for each transaction. All submitted transaction will be automatically processed as Auto Rejected unless they are replied by the RDFI. This mode will be applied for all Direct Debit transactions.

Refer to Limits and Response Mode configuration below for thresholds based on transaction type, amount and response mode.

## 6. Membership and Member Types

### 6.1. Membership

Direct Membership of NCHL-IPS shall be open to all Banks and Financial Institutions (BFIs) operating in Nepal or any other entity at the discretion of NRB. Indirect and Technical membership shall be open to non-bank financial institutions and large corporates.

#### 6.1.1. Direct Member

Direct members are the banks and financial institutions licensed by Nepal Rastra Bank and operating within Nepal. Direct member hold account in the settlement system at NRB to settle the financial obligations to the other BFI's at the end of day as well as have a **direct communication link with the NCHL-IPS** enabling the Member to exchange the fund transfer amongst the other Members.



### 6.1.2. Indirect Member

Indirect members are non-bank financial institutions that have a direct communication link with the NCHL-IPS enabling the Member to exchange fund transfer amongst the other Members. Those transactions are limited to certain message type and purposes. However, there is no account maintained in the settlement system at NRB to settle the financial obligations with the other BFI's at the end of day. Therefore they need to settle their Net Clearing Position (NCP) through a Direct Member that has an account held at NRB. There is no NCP for an Indirect Member.

### 6.1.3. Technical Member

Technical Members are big corporations that have large number of payments and fund transfer transactions, and are authorized to send their transactions through NCHL-IPS to the other members by using the direct communication link with NCHL-IPS. Those transactions are limited to certain message type and purposes. However, there is no account maintained in the settlement system at NRB to settle the financial obligations with the other BFI's at the end of day. Therefore they need to settle their Net Clearing Position (NCP) through a Direct Member or an Indirect Member. There is no NCP for a Technical Member.

## 6.2. Member Registration

Following shall be the eligibility criteria for registering a Direct Member:

1. Licensed as a Bank or FIs in Nepal jurisdiction.
2. Holding account in NRB; or having established a legal agreement with another Direct Member who holds an account in NRB to act as their settlement agent for settling the Net Clearing Position (NCP).
3. Able to cover its liabilities and to pay its debts once they fall due, and not be insolvent as defined in accordance with any Insolvency Act applicable to the member.
4. Pay the applicable Participation fees to the NCHL.

All the existing members of NCHL-ECC shall be eligible for NCHL-IPS as Direct Members.

Following shall be the eligibility criteria for registering an Indirect Member and a Technical Member:

1. Legal entity registered under Nepal Law or Licensed institutions in Nepal jurisdiction.
2. Allowed to originate specific purpose based transactions.
3. Having established a legal agreement with another Direct Member who holds an account in NRB to act as their settlement agent for settling the Net Clearing Position (NCP).
4. Able to cover its liabilities and to pay its debts once they fall due, and not be insolvent as defined in accordance with any Insolvency Act applicable to the member.
5. Pay the applicable Participation fees to the NCHL.

Indirect and Technical Members shall be registered for specific purpose based transaction only.

NCHL shall publish a list of the Clearing House members prior to the go live date of the system. Any new members will be published and circulated by the Clearing House once the registration process is completed.



### 6.3. Members Prerequisites

All members shall comply with this Operating Rules to execute interbank payment transaction in order to manage and control the business cycle from their side. They are expected to accommodate qualified staffs with experience in the payment and settlement functionality in order to execute their daily operations in a safe and sound manner and thus minimize any potential risk.

### 6.4. Member Agreement

Each member shall sign an agreement with the Clearing House. However, Indirect and Technical members shall also have an agreement or arrangement with existing Direct or Indirect Member for extending the NCHL-IPS system and for the settlement purpose, which shall be included as the part of the Indirect and Technical member agreement. After the official confirmation, NCHL shall notify to all other concerned members when new member is added.

## 7. Members Management

### 7.1. Member Suspension

NRB has the full authority to suspend a member from NCHL-IPS for any reason it deems appropriate. A member might be suspended for reasons such as but are not limited to; license has been revoked by NRB, has declared insolvency or has been declared solvent, or has failed to meet with the regulations declared in Operating rules of NCHL-IPS. During the suspension, the Member will not be able to exchange and clear any transaction through NCHL-IPS.

In case of suspension of a member, all its unsettled payments in the NCHL-IPS will be automatically rejected, but the suspended member shall still be liable for making payments to the concerned parties, if any.

### 7.2. Member Resumption

Resumption of a suspended member in the NCHL-IPS may happen with approval of NRB in case that the reason for suspension has been rectified to the satisfaction of NRB.

### 7.3. Member Termination

NRB has the full authority to terminate any member from NCHL-IPS for any reason it deems appropriate. The termination of a member is accomplished to permanently remove whenever that decision is taken. Termination is permanent where terminated members will no longer be accessible to NCHL-IPS, although the member information will remain existent for future reference. Once terminated, reregistration will be required for membership.

### 7.4. Member Withdrawal

Any member who would like to withdraw from NCHL-IPS as per its business decision must send an official request ninety (90) days in advance. Once withdrawn, reregistration will be required for membership.



## 7.5. Member Notification

Upon receipt of an official circular issued by NRB, NCHL shall notify electronically all members of any members' suspension, termination, withdrawal or resumption.

## 7.6. Identification

Each member shall be represented on NCHL-IPS with a unique identification member number (ID) provided by NRB. Moreover, a unique identification number for each branch shall be provided by the respective member. However, for existing members of NCHL, identification number of NCHL-ECC will be re-utilized for NCHL-IPS also.

For Indirect and Technical Members, such identification number shall be assigned by NCHL for technical purpose.

## 8. System Architecture

The Clearing House operates in Application Service Provider (ASP) model for providing its services to the members. NCHL-IPS shall be a web application that will be hosted at NCHL premises, where each Member will access the system through a secure communication link. Existing NCHL connectivity will be used for already existing members of NCHL. All application systems and database components of all members will be centrally installed in the Clearing House data centres. Members shall be required to access the centralized servers using the web browser or a dedicated integration component, in order to perform fund transfer and accessing their own information. NCHL-IPS system has following sub-systems and/or modules.

### 8.1. Central System

The Central system shall include all components such as session configuration, system parameters, Member Management, Monitoring and Reporting, notifications and alerts.

The Central system shall handle payments processing and validation at the clearinghouse level and shall provide the ability to define schedules, manage, and view created clearing sessions. All the functions in the Central System shall be subject to dual approval.

### 8.2. Participant System

The Participant System is a web based component of NCHL-IPS system that adapts the Application Service Provider (ASP) model. Participant System web based interface provides a user to perform Outward payment instructions according to the payment message (direct debit or direct credit) in addition to cancellation, rejections and replies. Members can also perform inward processing for their transactions, such as received direct credit and direct debit batches, received request for cancellation and perform replies and rejections.

Members can define and perform the standing order instructions for direct credit transactions and also create and manage the mandates for direct debit transactions through the Participant System. All functions in the Participant System shall be subject to dual approval except for transactions through interface where such configuration at bank level will be available to enable straight through processing.

In addition, the participants can integrate with their third party systems through a standard integration API's corresponding to which the API details and ISO20022 message format will be published separately by the Clearing House.



### 8.3. Mandate Module

Mandate is an agreement or an expression of consent authorized by the debtor allowing a beneficiary party known also as the creditor or the originator of the debit payment transaction, to debit an amount from the specified debtor's account at the debtor's bank at predefine date fixed in the mandate. Mandate is used for direct debit transactions in NCHL-IPS system. A Mandate may exist as a paper document and/or a pre-printed form which is physically signed by the Debtor and such paper mandate stored either as the original document or in any digitized format. Alternatively, a Mandate may be an electronic document which is signed using a legally binding method of digital signature.

Mandate module is a web based component of NCHL-IPS system adapts the Application Service Provider (ASP) model. Member can create, amend and terminate a mandate through Mandate Module. Stop payment instruction can also be created for already created mandate through this module.

### 8.4. Archive System

NCHL-IPS will maintain the transaction archive for all members for at least **Seven years**. The data will be archived automatically **within 3 months in the National Archive System**. The member can have access to their archived data for 7 years.

## 9. System Operation

### 9.1. Clearing Session

NCHL-IPS shall maintain and operate clearing session for the clearing of exchanged payment messages between members. Clearing sessions shall be identified by a session identification number, currency, settlement date and purpose. Sessions include direct credit and/or direct presentment and replies and within each session, multiple special purpose payments can be defined.

NCHL-IPS shall clear the received transactions within the specified daily clearing sessions. These sessions have the following parameters:

1. **Business Day:** **Business day** is the day/s within the calendar year that has been declared as a working day by NRB for permitting all members to perform their clearing transactions within the working hours. Herein after also referred to as "day".
2. **Clearing Date (T):** Clearing date is a business day on which the clearing session and corresponding settlement will be completed.
3. **Currency:** The currency that is defined within the NCHL-IPS for clearing of transactions within the specific clearing session.
4. **Holiday:** Any planned calendar day that is not considered a business day, including the weekend days and as defined by NRB.
5. **Payment Exchange Period:** Payment exchange period is the time period determined by the NRB during which the NCHL-IPS system accepts exchanging transactions between members to be cleared within a clearing session. Exchanging payments begin by the start date and time of the period, and ends by the payment period's end date and time. Holidays will not be considered as part of the calculation of the payment exchange period.
6. **Session Start:** The time that the ODFI can start sending payment instructions for clearing.
7. **Session End:** The ending time of the clearing session within a particular business day.



8. **Cancellation period:** Is the time that ODFI can send request for cancellation message to the RDFI to ask for cancellation for a particular batch or transaction, which is not yet replied by RDFI. The reply by RDFI for this cancellation message must be sent before the period ends, otherwise the cancellation request is considered as rejected. During the business day there is a dedicated period to perform cancellation, but the member can execute the cancellation once the transaction received.
9. **Rejection period:** Is the time that RDFI can reject received transaction according to the response mode. During the business day there is a dedicated period to perform rejection, but the member can execute the rejections once the transaction is received.
10. **Net Clearing Position (NCP):** NCP is the financial position for each member on a multilateral basis that might be net debit or net credit position. The NCP is generated after the closure of each session and is sent to NRB for settlement.
11. **Settlement Period:** The period on which all cleared transactions will be settled at NRB Settlement System.
12. **Grace Period:** Grace period is an additional period defined at the end of the Exchange Period and Rejection Period to handle any late receipt of transactions from the Participant System by the Central System. Any transaction received by the Central System after the Grace Period shall be considered for the next available session. Grace period shall be set at 5 minutes in NCHL-IPS system.

## 9.2. Session Configuration

Any transaction received by the RDFI must be responded before the end of its clearing session (i.e. before the rejection period ends), according to the response mode.

The session shall be configured as follows:

### 9.2.1 Exchange Period 0

The session configuration for the Exchange Session 0 shall have the following settings for a particular business day (T):

1. Starts from the previous business day (T-1) at 13:00.
2. End of exchange transaction takes place at 10:00 on the current business day (T). Any transaction sent after that time will be assigned automatically to the next clearing session exchange 1 of the current business day.
3. Cancellation dedicated period starts at 10:00 on the current business day and End at 10:30 on the current business day but the member can initiate cancellation transaction once transaction is received.
4. Rejection dedicated period starts at 10:30 on the current business day and End at 11:30 on the current business day but the member can reject the transaction once transaction is received.

Exchange 0 will be mapped to the specific purposes. Purposes presented after 13:00 previous business day (T-1) in Exchange Period 4 will also be mapped to Exchange 0. This exchange will be available for the NPR currency from Sunday to Friday and for the FCY from Monday to Friday.





### 9.2.2 Exchange Period 1

1. Starts from the current business day (T) at 10:00.
2. End of exchange transaction takes place at 13:00 on the current business day (T). Any transaction sent after that time will be assigned automatically to the clearing session of the next business day of exchange 0.
3. Cancellation dedicated period starts at 13:00 on the current business day and End at 13:30 but member can initiate cancellation transaction once transaction is received on the current business day.
4. Rejection dedicated period starts at 13:30 on the current business day and End at 14:30 but member can reject the transaction once transaction is received on the current business day.

Exchange 1 will be mapped to the specific purposes. This exchange will be available for the NPR currency from Sunday to Thursday and for the FCY from Monday to Thursday.

### 9.2.3 Exchange Period 2

1. Starts at 10:00 on the current business day (T).
2. End of exchange transaction takes place at 11:00 on the current business day (T).
3. Cancellation dedicated period starts at 11:00 on the current business day and End at 11:15 but member can initiate cancellation transaction once transaction is received on the current business day.
4. Rejection dedicated Period starts at 11:15 on the current business day and End at 11:30 but member can reject the transaction once transaction is received on the current business day.

Exchange 2 will be mapped to the specific purpose(s) and will be available for the NPR currency from Sunday to Friday and for the FCY from Monday to Friday.

### 9.2.4 Exchange Period 3

1. Starts at 11:00 on the current business day (T).
2. End of exchange transaction takes place at 12:00 on the current business day (T).
3. Cancellation dedicated period starts at 12:00 on the current business day and End at 12:15 but member can initiate cancellation transaction once transaction is received on the current business day.
4. Rejection dedicated period starts at 12:15 on the current business day and End at 12:30 but member can reject the transaction once transaction is received on the current business day.

Exchange 3 will be mapped to the specific purpose(s) and will be available for the NPR currency from Sunday to Thursday and for the FCY from Monday to Thursday.

### 9.2.5 Exchange Period 4

1. Starts at 12:00 on the current business day (T).
2. End of exchange transaction takes place at 13:00 on the current business day (T).
3. Cancellation dedicated period starts at 13:00 on the current business day and End at 13:15 but member can initiate cancellation transaction once transaction is received on the current business day.
4. Rejection dedicated period starts at 13:15 on the current business day and End at 13:30 but member can reject transaction once transaction is received on the current business day.

Exchange 4 will be mapped to the specific purpose(s) and will be available for the NPR currency from Sunday to Thursday and for the FCY from Monday to Thursday.



#### 9.2.6 Exchange Period 5

1. Starts at 13:00 on the current business day (T).
2. End of exchange transaction takes place at 14:45 on the current business day (T).
3. Cancellation is not allowed and hence there is no cancellation period.
4. Rejection dedicated period starts at 14:45 on the current business day and End at 15:00 but member can reject transaction once transaction is received on the current business day.

*Exchange 5 will be available only for funding (Treasury) purpose. And it will be available for the NPR currency from Sunday to Thursday and for the FCY from Monday to Thursday. Transaction cancellation will not be allowed and hence cancellation period will not be defined for the exchange 5.*



Session Type	Exchange Period		Cancellation Period		Rejection Period		Pre-Settlement	NCP Settlement	Credit customer A/C	Business Day
	Start	End	Start	End	Start	End				
Exchange 0	13:00 (T-1)	10:00 (T)	10:00 (T)	10:30 (T)	10:30 (T)	11:30 (T)	11:45	12:00	After Settlement Confirmation	Sunday - Friday(NPR) Monday - Friday (FCY)
Exchange 1	10:00 (T)	13:00 (T)	13:00 (T)	13:30 (T)	13:30 (T)	14:30 (T)	15:15	15:30	After Settlement Confirmation	Sunday - Thursday(NPR) Monday - Thursday (FCY)
Exchange 2	10:00 (T)	11:00 (T)	11:00 (T)	11:15 (T)	11:15 (T)	11:30 (T)	11:45	12:00	After Settlement Confirmation	Sunday - Friday (NPR) Monday - Friday (FCY)
Exchange 3	11:00 (T)	12:00 (T)	12:00 (T)	12:15 (T)	12:15 (T)	12:30 (T)	12:45	13:00	After Settlement Confirmation	Sunday - Thursday(NPR) Monday - Thursday (FCY)
Exchange 4	12:00 (T)	13:00 (T)	13:00 (T)	13:15 (T)	13:15 (T)	13:30 (T)	13:45	14:00	After Settlement Confirmation	Sunday - Thursday(NPR) Monday - Thursday (FCY)
Exchange 5 (Funding)	13:00 (T)	14:45 (T)	NA	NA	14:45(T)	15:00(T)	15:15	15:30	After Settlement Confirmation	Sunday - Thursday(NPR) Monday - Thursday (FCY)
			No Cancellation							

Table 1: Exchange Period Details



### 9.3. Modification of Clearing Session

NRB has the full authority to add new clearing sessions and/or change the start/ end timings or Cancellation or rejection period/timing of the sessions referred in the NCHL-IPS Operating Rules for any reasons it deems appropriate as per the recommendation from NCHL. NCHL will notify the same to all members.

### 9.4. Business Calendar

The normal business days are six business days starting from Sunday to Friday of each week. The currency wise business calendar shall be defined in NCHL-IPS as prepared by NRB for all members, which includes the working days, non-working days and holidays. Business calendar for the FCY shall also be defined in the system.

### 9.5. Daily Operation

NCHL shall operate and manage the daily operations of the NCHL-IPS system by:

1. Configuring all types of daily clearing sessions' timing and types of clearing cycle for the participants.
2. Overseeing the automated operations and automated validation on Participants' presented and/or replied transaction(s).
3. Overseeing the overall management of the transaction life cycle and take corrective actions and/or decisions appropriately.
4. Guaranteeing the closure of all types of daily clearing sessions within the System and the settlement of all the processed transactions at NRB settlement system.

The NCHL-IPS main activities shall be the following:

1. Receives payment transactions in batches initiated by the originator member (ODFI).
2. Processes and validates the received transactions on a First-In-First-Out (FIFO) concept.
3. Generates a status reports to indicate batches transactions' status after validating them and assigns a session ID for valid transactions.
4. Records the transactions for netting and settlement purpose at the end of daily operation.
5. Transmits valid transactions to RDFI for inward processing.
6. Transmits received replies from RDFI to ODFI indicating either acceptance or rejection or based on the response mode.
7. Closing the clearing session of the current Business Day.
8. Generates the Net Clearing Position (NCP) for accepted transactions for all members for each clearing session.

### 9.6. Message Type

#### 9.6.1 Financial Message

The NCHL-IPS shall execute the following payment message types:

**Direct Credit:** is an inter-bank payment transaction from a bank account (the Debtor) to a beneficiary bank account (the Creditor) and Debtor bank as ODFI. Direct Credit supports, but are not



limited to Salary Payment , Dividend\ IPO refunds, Benefit deposit, Social security payment, Government Payment, Standing order Payment, Credit cards payments, Pension Funds.

**Direct Debit:** is an inter-bank payment transaction to collect transaction amount from a Debtor by a Creditor and Creditor Bank as ODFI. Direct Debit supports, but are not limited to Utility Bills collections, Loan instalments collections, Fees, Insurance premium. **All direct debit transactions must have mandates.**

#### 9.6.2 Non-Financial Message

**Payment Status (Rejection):** is a message sent by the receiving bank RDFI rejecting received batch/transaction for direct debit or direct credit before the end of rejection period during the rejection period. The rejection sent only by the RDFI and it can only take place within the same exchange session.

**Payment Cancellation Request:** is a message sent by the sending bank ODFI of the original payment/ batch transaction for direct debit or direct credit after having transmitted their payment transfers to the RDFI and before the end of cancellation period to request the cancellation of the original payment transaction during the cancellation Period. The cancellation request can be sent only by the ODFI and it can only take place within the same exchange session.

### 9.7. ISO Purpose and Purpose Management

NCHL-IPS shall support all ISO purpose codes, part of which are listed in the Annexure 1. Full list of ISO codes can also be referred. NCHL shall circulate the list of purposes along with applicable exchange session and other details as and when they are introduced and activated in the system. Such purposes may be available for all members or the selected members.

### 9.8. Transaction Workflow

#### 9.8.1. Direct Credit Transaction

ODFI and RDFI shall follow the following steps while performing the outward Direct Credit payment transfers:

1. ODFI receives payment instructions from its customer to transfer fund from the customer's bank account to beneficiary account(s) at another bank. Such information can be collected by the ODFI in a physical form/ document or in an electronic form or channel provided by ODFI to its customer. The originator of the Direct Credit transaction will be the debtor bank however transaction can also be initiated by the indirect or technical member.
2. ODFI shall validate all the required information. The necessary information shall include , but are not limited to, the following:
  - a. Amount
  - b. Currency
  - c. Sender Details
    - i. Sender Account Number
    - ii. Sender Account Name
  - d. Beneficiary's bank details
  - e. Beneficiary's details
    - i. Beneficiary Account name
    - ii. Beneficiary Account number
  - f. Purpose



3. Based on the currency and the purpose of the transaction, the ODFI user will create a batch and fill the required information for the transaction(s) including any other non-mandatory information.
4. If there is any missing or mismatch of information, the Quality Assurance Officer (Checker) will return the payment instructions via the NCHL-IPS to the Maker for repair/correction.
5. ODFI will debit/block the customer account and then submits the outward Direct Credit transactions in a batch to NCHL-IPS central system.
6. NCHL-IPS will perform ISO and Technical validations on the received batch.
7. NCHL-IPS will perform financial validations on the received batch and transactions including transactions limits and participants debit caps.
8. NCHL-IPS Records the transactions for netting and settlement purpose to be performed at the end of daily operations.
9. NCHL-IPS automatically generates a status reports to indicate batches transactions' status after validating them and assigns a session ID for valid transactions.
10. NCHL-IPS clears the payment transactions by updating the participants net positions and forward the transactions to the RDFI
11. ODFI reads the received status reports to be aware of the submitted transactions' statuses.
12. RDFI reads the received transactions from the clearinghouse for processing purposes.
13. RDFI clears the transactions and sends status reports to the clearinghouse to indicate either acceptance or rejection. Response mode of all Direct Credit transaction will be "Resilience" where in case of no explicit response is received all unreplied transactions will be auto accepted.
14. RDFI shall credit its customer account after the final NCP settlement is confirmed at NRB, unless alternate funding or overdraft facility is available.
15. All the Direct Credit transaction(s) that are not replied by the Cut-off time will be auto accepted.

### 9.8.2. Standing Order

Standing Order is an instruction authorized by the debtor allowing his bank (ODFI) to debit an amount from his account maintained with the ODFI bank and make credit payment transaction to credit the amount to the creditor account maintained at the creditor's bank (RDFI) at predefine date fixed in the Standing Order.

A Standing Order may exist as a paper document and/or a pre-printed form which is physically signed by the Debtor and such paper Standing Order stored either as the original document or in any digitized format by ODFI. Alternatively, a Standing Instruction may be an electronic document which is signed using a legally binding method of digital signature. It shall be the responsibility of Debtor bank to provide such Standing Order document/ form to its customer.

Standing order is used for direct credit transactions, however not mandatory, to initiate regular payments in periodic basis such as (but not limited to) payments of rent, utility bills, loan installment, school fees, credit card bills etc.

1. Once the standing order is approved by ODFI, it will become an active standing order corresponding to which future payments (direct credit) are created and stored on the participant system.



2. The payment will be released on the payment due date (beginning of the session) as a normal Direct Credit transaction.
3. ODFI can configure such that such Direct Credit transaction requires manual authorization prior to submitting to the central system or can be automatically submitted to the central system depending on the banks internal policy.
4. Debtor customer can request at least 2 business days prior to payment due date to its bank for amendment, termination and/or stop payment of one or multiple future payments corresponding to an active standing order. However, debtor bank's internal policy shall apply for such amendment, termination and stop payment.
5. Standing order initiation, amendment, termination and stop payment require dual approval at ODFI.

### 9.8.3. Mandate Management

Mandate is an agreement or an expression of consent authorized by the debtor allowing a beneficiary party known also as the creditor or the originator of the debit payment transaction, to debit an amount from the specified debtor's account at the debtor's bank at predefine date fixed in the mandate.

A Mandate may exist as a paper document and/or a pre-printed form which is physically signed by the Debtor and such paper mandate stored either as the original document or in any digitized format. Alternatively, a Mandate may be an electronic document which is signed using a legally binding method of digital signature. Debtor shall complete the Mandate document/ form and return it to the Creditor. Creditor bank will initiate the mandate in the system.

Mandate is used for direct debit transactions in NCHL-IPS system and is mandatory for initiating all direct debit transactions such as (but not limited to) collection of utility bills, insurances premium, loan installment, school fees, etc.

Mandate management includes mandate initiation, amendment, termination and stop mandate payment and as agreed by the Debtor and Creditor customers. Mandate management is performed as follows:

#### 9.8.3.1. Mandate Initiation

ODFI and RDFI shall follow the following steps while creating a Mandate in NCHL-IPS system.

1. The Customer (Creditor) of ODFI shall initiate the process to obtain a mandate from the Debtor to authorize debiting its account held at RDFI (debtor's bank).
2. Sample template of a Mandate form is available in Annexure 3. The Mandate shall have all the information included in the template, but are not limited to the information in the template. In case of electronic mandate, ODFI may arrange for appropriate channel to collect such mandate for its customer.
3. The Customer (Creditor) shall collect the mandate from the debtor which is duly signed by Debtor and Creditor in at least two original sets.
4. The Creditor shall provide one original mandate to Creditor's Bank (ODFI) for mandate initiation.
5. The Mandate information shall include, but are not limited to the following and shall be captured in the NCHL-IPS system by ODFI,



- a. Debtor Customer name
  - b. Debtor Account number
  - c. Purpose
  - d. Beneficiary name and address
  - e. Beneficiary account number
  - f. Frequency "weekly, monthly ..."
  - g. Amount "fixed or ceiling"
  - h. Starting date
  - i. Expiry date
  - j. Currency
  - k. Telephone Number/Fax/E-mail
6. ODFI shall copy the mandate id generated by the system and endorse by bank stamp in the mandate form. ODFI shall then scan the mandate along with digital copy of the mandate in the NCHL-IPS system and send to RDFI for validation and approval.
  7. The creditor shall be responsible for retaining one of the original mandates. The creditor or creditor bank shall send the second original mandate to Debtor's Bank (RDFI) either directly or through debtor.
  8. RDFI shall validate the mandate in NCHL-IPS system based on the information available in the system and the original mandate. One of the original mandates shall be retained by the Debtor Bank (RDFI).
  9. Once the mandate is approved by RDFI, it will become an active Mandate corresponding to which future payments (direct debit) are created and stored on the participant system for both parties (ODFI and RDFI).
  10. The payment will be released on the collection due date (beginning of the session) as a normal Direct Debit transaction in case of mandate with fixed amount. ODFI can configure such that Direct Debit transaction requires manual authorization prior to submitting to the central system or can be automatically submitted to the central system depending on the banks internal policy.
  11. In case of mandate with ceiling amount, direct debit transactions shall be initiated from creditors information (such as invoice details) which will be validated against the active mandate information.

#### 9.8.3.2. Mandate Amendment

The customer can manage its mandate by requesting to amend such mandate information through his bank. Following steps shall be followed for mandate amendment:

1. A debtor or creditor customer shall request for modifying its own non-financial information through his bank. Financial information shall not be allowed for amendment.
2. Creditors information shall be amended by ODFI bank and Debtors information shall be amended by RDFI bank and shall not require approval from the other party.
3. It shall be the responsibility of the respective member banks to obtain and retain necessary supporting from its customer prior to such amendment.

#### 9.8.3.3. Mandate Termination

Mandate Termination refers to cancellation of an active mandate for a certain reason(s). Following steps shall be followed for mandate termination:





1. A debtor customer shall request for mandate termination through his bank at least three working days prior to payment due date.
2. Debtor bank shall terminate an active mandate in the system. No approval shall be required from creditor bank for such termination initiated by debtor bank.
3. It shall be the responsibility of the debtor bank to obtain and retain necessary supporting from its customer prior to such termination.

#### 9.8.3.4. Stop of Mandate Payment

Stop of Mandate Payment refers to temporary halt of payments corresponding to a mandate, so that direct debit transaction will not be created on the due date. But the Mandate will still be active. Following steps shall be followed for stop of mandate payment:

1. A debtor customer shall request for Stop of Mandate Payment through his bank at least prior to due date.
2. Debtor bank shall stop the mandate payment in the system. No approval shall be required from creditor bank for such stop of mandate payment.
3. It shall be the responsibility of the debtor bank (RDFI) to obtain and retain necessary supporting from its customer prior to stop of mandate payment.

#### 9.8.3.5. Mandate Policies

The Mandate Management shall have the following policies:

##### **Mandate Initiation:**

1. A creditor customer shall request for mandate initiation through his bank (ODFI) and an approval is required from debtors bank (RDFI).
2. Mandate initiated by ODFI shall be replied by RDFI within seven (7) business days from the date of mandate creation in the system. Unattended Mandates shall be auto rejected by the system on the end of seventh day.
3. In case of mandate as a paper document, one set of physical mandate shall be retained by Creditor and another set by RDFI. Upon an official request (i.e. NRB, Court), the RDFI shall make available the physical mandate within six business days of the request made.
4. RDFI shall safely keep the mandate for at least seven years from the date of its approval except for the mandates under dispute.

##### **Mandate Amendment:**

1. A debtor or creditor customer can request for mandate amendment through his bank depending on the information to be amended.
2. Amendment request by RDFI for its Non- financial information including Debtors Customer Name, Address, Telephone/ Fax/ Email and Debtor Account Number shall not require an Approval from the Beneficiary (creditor or the creditor bank). Similarly, amendment request by ODFI for its non-financial information including Beneficiary Name, Address, Telephone/Fax/ Email and Beneficiary Account Number shall not require an approval from the debtor or the debtor bank.
3. Amendment of financial information such as frequency of the payment, end date, currency and amount shall not be allowed. For any change in such information, mandate has to be terminated and initiated as a new mandate in the system.



4. Mandate amendment shall be made at least three business days prior to payment due date.
5. It shall be the responsibility of the respective members to obtain and retain necessary supporting from its customer prior to such amendment.

**Mandate Termination:**

1. A debtor customer can request for mandate termination through their respective banks.
2. No approval shall be required for Mandate termination initiated by debtor customer.
3. Mandate termination request shall be sent at least three business days prior to payment due date.
4. It shall be the responsibility of the debtor bank to obtain and retain necessary supporting from its customer prior to initiating such termination request.

**Stop of Mandate Payment:**

1. The debtor customer shall initiate Stop of Mandate Payment request through his bank.
2. No approval from the creditor bank (ODFI) shall be required for Stop of Mandate Payment request.
3. Such request by the debtor bank (RDFI) shall be sent prior to payment due date.
4. If consecutive three direct debit payments corresponding to a mandate are rejected due to any business reason, system will automatically stop such mandate payment.
5. Such stopped mandate payment cannot be activated.

Issues in respect of any disputes or discussions between the Debtor and the Creditor in relation to a collection, amendment, termination or stop of mandate payment through a Mandate are outside the scope of NCHL-IPS Operating Rules.

**9.8.4. Direct Debit Transaction**

Mandate shall be mandatory to process a direct debit transaction through NCHL-IPS system. In order to initiate a Direct Debit transaction, Creditor must initiate a mandate and request their bank (ODFI) to create a mandate in the system that will have to be authorized by the relevant RDFI to debit its customers (Debtors) account once the payment instruction is due. (Refer to transaction workflow for Mandate for creating a Mandate in NCHL-IPS system). The originator of the Direct Debit transaction will be the creditor bank however transaction can also be initiated by the indirect or technical member.

ODFI and RDFI shall follow the following steps while performing the outward Direct Debit payment transactions.

1. ODFI receives payment collections instructions from his customer to collect certain amount based on the mandate terms.
2. NCHL-IPS will validate the transaction automatically based on the mandate information. The required mandate information includes, but are not limited to, the following :
  - a. Amount
  - b. Currency
  - c. Sender Details
    - i. Sender Account Number
    - ii. Sender Account Name



- d. Creditor's bank details
    - i. Creditor Account name
    - ii. Creditor Account number
  - e. Payment frequency
  - f. Expiry date
  - g. Purpose
  - h. Payment terms "ceiling or fixed".
  - i. Mandate collection date
  - j. Mandate Identification Number
3. If there is any missing or mismatch of information, the Quality Assurance Officer (Checker) will return the payment instructions via the NCHL-IPS to the Maker for repair/correction.
  4. ODFI will submit the outward Direct Debit transactions in a batch to NCHL-IPS central system.
  5. NCHL-IPS will perform ISO and Technical validations on the received batch.
  6. NCHL-IPS will perform financial validations on the received batch and transactions including transactions limits and participants debit caps.
  7. NCHL-IPS records the transactions for netting and settlement purpose to be performed at the end of daily operations.
  8. NCHL-IPS automatically generates a status reports to indicate batches transactions' status after validating them and assigns a session ID for valid transactions.
  9. NCHL-IPS clears the payment transactions by updating the participants net positions and forward the transactions to the RDFI
  10. ODFI reads the received status reports to be aware of the submitted transactions' statuses.
  11. RDFI reads the received transactions from the clearinghouse for processing purposes.
  12. RDFI debits its customer account for accepted transactions.
  13. RDFI sends status reports to the clearinghouse to indicate either acceptance or rejection according to the response mode. Response mode of all Direct Debit transactions will be "Request/Reply" where in case explicit response is needed for both accepted and rejected transactions.
  14. For accepted transactions, ODFI shall credit its customer account after the final NCP settlement is confirmed at NRB.
  15. All the Direct debit transaction that are not replied by the Cut-off time will be auto rejected or auto rollover according to the response mode.

### 9.9. System Validation

The NCHL-IPS central system shall perform validation of every transaction presented by ODFI, against pre-defined technical checklist and ISO rules validations prior to routing it to RDFI which includes, but are not limited to, the following:

1. ISO 20022 Message Format Compliance  
The system shall validate the message according to the ISO20022 message specifications.
2. Item ID for Validating Duplicate Items  
The system shall validate that no accepted item (batch or transaction) with the same ID exists in the system.



3. Amount Limits  
The system shall validate the transactions amount against the limits defined on the global level, purpose level, session level, and participant level.
4. Transactions per Batch per Day  
The system shall validate that the sending participant did not exceed his daily batches count limit and that each batch transactions count does not exceed the defined number of transaction per batch limit.
5. Debit/Credit Cap  
The system shall validate that upon processing the transaction, both the creditor and debtor participants will not exceed their daily debit and credit caps respectively.
6. Members Statuses  
The system shall validate that both the sender and the receiver of the transactions are not suspended or are at default.
7. Payment Types  
The system shall validate that the sender participant is allowed to send the payment message type (Direct Debit or Direct Credit) and that the receiver participant is allowed to receive this payment message type.
8. Accepted Currency  
The system shall validate that the payment instruction currency is one of the supported local and foreign currencies.
9. Session Statuses  
The system shall validate that there is an open clearing session for the presented message type, according to the provided currency, settlement date, and purpose code.

## 10. System Configuration

### 10.1. Debit and Credit Cap Management

NRB shall define a debit and/or credit CAP for each member as per NRB regulations and shall be configured in the system by NCHL.

The member can request NRB to modify his debit and/or credit cap by increasing the limit, which shall be modified by NCHL on receiving a communication from NRB. The members can monitor the debit and credit cap online during the business day.

### 10.2. Limits and Response Mode Configuration

1. The Global transaction limit for the system shall be 200 Million for NPR currency and 2 Million for foreign currency. However, the transaction limit and response mode shall vary based on the message type and purpose.
2. The transaction limit for Direct Credit with Single transaction type will be 200 Million for NPR currency and 2 Million for foreign currency. And the transaction limit for Direct Credit with Bulk transaction type will be 10 Million for NPR currency and 100 Thousand for foreign currency.
3. The transaction limit for Direct Debit will be 10 Million for NPR currency and 100 Thousand for foreign currency for both Bulk and Single transaction type.
4. All Direct Debit transactions will have Request/ Reply response mode.
5. All Direct Credit transactions will have Resilience response mode.



Global limits and response mode for NPR transactions:

	Direct Debit Transaction		Direct Credit Transaction	
	Bulk Transactions	Single Transaction	Bulk Transactions	Single Transaction
<b>Response Mode</b>	Request /Reply	Request /Reply	Resilience	Resilience
<b>Maximum per transaction Limit</b>	NPR 10,000,000	NPR 10,000,000	NPR 10,000,000	NPR 200,000,000
<b>End of Session</b>	Rollover Once / Auto reject	Rollover Once / Auto reject	Auto Accept	Auto Accept

*Table 2: Limits and response mode of NPR transactions*

Global limits and response mode for foreign currency (USD, EUR, GBP or any other foreign currencies as approved by NRB) transactions:

	Direct Debit Transaction		Direct Credit Transaction	
	Bulk Transactions	Single Transaction	Bulk Transactions	Single Transaction
<b>Response Mode</b>	Request /Reply	Request /Reply	Resilience	Resilience
<b>Maximum per transaction Limit</b>	100,000	100,000	100,000	2,000,000
<b>End of Session</b>	Rollover Once / Auto reject	Rollover Once / Auto reject	Auto Accept	Auto Accept

*Table 3: Limits and response mode for foreign currency*

*Amounts in above table are defined in respective currencies.*

Note: Single transaction type represents one-on-one transaction. All other transaction types are bulk transactions.

### 10.3. Other Limits

Based on the Global limits in NCHL-IPS system, NCHL shall set limits corresponding to amount and count for the following:

#	Item	Description
1	Purpose	Transaction's amount limits applied per payment purpose
2	Message Type	Transaction's amount limits applied per message type (Direct Debit and Direct Credit)
3	Member	Transaction's amount limit applied per participant
4	Per Session	Number of batches that a participant can send per session
5	Per batch	Number of transactions per batch 10,000 for bulk transactions and 1 for single transaction.

*Table 4: Other Limits*



## 11. Session Exception

### 11.1. Session Extension

In certain and emergency conditions a Member can asks NRB for additional time in any of the sessions to process outward or reply.

NRB shall have the full authority to approve or reject the extension. Upon NRB approval, NCHL shall extend the session period, and will notify all members with the session extension period.

### 11.2. Session Termination

NRB shall have the full authority to terminate a session for any reason it deems appropriate. NCHL will notify all members in case the session termination action has been taken. In such situational pending payment transactions in the terminated session will be auto-rejected with a reason "Session terminated". And the payment transactions that were already replied by the RDFI will be settled through the same session's NCP file either on the same business day or on the next available business day. NCP will be generated for the already replied transactions.

### 11.3. Session Unwind

NRB shall have the full authority to unwind transactions of a session, member, member branch, batch or transaction(s) for any reason it deems appropriate. NCHL shall notify all members in case an unwinding action is taken.

### 11.4. Sudden Holiday

In case of a sudden holiday or force majeure (unscheduled holiday) has been declared by NRB, the following shall be followed:

1. Session that are already open shall be extended for the next available business day.
2. New sessions that are due will not open.

## 12. Rollover

### 12.1. Transaction Rollover

The system has the ability to rollover a transaction(s) by shifting the pending transactions to the next available clearing session. The transaction shall be rolled over only in certain situation such as suddenly closed sessions due to unexpected circumstances or natural disasters.

The rollover request must be initiated by the member to NCHL and for valid request NCHL shall rollover such transaction(s). Manual transaction rollover shall not be countable.

### 12.2. Session Rollover

Session rollover can take place in certain situation such as suddenly closed sessions due to unexpected circumstances, natural disasters, etc. In this situation, pending transaction(s) shall be rolled over by shifting the pending transaction to the next available clearing session. NCP will be generated for the already replied transactions. Manual session rollover shall not be countable.



## 13. Settlement Management

### 13.1. Settlement Schedule

Upon the closure of each clearing session, Net Clearing Position (NCP) file will be automatically generated by the NCHL-IPS. NCP summarizes the financial netted position of each member on a multilateral basis (either a net debit or net credit for each participant), and submits the NCP file to NRB settlement system for settlement at pre-defined intervals.

### 13.2. Settlement Process

Fees, charges and penalties files will also be generated from the system at the closure of the clearing session and sent to NRB for settlement along with NCP. On the other hand, the members can view and download NCP and fees, charges and penalties related reports from the system at any time and at their convenience.

NRB will be the settlement bank for NCHL-IPS system. All the settlement arrangements agreed on with NRB for settlement of the NCP of the NCHL-ECC will be applicable for the NCP settlement of NCHL-IPS.

*Refer to Table No. 1 for settlement schedule/ time for each session*

### 13.3. Finality of Settlement

When settlement of the Net Clearing Position (NCP) in the NRB is completed successfully, all the transactions that are included in the NCP file are deemed 'final' and irrevocable. It is obligatory for all the members to settle their positions in the settlement system at NRB.

## 14. Responsibilities

Members originating or receiving payments instructions through NCHL-IPS, whether being debits or credits, are obliged to do the following:

### 14.1. ODFI Responsibilities

Originating Depository Financial Institution (ODFI) shall have responsibilities to:

1. Provide its customers with sufficient information to understand the "NCHL-IPS" payment process, customer's obligations and processing timelines, specifically cut-off times for presentment and execution of payment instructions and when their accounts will be credited or debited. It shall be the responsibility of the individual banks to enter into an agreement, if required, governing the provision and use of services related to NCHL-IPS after applying the principles of 'Know Your Customers'.
2. Provide its customers with requested information in the event of disputes.
3. Advise its customers about all charges that will be collected from them upon the usage of the NCHL-IPS.
4. Ensure that the payment instructions are transmitted electronically through NCHL-IPS as per Direct Debit and Direct Credit transaction workflows defined in this Operating Rules.
5. Ensure that all the required payment information is correct and same as the information in the ODFI books before sending the Payment Instruction to the central. The ODFI shall



become liable for any wrong data entry for the payment instruction. Make sure that all payment instructions originated from their customers are valid, complete and necessary supporting documents are obtained from the customer and verified. Provide customer with enough information in case of cancellation of any payment instruction.

6. Provide customer with enough information about the reasons in case of rejection of any payment instruction by RDFI.
7. Provide transaction advise upon request of the customer.
8. Provide its customers with sufficient information about ODFI's internal AML/KCY policy based on which transactions may not be processed or rejected.
9. Execute cancellations as soon as possible to ensure better risk management of all affected accounts in the clearing cycle.
10. Ensure that Standing Order process define in this Operating Rules are adhered.
11. Ensure that Mandate Management process and Mandate Policies defined in this Operating Rules are adhered for initiation, amendment, termination and stop of mandate payment.
12. Ensure active mandate exists while executing a direct debit transaction.
13. Abide by the terms of the mandate that has been agreed and signed by the Debtor.
14. Advise the Clearing House immediately of any event which might affect its operational role as a member in the "NCHL\_IPS", including any contingency event, known or planned disconnection, or any significant changes to its host system interface, its organization structure, or environment.
15. Monitor the accounts of Indirect and Technical Members for whom they are acting as settlement agents.
16. Act as settlement agent for Technical members or indirect members for completion of settlement on behalf of the Technical and Indirect members by maintaining adequate funds in the settlement account.
17. Direct member may pass on all or part of its liabilities to its Indirect and Technical members related to payment transaction. Indirect and technical member shall be responsible for the transaction originated by such member. However corresponding settlement bank may control flow of such transactions directly to central or after approval.
18. NCHL may add any other roles and responsibilities with the approval of NRB.

#### 14.2. RDFI Responsibilities

Receiving Depository Financial Institution (RDFI) shall have responsibilities to:

1. Provide its customers with sufficient information to understand the "NCHL-IPS" payment process, customer's obligations and processing timelines, specifically cut-off times for presentment and execution of payment instructions and when their accounts will be credited or debited. It shall be the responsibility of the individual banks to enter into an agreement, if required, governing the provision and use of services related to NCHL-IPS after applying the principles of 'Know Your Customers'.
2. Provide its customers with requested information in the event of disputes.
3. Advise its customers about all charges that will be collected from them as per the usage of the NCHL-IPS.





4. Ensure that the payment instruction replies are transmitted electronically through NCHL-IPS as per Direct Debit and Direct Credit transaction workflows defined in this Operating Rules.
5. In case of cancellation, enough information should be provided to customers about the reasons of cancellation of any payment instruction.
6. In case of rejections, enough information should be provided to customers about the reasons of rejection of any payment instruction.
7. Provide transaction advise upon request of the customer.
8. Provide its customers with sufficient information about RDFI's internal AML/KCY policy based on which transactions may be rejected.
9. Execute rejections as soon as possible to ensure better risk management of all affected accounts in the clearing cycle.
10. Ensure that the payment transactions are appropriately replied to avoid any auto acceptance or auto rejection or auto rollover, as applicable.
11. Ensure that Mandate Management process and Mandate Policies defined in this Operating Rules are adhered for initiation, amendment, termination and stop of mandate payment.
12. Ensure active mandate exists while executing a direct debit transaction.
13. Abide by the terms of the mandate that has been agreed and signed by the Debtor.
14. Advise the Clearing House immediately of any event which might affect its operational role as a member in the "NCHL\_IPS", including any contingency event, known or planned disconnection, or any significant changes to its host system interface, its organization structure, or environment.
15. Monitor the accounts of Indirect and Technical Members for whom they are acting as settlement agents.
16. Direct member may pass on all or part of its liabilities to its Indirect and Technical members related to payment transaction. Indirect and technical member shall be responsible for the transaction received by such member. However corresponding settlement bank may control flow of such transactions directly to central or after approval.
17. NCHL may add any other roles and responsibilities with the approval of NRB.

#### 14.3. NCHL Responsibilities

Nepal Clearing House shall have the responsibilities to:

1. Operate the NCHL-IPS system for all members.
2. Maintain the daily operations of NCHL-IPS for all members and offer them consultation in case of disputes.
3. Validate the following parameters based on the payment instruction data as entered and sent by the ODFI:
  - i). Session is available for required currency.
  - ii). Payment is not duplicated.
  - iii). ODFI is not suspended.
  - iv). RDFI is not suspended.
  - v). Member is allowed to send message type (Direct debit/Direct credit).



4. Establish Helpdesk for all the members for providing support during business hours to.
  1. Ensure that the payment exchange periods (start and cut-off times) are as per NCHL-IPS Operating Rules.
  2. Ensure that all members are discipline with the Operating Rules.
  3. Generate daily reports from the NCHL-IPS.
  4. Prepare the NCP, Fees, Charges and Penalties files for all members and send them on time for the settlement at NRB.
  5. Clearing House will be responsible for the correctness of the generated files before sending them to NRB.
  6. Maintain the archive for a period at least **seven** years and make it available to all members through the National Archiving System.
  7. Monitor and follow up the performance of the infrastructure between NCHL and the members.
  8. Monitor data replication to Disaster recovery (DR) site on daily basis.
  9. Establish Continuity of Business site to host members facing technical problem in their premises preventing them to perform their clearing operations.
  10. Maintain the Data in a secured environment.
  11. Monitor NCHL-IPS in case there is any misuse from the members' side.
  12. Implementation of digital signing and digital certificate to perform each payment transaction through NCHL-IPS
5. Publish necessary user manuals, guidelines, etc. of the system and system operation that may be required to facilitate the members and/or their users.

*NCHL is not to be held liable under any circumstances for any fraudulent cases involving transactions.*

#### 14.4. Nepal Rastra Bank Responsibilities

Nepal Rastra Bank shall have the following responsibilities

1. Session Extension approval
2. Session termination approval
3. Session re-schedule
4. Session unwinding reschedule
5. Settlement process of NCP at the settlement system. The settlement done by NRB will be final and irrevocable.
6. Member termination, suspension, resumption and withdrawal.
7. Approval/ modification for clearing session timing.

NRB will also act as an ODFI and RDFI.

*NRB is not to be held liable under any circumstances for any fraudulent cases involving transactions. All the above responsibilities requiring notification to the members will be made through NCHL through an appropriate communication channel.*



## 15. Fees, Charges and Penalties

All members in NCHL-IPS have to pay fees to NCHL for their participation and usage of the “the system”. NRB may also apply charges on the misuse of the system”. The Clearing House shall reserve the rights to define or modify the fees and charges at any time with 15 days prior notice to the members. However the applicable fees, charges and penalties shall be fixed in a fair, reasonable and non-discriminatory way.

### 15.1 Annual Subscription Fees

Each Member shall pay an annual subscription fee to the Clearing House on annual basis.

### 15.2 Transaction Processing Fees

Members in NCHL-IPS shall pay transaction fees on each transaction. **NCHL will circulate the pricing list based on the purpose of the transaction as and when such purpose is activated in the system.**

Fees, Charges and Penalties on the following cases may be defined:

- Cancelled payment
- Rejected payment due to technical reasons and financial reasons
- Rollover
- Session Extension
- Unwind
- Standing Order
- Mandate

NRB may define Penalties on:

- Customer Complains; such as Delayed sending the payment instruction and Delayed Credit the customer account.
- Member Complains; such as Incorrect Rejection Reason

Item	Explanation	Liability
<b>Fees</b>		
1. Annual subscription fees	Paid on monthly or annual basis	Member
2. Transaction fees	Paid per transaction	ODFI/ RDFI
<b>Charges</b>		
1. Return transaction due to Technical or Financial reason	See Return Reason list	Refer to Return Reason list
2. Payment Cancellation	Cancellation of payment instruction by ODFI	ODFI
3. Rollover transaction	Rollover of transaction by RDFI	RDFI
4. Auto Reject transaction	Auto rejected transaction which are unattended by RDFI	RDFI
5. Session Extension	To extend the session more than the normal time	Requesting Member
6. Unwind	To unwind transaction, branch or bank	Requesting Member
1. Standing Order	Creation of standing order for direct credit	ODFI
2. Mandate	Creation of mandate for direct debit	ODFI
<b>Penalties</b>		
1. Delayed Credit	The Presenting Member delayed credit the customer account	Crediting Member
2. Incorrect Return Reason	Paying Member return the transaction for Incorrect reason	RDFI

Table 5: Fees, charges and penalties



## 16. ISO Return Reasons

The Clearing House shall publish the final list of the User Return reasons, Mandate Return reasons and System Return reasons prior to the go-live of the system. Any new return reasons, thereafter, shall be published and circulated by the Clearing House including liability prior to addition in the system. Refer to Annexure 2 for a list of standard User Return reasons, Mandate Return reasons and System Return Reasons.

## 17. Reports

NCHL-IPS provides the clearing house and the members with different set of reports that can be customized according to the needs, which includes, but are not limited to, the following:

Queries:

1. Transaction Query
2. Session Query
3. Fees Reports
4. Billing Summary and Detailed Report
5. Audits logs Reports
6. Statistical Reports

Fixed Format Reports:

1. Net Clearing Position
2. Settlement Reports
3. Pre-Settlement Report
4. Reconciliation Report
5. Transactions Report

## 18. Continuity of Business

Continuity of Business (COB) is a vital element in NCHL-IPS. This section provides the continuity information that concerns all parties in NCHL-IPS in the unlikely events of a business disruption including, first-level support (helpdesk), Disaster Recovery site (DR) and Continuity of Business site (COB) in order to maintain a 99.9 % service availability, consistency, and recoverability.

For the sake of protecting the NCHL-IPS daily clearing process, all members must abide themselves by the terms listed below:

1. Follow the instructions mentioned in the NCHL-IPS Operating Rules.
2. Ensure that you and your staff are familiar with these procedures in advance of any disruption.
3. Keep a hard copy of all pertinent Business Continuity sections handy for easy access during an emergency.
4. Review this guide periodically to ensure possession the most recent information.
5. Refer to the NCHL-IPS Operating Rules periodically to ensure that you are operating on the right track.
6. Refer to the NCHL-IPS User Manuals and follow the guidelines in case of facing any difficulty or uncertainty about how to use a certain function on the system.
7. Contact the first level support team (helpdesk team) at the Clearing House in case of facing any application-level problems in order to get the suitable support and troubleshooting.



8. Contact the Clearing House in the case of disruption, such as Communication Failure and Line Disconnection cases.

### 18.1. Helpdesk

A dedicated first-line support team shall be available at the Clearing House during the Clearing House office hours to support the members' users, to troubleshoot and to provide the suitable diagnosis for any problem that might appear at the application level.

The member shall assign a person to contact the helpdesk and report problems through the proper communication channels that will be circulated by the Clearing House.

Moreover; the helpdesk shall have clear prioritization criteria to the members' requests; which mean that the reported problems shall be categorized according to their urgencies and priority levels in order to provide a proper handling to each priority level.

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#### **Priority Definition**

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**Urgent** A catastrophic problem which may severely impact the NCHL-IPS operation, or in which the system is down and not functioning and no procedural work around exists. A prompt response and a quick action must be taken at this case in order to continue the daily clearing work safely.

**High** A problem where the NCHL-IPS is functioning but in a severely reduced capacity. The situation is causing significant impact to the NCHL-IPS business and functions.

**Normal** A problem with a medium or low impact to the NCHL-IPS business and functions. At this case the problem is considered as a "Minor" with limited loss or no loss of functionality or impact to the member's daily clearing process.

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### 18.2. Communication Failure at the Member's Site

The member shall immediately inform the Clearing House in case of facing any communication failure, connectivity problem or any other disruption situation from their end.

The Clearing House shall evaluate the disruption situation (if it is a communication failure or can be resolved within a short period without having any impact on the continuity of business) and, provide the member with the suitable contingency procedure based on the level of failure.

The Clearing House has the authority to give instructions to the member to move to the Continuity of Business (COB) site and complete their clearing transactions until the member resolves the communication failure and returns to the normal working procedure. In this case; the Clearing House has to inform the NRB with the disruption situation and the contingency procedure that was taken.

### 18.3. Failure at the NCHL-IPS Main Site

The Clearing House shall immediately inform NRB and all members of the failure, activate the NCHL-IPS Disaster Recovery site and start the clearing services accordingly. The members will be connected to the DR site automatically where data replication is maintained in both site (main and DR).



## 18.4. Clearing House Continuity of Business Site

In addition to the high availability provided in NCHL-IPS (the main site and the DR site); the Clearing House shall avail a Continuity of Business site (COB site) in order to maintain a reliable solution for the disconnection problems between the members and the main NCHL-IPS site. The COB site contains workstations connected to NCHL-IPS and it is dedicated for emergency cases; it is ready for any member that faces problems in the connection or any other technical or business failure, so that the member's users can access the NCHL-IPS and continue their work safely.

The Clearing House has the authority to evaluate the size of the problem and the need of using the COB Site and take the required decisions accordingly.

Only the registered member users can use the COB site and perform the following clearing activities:

- Processing their Outward payment instructions from the COB site.
- Processing the Inward transaction by replying all pending transaction in order to avoid auto processing from the system.
- Exporting the Clearing Files from NCHL-IPS COB site in order to credit/debit the customers' accounts.

## 19. Dispute Management

### 19.1. Dispute between Clearing House and Members

1. Clearing House shall not have any duty to determine the legality, validity or enforceability of any transaction under the NCHL-IPS, or whether any such transaction is contractually void or voidable. To avoid dispute, members shall assume that all NCHL-IPS transactions, whether executed or to be executed, are legally valid and enforceable.
2. Clearing House shall be entitled to regard all transaction(s) executed under the NCHL-IPS as legal, valid and enforceable.
3. Clearing House shall not have any duty to any member to modify any NCHL-IPS instruction executed or to be executed, or settled or to be settled, by reason of any failure/defect, forgery, theft, fraudulent activity or any wrongful copying of any software, password, or any combination of them, assigned to or designated by a member or Clearing House.
4. In the event of the dispute between Clearing House and the member(s), which the parties are unable to resolve amicably, the matter shall be referred to a final and binding arbitration, according to NRB Rules and Procedures.

### 19.2. Dispute between the members

In the event of dispute or differences arising between the members and if the parties are unable to resolve amicably, the matter shall be referred to NCHL for formation of the Arbitration Tribunal and NCHL shall be responsible to appoint an independent sole Arbitrator and same shall be immediately notify to disputed parties. The arbitration proceedings shall be conducted in Kathmandu in accordance with the provisions of the Arbitration Act, 2056 of Nepal, and enactments / modifications, if any, thereof. The Arbitration decision shall be final and binding upon the Parties. The cost of the Arbitration shall be equally shared by both the parties.

### 19.3. Interpretation of the Operating Rules

NRB shall be the final authority to interpret this Operating Rules.



## 20. Obligations

### 20.1 Insurance

The Clearing House undertakes no responsibility in respect any failure/defect, forgery, theft, or any wrongful copying of any software, password, or any combination of them, assigned to or designated by a member or Clearing House. It is a responsibility of the each Member to have an insurance coverage against such or any other incidents.

### 20.2 Indemnify

1. Members shall indemnify and hold harmless the Clearing House, its directors, officers, and employees from all liabilities or expenses (including but are not limited to reasonable attorney fees and costs of investigation and defence) resulting from: (i) any business loss resulting from breach of the terms of Nepal NCHL-IPS Operating Rules (ii) any violation of any statute, ordinance, or regulation; (iii) any act or omission constituting negligence or wilful misconduct or breach of fiduciary duty in connection with the Clearing House performance or services. Members hereby represents and warrants that in the event any suits, claims, disputes or such differences are brought directly against the Clearing House with respect to the IPS-NCHL, as a consequence of breach of the terms and conditions of NCHL-IPS Operating Rules, Members shall at its sole cost assist the Clearing House in defending such suits, claims, disputes or differences. (v) In the event that the Clearing House becomes aware of any obligations, representation or warranty of Members as being false or misleading, Members shall be liable to indemnify the Clearing House for any such injury, loss or damage arising out of such misrepresentation. For clarity, Members will only be liable for actions that originate from Members or any third party acting on its behalf and Members will not be liable for issues arising solely and independently from the Clearing House.
2. Members hereby represents and warrants that in the event any suits, claims, disputes or such differences are brought directly against the Clearing House or any third party with respect to the NCHL-IPS, as a consequence of breach of the terms and conditions of NCHL-IPS Operating Rules, Member shall at its sole cost assist the clearing House in defending such suits, claims, disputes or differences. In the event that after the Effective Date, the Clearing House becomes aware of any obligations, representation or warranty of Member as being false or misleading, Member shall be liable to indemnify the Clearing House for any such injury, loss or damage arising out of such misrepresentation.

### 20.3 Confidentiality

Members shall use all reasonable endeavours to ensure that all information relating to NCHL-IPS, which is not in the public domain shall be treated as confidential and shall not be disclosed to anyone except with the prior written consent of the NRB and NCHL and except as may be required by Law or by any Government Authority. Nothing in this Article shall however prevent any of the Parties from disclosing any of the information to their agents and representatives or attorneys provided that such disclosure is on a need to know basis and for the purpose of the normal functioning of the normal business activities. All information provided by each Member regarding NCHL-IPS process shall not be used to secure a commercial advantage over the other.

### 20.4 Force Majeure

The Clearing House shall promptly notify the NRB and Members in writing or an appropriate channel of any situation or of the occurrence of any event beyond the control of the Clearing House, which makes it impossible for the Clearing House to carry out its NCHL-IPS services. The Clearing House shall not be liable for any delay in meeting or for failure to provide its services under the NCHL-IPS Operating Rules due to any cause outside its reasonable control.



## 21. Annexure

### 21.1. Annexure 1: Purposes listed in NCHL-IPS

S.No.	Purpose Name	Code	Purpose Description
1	Dividend Payment	DIVI	Transaction is payment of dividends.
2	IPO Refund Payment	IPOR	Transaction is payment of IPO refunds
3	Utility Bill	UBIL	Transaction is for the payment to common utility providers.
4	Salary Payment	SALA	Transaction is the payment of salaries.
5	Pension Payment	PENS	Transaction is the payment of pension.
6	Social Security Payment	SSBE	Transaction is a social security benefit, ie payment made by a government or other institutions to support individuals.
7	Treasury Payment	TREA	Transaction is related to treasury operations.
8	Loan Disbursement	LOAN	Transaction is related to transfer of loan to borrower.
9	Installment	INSM	Transaction is related to a payment of an installment of loan repayment, others
10	Interest Payment	INTE	Transaction is payment of interest.
11	Fee	FEEO	Transaction is related to a payment of fees.
12	Remittance Payments	REMI	Transaction is related to a payment of remittance proceeds.
13	Customer Transfer	CUST	Transaction is related to general customer fund transfer.
14	Insurance Premium	INSU	Transaction is payment of an insurance premium.
15	Credit Card	CCRD	Transaction is related to a payment of credit card account, bill, charges, etc.
16	Other	OTHR	Other payment purpose.
17	PF Savings	SAVG	Transfer to savings/retirement account.
18	Utility - Electricity Bill	ELEC	Transaction is related to a payment of electricity bill.
19	Utility - Water Bill	WTER	Transaction is related to a payment of water bill.
20	Utility - Phone	PHON	Transaction is related to a payment of telephone bill.
21	Tax	TAXS	Transaction is the payment of taxes including TDS
22	Tax - VAT	VATX	Transaction is the payment of value added tax.
23	Tax Income	INTX	Transaction is related to a payment of income tax.
24	Government Payment	GOVT	Transaction is a payment to or from a government department.
25	Investment & Securities	INVS	Transaction is for the payment of mutual funds, investment products and shares
26	Trade Settlement Payment	CORT	Transaction is related to settlement of a trade, e.g. a foreign exchange deal or a securities transaction.






## External List of ISO purpose

S.No	Code	Classification	Purpose Name	Purpose Description
1	CBLK	Card Settlement	Card Bulk Clearing	A Service that is settling money for a bulk of card transactions, while referring to a specific transaction file or other information like terminal ID, card acceptor ID or other transaction details.
2	CDCB	Card Settlement	CardPayment with CashBack	Purchase of Goods and Services with additional Cash disbursement at the POI (Cashback)
3	CDCD	Card Settlement	CashDisbursement	ATM Cash Withdrawal in an unattended or Cash Advance in an attended environment (POI or bank counter)
4	CDCS	Card Settlement	Cash Disbursement with Surcharging	ATM Cash Withdrawal in an unattended or Cash Advance in an attended environment (POI or bank counter) with surcharging.
5	CDDP	Card Settlement	Card Deferred Payment	A combined service which enables the card acceptor to perform an authorisation for a temporary amount and a completion for the final amount within a limited time frame. Deferred Payment is only available in the unattended environment. Examples where this service is widely used are unattended petrol pumps and phone booths
6	CDOC	Card Settlement	OriginalCredit	A service which allows the card acceptor to effect a credit to a cardholder' account. Unlike a Merchant Refund, an Original Credit is not preceded by a card payment. This service is used for example for crediting winnings from gaming.
7	CDQC	Card Settlement	QuasiCash	Purchase of Goods which are equivalent to cash like coupons in casinos.
8	ETUP	Card Settlement	E-Purse Top Up	Transaction is related to a Service that is first reserving money from a card account and then is loading an e-purse application by this amount.
9	FCOL	Card Settlement	Fee Collection	A Service that is settling card transaction related fees between two parties.
10	MTUP	Card Settlement	Mobile Top Up	A Service that is first reserving money from a card account and then is loading a prepaid mobile phone amount by this amount.
11	ACCT	Cash Mgmt	AccountManagement	Transaction moves funds between 2 accounts of same account holder at the same bank.
12	CASH	Cash Mgmt	CashManagementTransfer	Transaction is a general cash management instruction.
13	COLL	Cash Mgmt	CollectionPayment	Transaction is a collection of funds initiated via a credit transfer or direct debit.
14	CSDB	Cash Mgmt	CashDisbursement	Transaction is related to cash disbursement.
15	DEPT	Cash Mgmt	Deposit	Transaction is related to a payment of deposit.
16	INTC	Cash Mgmt	IntraCompanyPayment	Transaction is an intra-company payment, ie, a payment between two companies belonging to the same group.
17	LIMA	Cash Mgmt	LiquidityManagement	Bank initiated account transfer to support zero target balance management, pooling or sweeping.
18	NETT	Cash Mgmt	Netting	Transaction is related to a netting operation.
19	AGRT	Commercial	AgriculturalTransfer	Transaction is related to the agricultural domain.
20	AREN	Commercial	Accounts Receivables Entry	Transaction is related to a payment associated with an Account Receivable Entry
21	BEXP	Commercial	BusinessExpenses	Transaction is related to a payment of business expenses.

22	BOCE	Commercial	Back Office Conversion Entry	Transaction is related to a payment associated with a Back Office Conversion Entry
23	COMC	Commercial	Commercial Payment	Transaction is related to a payment of commercial credit or debit. (formerly CommercialCredit)
24	CPYR	Commercial	Copyright	Transaction is payment of copyright.
25	GDDS	Commercial	PurchaseSaleOfGoods	Transaction is related to purchase and sale of goods.
26	GDSV	Commercial	PurchaseSaleOfGoodsAndServices	Transaction is related to purchase and sale of goods and services.
27	GSCB	Commercial	PurchaseSaleOfGoodsAndServicesWithCashBack	Transaction is related to purchase and sale of goods and services with cash back.
28	LICF	Commercial	LicenseFee	Transaction is payment of a license fee.
29	POPE	Commercial	Point of Purchase Entry	Transaction is related to a payment associated with a Point of Purchase Entry.
30	ROYA	Commercial	Royalties	Transaction is the payment of royalties.
31	SCVE	Commercial	PurchaseSaleOfServices	Transaction is related to purchase and sale of services.
32	SUBS	Commercial	Subscription	Transaction is related to a payment of information or entertainment services either in printed or electronic form.
33	SUPP	Commercial	SupplierPayment	Transaction is related to a payment to a supplier.
34	TRAD	Commercial	TradeServices	Transaction is related to a trade services operation.
35	CHAR	Consumer	CharityPayment	Transaction is a payment for charity reasons.
36	COMT	Consumer	ConsumerThirdPartyConsolidatedPayment	Transaction is a payment used by a third party who can collect funds to pay on behalf of consumers, ie credit counseling or bill payment companies.
37	ECPG	E-Commerce	GuaranteedEPayment	E-Commerce payment with payment guarantee of the issuing bank.
38	ECPU	E-Commerce	NonGuaranteedEPayment	E-Commerce payment without payment guarantee of the issuing bank.
39	ECPR	E-Commerce	EPaymentReturn	E-Commerce payment return.
40	CLPR	Finance	CarLoanPrincipalRepayment	Transaction is a payment of car loan principal payment.
41	DBTC	Finance	DebitCollectionPayment	Collection of funds initiated via a debit transfer.
42	GOVI	Finance	GovernmentInsurance	Transaction is related to a payment of government insurance.
43	HLRP	Finance	HousingLoanRepayment	Transaction is related to a payment of housing loan.
44	INPC	Finance	InsurancePremiumCar	Transaction is a payment of car insurance premium.
45	INSU	Finance	InsurancePremium	Transaction is payment of an insurance premium.
46	INTE	Finance	Interest	Transaction is payment of interest.
47	LBRI	Finance	LaborInsurance	Transaction is a payment of labor insurance.
48	LIFI	Finance	LifInsurance	Transaction is a payment of life insurance.
49	LOAN	Finance	Loan	Transaction is related to transfer of loan to borrower.
50	LOAR	Finance	LoanRepayment	Transaction is related to repayment of loan to lender.
51	PENO	Finance	PaymentBasedOnEnforcementOrder	Payment based on enforcement orders except those arising from judicial alimony decrees.
52	PPTI	Finance	PropertyInsurance	Transaction is a payment of property insurance.
53	RINP	Finance	RecurringInstallmentPayment	Transaction is related to a payment of a recurring installment made at regular intervals.
54	TRFD	Finance	TrustFund	Transaction is related to a payment of a trust fund.
55	ADMG	General	AdministrativeManagement	Transaction is related to a payment associated with administrative management.
56	ADVA	General	AdvancePayment	Transaction is an advance payment.



57	BMDM	General	Building Maintenance	Transaction is related to a payment associated with building maintenance.
58	CBFF	General	Capital Building	Transaction is related to capital building fringe fortune, ie capital building in general
59	CBFR	General	Capital Building Retirement	Transaction is related to capital building fringe fortune for retirement
60	CCRD	General	Credit Card Payment	Transaction is related to a payment of credit card account.
61	CDBL	General	Credit Card Bill	Transaction is related to a payment of credit card bill.
62	CFEE	General	Cancellation Fee	Transaction is related to a payment of cancellation fee.
63	CGDD	General	Card Generated Direct Debit	Transaction is related to a direct debit where the mandate was generated by using data from a payment card at the point of sale.
64	COST	General	Costs	Transaction is related to payment of costs.
65	CPKC	General	Carpark Charges	Transaction is related to carpark charges.
66	DCRD	General	Debit Card Payment	Transaction is related to a debit card payment.
67	EDUC	General	Education	Transaction is related to a payment of study/tuition fees.
68	FAND	General	Financial Aid In Case Of Natural Disaster	Financial aid by State authorities for abolition of consequences of natural disasters.
69	FCPM	General	Late Payment of Fees & Charges	Transaction is the payment for late fees & charges. E.g Credit card charges
70	GOVT	General	Government Payment	Transaction is a payment to or from a government department.
71	ICCP	General	Irrevocable Credit Card Payment	Transaction is reimbursement of credit card payment.
72	IDCP	General	Irrevocable Debit Card Payment	Transaction is reimbursement of debit card payment.
73	IHRP	General	Instalment Hire Purchase Agreement	Transaction is payment for an instalment/hire-purchase agreement.
74	INSM	General	Installment	Transaction is related to a payment of an installment.
75	IVPT	General	Invoice Payment	Transaction is the payment for invoices.
76	MSVC	General	Multiple Service Types	Transaction is related to a payment for multiple service types.
77	NOWS	General	Not Otherwise Specified	Transaction is related to a payment for type of services not specified elsewhere.
78	OFEE	General	Opening Fee	Transaction is related to a payment of opening fee.
79	OTHR	General	Other	Other payment purpose.
80	PADD	General	Preauthorized debit	Transaction is related to a pre-authorized debit origination
81	PTSP	General	Payment Terms	Transaction is related to payment terms specifications
82	RCKE	General	Re-presented Check Entry	Transaction is related to a payment associated with a re-presented check entry
83	RCPT	General	Receipt Payment	Transaction is related to a payment of receipt.
84	REBT	General	Rebate	Transaction is the payment of a rebate.
85	REFU	General	Refund	Transaction is the payment of a refund.
86	RENT	General	Rent	Transaction is the payment of rent.
87	RIMB	General	Reimbursement of a previous erroneous transaction	Transaction is related to a reimbursement of a previous erroneous transaction.
88	STDY	General	Study	Transaction is related to a payment of study/tuition



				costs.
89	TBIL	General	Telecommunications Bill	Transaction is related to a payment of telecommunications related bill.
90	TCSC	General	Town Council Service Charges	Transaction is related to a payment associated with charges levied by a town council.
91	TELI	General	Telephone-Initiated Transaction	Transaction is related to a payment initiated via telephone.
92	WEBI	General	Internet-Initiated Transaction	Transaction is related to a payment initiated via internet.
93	ANNI	Investment	Annuity	Transaction settles annuity related to credit, insurance, investments, other.n
94	CAFI	Investment	Custodian Management fee In-house	Transaction is the payment of custodian account management fee where custodian bank and current account servicing bank coincide
95	CFDI	Investment	Capital falling due In-house	Transaction is the payment of capital falling due where custodian bank and current account servicing bank coincide
96	CMDT	Investment	CommodityTransfer	Transaction is payment of commodities.
97	DERI	Investment	Derivatives	Transaction is related to a derivatives transaction
98	DIVD	Investment	Dividend	Transaction is payment of dividends.
99	FREX	Investment	ForeignExchange	Transaction is related to a foreign exchange operation.
100	HEDG	Investment	Hedging	Transaction is related to a hedging operation.
101	INVS	Investment	Investment & Securities	Transaction is for the payment of mutual funds, investment products and shares
102	PRME	Investment	PreciousMetal	Transaction is related to a precious metal operation.
103	SAVG	Investment	Savings	Transfer to savings/retirement account.
104	SECU	Investment	Securities	Transaction is the payment of securities.
105	SEPI	Investment	Securities Purchase In-house	Transaction is the payment of a purchase of securities where custodian bank and current account servicing bank coincide
106	TREA	Investment	TreasuryPayment	Transaction is related to treasury operations.
107	ANTS	Medical	AnesthesiaServices	Transaction is a payment for anesthesia services.
108	CVCF	Medical	ConvalescentCareFacility	Transaction is a payment for convalescence care facility services.
109	DMEQ	Medical	DurableMedicaleEquipment	Transaction is a payment is for use of durable medical equipment.
110	DNTS	Medical	DentalServices	Transaction is a payment for dental services.
111	HLTC	Medical	HomeHealthCare	Transaction is a payment for home health care services.
112	HLTI	Medical	HealthInsurance	Transaction is a payment of health insurance.
113	HSPC	Medical	HospitalCare	Transaction is a payment for hospital care services.
114	ICRF	Medical	IntermediateCareFacility	Transaction is a payment for intermediate care facility services.
115	LTCF	Medical	LongTermCareFacility	Transaction is a payment for long-term care facility services.
116	MDCS	Medical	MedicalServices	Transaction is a payment for medical care services.
117	VIEW	Medical	VisionCare	Transaction is a payment for vision care services.
118	ALLW	Salary & Benefits	Allowance	Transaction is the payment of allowances.
119	ALMY	Salary & Benefits	AlimonyPayment	Transaction is the payment of alimony.
120	BBSC	Salary & Benefits	Baby Bonus Scheme	Transaction is related to a payment made as incentive to encourage parents to have more children



121	BECH	Salary & Benefits	ChildBenefit	Transaction is related to a payment made to assist parent/guardian to maintain child.
122	BENE	Salary & Benefits	UnemploymentDisabilityBenefit	Transaction is related to a payment to a person who is unemployed/disabled.
123	BONU	Salary & Benefits	BonusPayment.	Transaction is related to payment of a bonus.
124	COM M	Salary & Benefits	Commission	Transaction is payment of commission.
125	CSLP	Salary & Benefits	CompanySocialLoanPaymentToBank	Transaction is a payment by a company to a bank for financing social loans to employees.
126	GVEA	Salary & Benefits	Austrian Government Employees Category A	Transaction is payment to category A Austrian government employees.
127	GVEB	Salary & Benefits	Austrian Government Employees Category B	Transaction is payment to category B Austrian government employees.
128	GVEC	Salary & Benefits	Austrian Government Employees Category C	Transaction is payment to category C Austrian government employees.
129	GVED	Salary & Benefits	Austrian Government Employees Category D	Transaction is payment to category D Austrian government employees.
130	PAYR	Salary & Benefits	Payroll	Transaction is related to the payment of payroll.
131	PENS	Salary & Benefits	PensionPayment	Transaction is the payment of pension.
132	PRCP	Salary & Benefits	PricePayment	Transaction is related to a payment of a price.
133	SALA	Salary & Benefits	SalaryPayment	Transaction is the payment of salaries.
134	SSBE	Salary & Benefits	SocialSecurityBenefit	Transaction is a social security benefit, ie payment made by a government to support individuals.
135	AEMP	Salary & Benefits	ActiveEmploymentPolicy	Payment concerning active employment policy.
136	GFRP	Salary & Benefits	GuaranteeFundRightsPayment	Compensation to unemployed persons during insolvency procedures.
137	GWLT	Salary & Benefits	GovernmentWarLegislationTransfer	Payment to victims of war violence and to disabled soldiers.
138	HREC	Salary & Benefits	Housing Related Contribution	Transaction is a contribution by an employer to the housing expenditures (purchase, construction, renovation) of the employees within a tax free fringe benefit system
139	RHBS	Salary & Benefits	RehabilitationSupport	Benefit for the duration of occupational rehabilitation.
140	ESTX	Tax	EstateTax	Transaction is related to a payment of estate tax.
141	FWLV	Tax	Foreign Worker Levy	Transaction is related to a payment of Foreign Worker Levy
142	GSTX	Tax	Goods & Services Tax	Transaction is the payment of Goods & Services Tax
143	HSTX	Tax	HousingTax	Transaction is related to a payment of housing tax.
144	INTX	Tax	IncomeTax	Transaction is related to a payment of income tax.
145	NITX	Tax	NetIncomeTax	Transaction is related to a payment of net income tax.
146	PTXP	Tax	Property Tax	Transaction is related to a payment of property tax.
147	RDTX	Tax	Road Tax	Transaction is related to a payment of road tax.
148	TAXS	Tax	TaxPayment	Transaction is the payment of taxes.
149	VATX	Tax	ValueAddedTaxPayment	Transaction is the payment of value added tax.
150	WHLD	Tax	WithHolding	Transaction is related to a payment of withholding tax.



151	TAXR	Tax	TaxRefund	Transaction is the refund of a tax payment or obligation.
152	AIRB	Transport	Air	Transaction is a payment for air transport related business.
153	BUSB	Transport	Bus	Transaction is a payment for bus transport related business.
154	FERB	Transport	Ferry	Transaction is a payment for ferry related business.
155	RLWY	Transport	Railway	Transaction is a payment for railway transport related business.
156	TRPT	Transport	RoadPricing	Transaction is for the payment to top-up pre-paid card and electronic road pricing for the purpose of transportation
157	CBTV	Utilities	CableTVBill	Transaction is related to a payment of cable TV bill.
158	ELEC	Utilities	ElectricityBill	Transaction is related to a payment of electricity bill.
159	ENRG	Utilities	Energies	Transaction is related to a utility operation.
160	GASB	Utilities	GasBill	Transaction is related to a payment of gas bill.
161	NWCH	Utilities	NetworkCharge	Transaction is related to a payment of network charges.
162	NWCM	Utilities	NetworkCommunication	Transaction is related to a payment of network communication.
163	OTLC	Utilities	OtherTelecomRelatedBill	Transaction is related to a payment of other telecom related bill.
164	PHON	Utilities	TelephoneBill	Transaction is related to a payment of telephone bill.
165	UBIL	Utilities	Utilities	Transaction is for the payment to common utility provider that provide gas, water and/or electricity.
166	WTER	Utilities	WaterBill	Transaction is related to a payment of water bill.

Source: ISO20022.org



## 21.2. Annexure 2: Return Reasons

## 21.2.1. List of Business Return Reasons

S.No.	Code	Definition/ Description	Liabile
1	IncorrectAccountNumber	Format of the account number specified is not correct	ODFI
2	ClosedAccountNumber	Account number specified has been closed on the bank of account's books	RDFI
3	BlockedAccount	Account specified is blocked, prohibiting posting of transactions against it.	RDFI
4	InactiveDormantAccount	Account specified is inactive or Dormant	RDFI
5	NotAllowedAmount	Specific transaction/message amount is greater than or lesser than allowed amount	RDFI
6	InsufficientFunds	Amount of funds available to cover specified message amount is insufficient.	RDFI
7	Duplication	Duplicate Payment Transaction	ODFI
8	WrongAmount	Amount received is not the amount agreed or expected	ODFI
8	MissingDebtorName	Specification of the debtor's name needed for regulatory requirements is insufficient or missing.	ODFI
9	MissingCreditorName	Specification of the creditor's name needed for regulatory requirements is insufficient or missing.	ODFI
10	MissingCreditorAddress	Specification of creditor's address, which is required for payment, is missing/not correct	ODFI
11	MissingDebtorAddress	Specification of creditor's address, which is required for payment, is missing/not correct	ODFI
12	UnrecognizedInitiatingParty	Party who initiated the message is not recognized by the end customer	ODFI
13	MissingDebtorAddress	Specification of debtor's address, which is required for payment, is missing/not correct.	ODFI
14	IncorrectCurrency	Currency of the transaction and account mismatch	ODFI
15	InvalidDate	Invalid date (eg, wrong settlement date)	ODFI
16	CancellationRequest	Cancellation return following a cancellation request	ODFI
17	NoMandate	No Mandate	ODFI
18	MismatchMandateInformation	Transaction information mismatch with Mandate information	ODFI
19	EndCustomerDeceased	End customer is deceased.	RDFI
20	MissingDebtorIdentification	Specification of the debtor's unique identification needed for reasons of regulatory requirements is insufficient or missing	ODFI
21	MissingCreditorIdentification	Specification of the creditor's unique identification needed for reasons of regulatory requirements is insufficient or missing	ODFI
22	RegulatoryReason	Regulatory Reason	RDFI

## 21.2.2. List of Mandate Return Reasons

S.No.	Code	Definition/ Description
1	IncorrectAccountNumber	Format of the account number specified is not correct
2	ClosedAccountNumber	Account number specified has been closed on the Receiver's books
3	BlockedAccount	Account specified is blocked, prohibiting posting of transactions against it.
4	InactiveDormantAccount	Account specified is inactive or Dormant
5	NotAllowedAmount	Specific transaction amount is greater than allowed maximum
6	NotAllowedCurrency	Specified currency cannot be processed
7	EndCustomerDeceased	End customer is deceased.



8	Duplication	Duplication Mandate
9	MissingDebtorAccount	Debtor Account number is missing
10	MissingCreditorAccount	Creditor Account number is missing
11	MissingDebtorName	Debtor's name and/or address is insufficient or missing or incorrect
12	Missing CreditorName	Creditor's name and/or address is insufficient or missing or incorrect
13	MissingCreditorAddress	Specification of creditor's address, which is required for payment, is missing or incorrect
14	MissingDebtorAddress	Specification of debtor's address, which is required for payment, is missing or incorrect.
15	MissingDebtorIdentification	Debtor's unique identification is insufficient or missing or incorrect
16	MissingCreditorIdentification	Creditor's unique identification is insufficient or missing or incorrect
17	MissingPaymenttype	Payment type (Fixed or Ceiling) is missing
18	MissingFrequency	Mandate payment frequency is missing
19	MissingStartEndDate	Mandate start and/or end date is missing
20	InvalidDate	Invalid or wrong date (eg, Mandate date, start and end date)
21	MissingPurpose	Mandate purpose is missing
22	MissingDebtorSignature	Debtor signature is missing
23	MissingCreditorSignature	Creditor signature is missing
24	MismatchDebtorSignature	Debtor Signature mismatch
25	SecondDebtorSignaturerequired	Signature of second signatory is missing in case of joint Debtor account
26	MissingCreditorStamp	Creditor Stamp is missing
27	MissingMandatoryInformationInMandate	Mandate related information/ data is missing.
28	AmountInWordsFigureDiffers	Amount specified in word and figure differs
29	NoMandate	Digital mandate does not exist
30	NoOriginalMandate	Original mandate not obtained.
31	UnknownInitiatingParty	Party who initiated the mandate is not recognised by the end customer
32	UnknownEndCustomer	End customer specified is not known or does no longer exists
33	NoMandateServiceByAgent	Receiving agent/ bank does not offer specified Mandate services
34	NoMandateServiceOnCustomer	Debtor customer does not accept Mandates services
35	NoMandateServiceForCreditor	Creditor does not accept Mandates services
36	NotUniqueMandateReference	Mandate identification is not unique to the creditor
37	MissingMandateReference	Mandate reference number is missing
38	AmendByCustomer	Amendment requested by the debtor
39	CancelByCustomer	Termination/ cancellation requested by the debtor
40	AmendByInitiatingParty	Amendment requested by the creditor
41	CancelByInitiatingParty	Termination/ cancellation requested by creditor
42	CancelAmendByInitiatingPartyAndCustomer	Cancellation/amendment requested by the creditor and the debtor
43	Regulatory Reason	Regulatory Reason

### 21.2.3. List of System Return Reasons

C.No	Code	Definition/ Description
1	Generic Error	Generic Error
2	InvalidBatchInstructingAgent	Invalid batch instructing agent
3	InvalidBatchInstructedAgent	Invalid Batch Instructed Agent





4	InvalidTxInstructingAgent	Invalid Transaction Instructing Agent
5	InvalidTxInstructedAgent	Invalid Transaction Instructed Agent
6	InvalidTxDebtorAgent	Invalid Transaction Debtor Agent
7	InvalidTxCreditorAgent	Invalid Transaction Creditor Agent
8	InvalidBatchCurrency	Invalid Batch Currency
10	InvalidBatchIdFormat	Invalid Batch Id Format
11	BatchInstructingAgentsNotAllowedToSend	Batch Instructing Agent Is Not Allowed To Send
12	BatchInstructedAgentsNotAllowedToReceive	Batch Instructed Agent Is Not Allowed To Receive
13	TransInstructingAgentsNotAllowedToSend	Transaction Instructing Agent Is Not Allowed To Send
14	TransInstructedAgentsNotAllowedToReceive	Transaction Instructed Agent Is Not Allowed To Receive
15	TransDebtorAgentsNotAllowedToSend	Transaction Debtor Agent Is Not Allowed To Send
16	TransCreditorAgentsNotAllowedToReceive	Transaction Creditor Agent Is Not Allowed To Receive
17	OnUsTransactionsNotAllowed	On Us Transactions Not Allowed
18	BatchesCountLimitsExceeded	Batches Count Limits Exceeded
19	BatchAmountLimitsExceeded	Batch Amount Limits Exceeded
20	BatchTransactionsCountLimitsExceeded	Batch Transactions Count Limits Exceeded
21	TransactionAmountLimitsExceeded	Transaction Amount Limits Exceeded
22	DuplicateBatchId	Duplicate Batch Id
23	DuplicateTransactionId	Duplicate Transaction Id
24	InternalSystemError	Internal System Error
25	FailedToParseSWIFTMXMesessage	Failed To Parse SWIFT MX Message
26	OriginalBatchNotFound	Original Batch Not Found
27	OriginalTransactionNotFound	Original Transaction Not Found
28	InvalidOriginalTransactionStatus	Invalid Original Transaction Status
29	FailedToTransformJFWEntityToMXMessage	Failed To Transform JFW Entity To MX Message
30	FailedToTransformMXMessageToJFWEntity	Failed To Transform MX Message To JFW Entity
31	InvalidSWIFTMXMessageISORule	Invalid SWIFT MX Message ISO Rule
32	InvalidSWIFTMXMessagePSACHSystemRule	Invalid SWIFT MX Message PS-ACH System Rule
33	FailedToPersistTheMessage	Failed To Persist The Message
34	DuplicateOriginalTrans	Duplicate Original Transaction
35	InstructingAgentsNotAllowedToSendMsgType	Instructing Agent Is Not Allowed To Send Message Type
36	InstructedAgentsNotAllowedToReceiveMsgType	Instructed Agent Is Not Allowed To Receive Message Type
37	NoActiveAccountForDebtor	No Active Account For Debtor
38	NoActiveAccountForCreditor	No Active Account For Creditor
40	DebitCapExceeded	Debit Cap Exceeded
41	CreditCapExceeded	Credit Cap Exceeded
43	GrossCapExceeded	Gross Cap Exceeded
45	NoSessionAvailable	No Session Available
46	NoAvailableExchangePeriod	No Available Exchange Period
47	NoOpenWindowForMessageType	No Open Window For Message Type
48	NoOpenWindowForMessagePurpose	No Open Window For Message Purpose
49	NoOpenWindowForMessageSender	No Open Window For Message Sender
60	OriginalBatchDoesNotExist	Original Batch Does Not Exist
61	OriginalBatchMsgTypeNotValid	Original Batch Message Type not Valid
62	OriginalBatchSenderMismatch	Original Batch Sender Mismatch
63	OriginalBatchInstructingAgentMismatch	Original Batch Instructing Agent Mismatch
64	OriginalBatchInstructedAgentMismatch	Original Batch Instructed Agent Mismatch
65	OriginalBatchStatusDoesNotAllowCancellation	Original Batch Status Does Not Allow Cancellation
66	BatchContainsMultipleRefToOriginalTransaction	Batch Contains Multiple Ref To Original Transaction
67	OriginalTransactionInstructedAgentMismatch	Original Transaction Instructed Agent Mismatch
68	OriginalTransactionInstructingAgentMismatch	Original Transaction Instructing Agent Mismatch
70	InvalidReason	Invalid Reason
71	ReasonNotAllowedForCancellation	Reason Not Allowed For Cancellation



72	ReasonNotAllowedForReply	Reason Not Allowed For Reply
73	ReasonNotAllowedForReturn	Reason Not Allowed For Return
74	ReasonNotAllowedForReversal	Reason Not Allowed For Reversal
75	OriginalBatchStatusDoesNotAllowStatusReport	Original Batch Status Does Not Allow Status Report
76	InvalidReplyStatus	Invalid Reply Status
77	NoReplyReasons	No Reply Reasons
78	NoCancellationReasons	No Cancellation Reasons
79	InvalidOriginalBatchTransactionsStatuses	Invalid Original Batch Transactions Statuses
80	AutoRejectionReason	Auto Rejection Reason
81	PurposeNotAllowedForInstructingAgent	Purpose Not Allowed For Instructing Agent
82	TransactionPurposeAmountLimitsExceeded	Transaction Purpose Amount Limits Exceeded
83	LocalInstrumentNotProvided	Local Instrument Not Provided
84	LocalInstrumentNotDefined	Local Instrument Not Defined
85	LocalInstrumentNotAllowedForPurpose	Local Instrument Not Allowed For Purpose
86	InvalidBatchInstructingAgentBranch	Invalid Batch Instructing Agent Branch
87	InvalidBatchInstructedAgentBranch	Invalid Batch Instructed Agent Branch
88	InvalidTxInstructingAgentBranch	Invalid Tx Instructing Agent Branch
89	InvalidTxInstructedAgentBranch	Invalid Tx Instructed Agent Branch
90	InvalidTxDebtorAgentBranch	Invalid Tx Debtor Agent Branch
91	InvalidTxCreditorAgentBranch	Invalid Tx Creditor Agent Branch
92	InvalidTransactionPurpose	Invalid Transaction Purpose
100	RejectedByUnwindRequest	Rejected By Unwind Request
101	InvalidTxRoutingAgent	Invalid Tx Routing Agent
102	InvalidBatchAgentRouting	Invalid Batch Agent Routing
103	NoNextSessionForAutoRollover	No Next Session For Auto Rollover
104	MixedInstructingAgentIsNotAllowed	Mixed Instructing Agent Is Not Allowed
105	OriginalBatchStatusDoesNotAllowReversal	Original Batch Status Does Not Allow Reversal
113	AutoRepliedBySystem	Auto Replied By System
900	InvalidInitiatingParty	Invalid Initiating Party
901	InvalidCollectionDate	Invalid Collection Date
902	InvalidCreditorAgent	Invalid Creditor Agent
904	InvalidCreditorAccount	Invalid Creditor Account
905	InvalidCreditorPrivateIdType	Invalid Creditor PrivateId Type
906	InvalidCreditorAddress	Invalid Creditor Address
907	InvalidTransactionAmount	Invalid Transaction Amount
908	InvalidTransactionCurrency	Invalid Transaction Currency
909	InvalidMandateId	Invalid Mandate Id
910	InvalidDebtorAgent	Invalid Debtor Agent
911	InvalidDebtorName	Invalid Debtor Name
912	InvalidDebtorAccount	Invalid Debtor Account
913	InvalidDebtorPrivateIdType	Invalid Debtor PrivateId Type
914	InvalidDebtorAddress	Invalid Debtor Address
915	InvalidPurpose	Invalid Purpose
916	DuplicateMessage	Duplicate Message
917	DuplicatePayment	Duplicate Payment
918	InvalidMandate	Invalid Mandate
919	InvalidTransactions	Invalid Transactions
920	MandateCandidatePaymentNotFound	Mandate Candidate Payment Not Found



21.3. Annexure 3: NCHL-IPS Mandate Form (Sample Template)

Name/Logo of  
Originating Bank

**NCHL-IPS Mandate Form (Sample)**  
(As per NCHL-IPS Operating Rules 9.8.3)

Mandate Reference Number: \_\_\_\_\_ Date: 

C	D	M	M	Y	Y				

I/We hereby authorize to debit my account maintained with my bank/ FI to credit account of \_\_\_\_\_ with an amount for payment towards the Service/Scheme/Plan provided by you/your Company as mentioned below.

**Section 1: Mandate Information**

Payment Type: <input type="checkbox"/> Fixed <input type="checkbox"/> Ceiling Payment Frequency: <input type="checkbox"/> Every _____ Week <small>(Weekday)</small> <input type="checkbox"/> Every _____ Month <input type="checkbox"/> Every _____ Year	Start Date: <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td> </td><td> </td></tr></table>									D	D	M	M	Y	Y			End Date: <table border="1" style="display: inline-table;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td> </td><td> </td></tr></table>									D	D	M	M	Y	Y			Purpose: <input type="checkbox"/> Utility <input type="checkbox"/> Instalment <input type="checkbox"/> Fee <input type="checkbox"/> Insurance <input type="checkbox"/> Credit Card <input type="checkbox"/> Others _____ <small>(Pre-printed for specific Creditor)</small>
D	D	M	M	Y	Y																														
D	D	M	M	Y	Y																														
Amount of / up to: _____ <small>Amount in words</small>		<table border="1" style="display: inline-table;"><tr><td> </td><td> </td></tr><tr><td>Currency</td><td>Account in figure</td></tr></table>				Currency	Account in figure																												
Currency	Account in figure																																		

**Section 2: Creditor Information (Beneficiaries/ Payee)**

Creditor Name: <small>&lt;Pre-printed for specific Creditor&gt;</small>	Branch: <small>&lt;Pre-printed for specific Creditor&gt;</small>
Creditor Bank/FI: <small>&lt;Pre-printed for specific Creditor&gt;</small>	
Creditor Account: <small>&lt;Pre-printed for specific Creditor&gt;</small>	
Service Type: <small>Identification Type of Purpose &lt;Pre-printed for specific Creditor&gt;</small>	Service ID: <small>Identification No. of Purpose</small>
Contact Details: Address: <small>&lt;Pre-printed for specific Creditor&gt;</small> Tel: _____ E-mail: _____	

**Section 3: Debtor Information (Customer/ Payer)**

Debtor Name: _____	Branch: _____
Debtor Bank/FI: _____	
Debtor Account: _____	
Debtor Id Type: <small>Identification Type of Debtor</small>	Debtor Id No: <small>Identification no. of Debtor</small>
Contact Details: Address: _____ Tel: _____ Mobile: _____ E-mail: _____	

**Terms and Conditions:**

1. I/We shall be responsible for any amendment in my/our contact details through my/our bank/FI and request for such amendment shall be made at least three days prior to payment due date. Amendment in any other fields of the mandate shall not be allowed.
2. I/We understand that no authorization from me/us shall be required for any amendment of beneficiary/ creditor/ service provider's contact details as mentioned above through their bank/FI.
3. Termination/ Stop of Mandate Payment shall be initiated by me/us, if required, through my bank/FI as per my bank's internal policy at least three days prior to payment due date.
4. Beneficiary/Creditor/Service provider shall be authorized to disclose the invoice/ billing amount to their bank/FI to initiate the payment on the basis of this mandate.
5. The validity of this mandate shall remain active till the end date mentioned above or as and when terminated by me/us in writing.
6. I/We shall agree with this Mandate form as a standard form of contract in accordance with NCHL-IPS Operating Rules and prevailing laws of Nepal.

**Declaration:**

I/We hereby declare that the particulars given above are correct and complete. If the transactions are delayed or not effected at all for any reasons of incomplete or incorrect information and/or delay in the payment and/or interruption of the service/ Scheme/ Plan due to amendment, termination or stop of mandate payment, I/We would not hold the Creditor/ Service Provider/ Participant Banks (creditor and debtor banks/FIs) responsible. I/We have signed two copies of this mandate after having understood the terms and conditions and agree to discharge the responsibility expected of me/us.

Debtor (Customer/ Payer)  _____ <small>Signature</small>	Creditor (Beneficiary/ Payee)  _____ <small>Signature &amp; Stamp</small>
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(Signatures as per the Bank/ FI account record)