

As amended to  
10 October 2016  
Version E048

**AUSTRALIAN PAYMENTS CLEARING ASSOCIATION LIMITED**

ABN 12 055 136 519

**A Company limited by Guarantee**

**PROCEDURES**

for

**AUSTRALIAN PAPER CLEARING SYSTEM  
FRAMEWORK**

**(CS1)**

**Commenced 2 December 1993**

Copyright © 1993 - 2016 Australian Payments Clearing Association Limited  
ABN 12 055 136 519

**Australian Payments Clearing Association Limited**  
Level 6, 14 Martin Place, SYDNEY NSW 2000  
Telephone: (02) 9216 4888 Facsimile: (02) 9221 8057

**PROCEDURES**  
**FOR**  
**AUSTRALIAN PAPER CLEARING SYSTEM FRAMEWORK**  
**(CS1)**

**INDEX**

| <b>PARTS</b>  | <b>Page number</b>  |
|---|---------------------|
| <b>1 PRELIMINARY</b>  | <b>1.1</b>          |
| Definitions   | 1.1                 |
| Interpretation  | 1.6                 |
| Inconsistency with Articles or Regulations  | 1.7                 |
| Governing Law   | 1.7                 |
| Copyright   | 1.7                 |
| <b>2 EFFECT</b>   | <b>2.1</b>          |
| <b>3 PROCEDURES</b>   | <b>3.1</b>          |
| <b>4 AMENDMENT</b>  | <b>4.1</b>          |
| <br><b>SCHEDULES</b>  |                     |
| <b>1 APPROVED EXCHANGE TIMES [Deleted]</b>  | <b>S1.1</b>         |
| <b>2 REPRESENTATION ARRANGEMENTS PUBLISHED MINIMUM REQUIREMENTS</b>                                   | <b>S2.1</b>         |
| <b>3 COMPLETION OF FLOW CHARTS FOR REPRESENTATION ARRANGEMENTS [Deleted]</b>                          | <b>S3.1</b>         |
| <b>4 PROCEDURAL RULES GOVERNING THE CONDUCT OF CLEARINGS, SETTLEMENT AND OTHER MATTERS IN REGIONS</b> | <b>S4.1</b>         |
| <b>Rule 1 Preliminary Application</b>   | <b>S4.1</b><br>S4.1 |
| <b>Rule 2 Attendance at Specified Locations [Deleted]</b>   | <b>S4.1</b>         |
| <b>Rule 3 Exchanges</b>   | <b>S4.1</b>         |
| Delivery Prior to Exchange Times [Deleted]  | S4.1                |
| Attendance at Exchanges [Deleted]   | S4.1                |
| Extension of Time [Deleted]   | S4.2                |
| Independent Exchanges [Deleted]   | S4.2                |
| Unacceptable Items  | S4.2                |
| Batch Listings  | S4.2                |
| Exchange Listings   | S4.3                |
| Presentation of Work <i>(Rules 3.8(c), (d)(iv) &amp; (e) are confidential)</i>                        | S4.3                |
| Comparison of Items [Deleted]   | S4.4                |
| Retention of Physical Items and Trace Requests <i>(Confidential)</i>                                  | S4.4                |
| Processing of Exchanged Items   | S4.4                |

|           |  |              |
|-----------|--|--------------|
|           | <b>Rule 4 Errors (<i>Confidential</i>)</b>   | <b>S4.4</b>  |
|           | Errors And Surplus or Missing Items  |              |
|           | Further Provisions Relating to Errors and Surplus or Missing Items   |              |
|           | Missorted Items  |              |
|           | Provision Relating to Missorted and Unpayable Credit Items   |              |
|           | Interest Adjustments   |              |
|           | Further Provision Relating to Interest   |              |
|           | Losses   |              |
|           | <b>Rule 5 Settlement</b>   | <b>S4.5</b>  |
|           | <b>Rule 6 Other Procedural Requirements</b>  | <b>S4.9</b>  |
|           | Debit Item Clearings [Deleted]   | S4.9         |
|           | Credit Clearings   | S4.9         |
|           | Discontinuance of Encoding Credit Items [Deleted]  | S4.9         |
|           | Exchange of Other Articles [Deleted]   | S4.9         |
| <b>5</b>  | <b>PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKES, STOP WORK MEETINGS, OTHER INDUSTRIAL ACTION AND PROCESSING FAILURES</b> | <b>S5.1</b>  |
|           | <b>Rule 1 Purpose and Policy</b>   | <b>S5.1</b>  |
|           | Purpose of Schedule 5  | S5.1         |
|           | Underlying Policy of Framework Participants  | S5.1         |
|           | LVSS BCP Arrangements  | S5.1         |
|           | <b>Rule 2 Powers and Procedures</b>  | <b>S5.1</b>  |
|           | Powers of Chief Executive Officer  | S5.1         |
|           | Committees - Functions and Procedures  | S5.2         |
|           | Agreed Procedures Following Advice of Disabling Event  | S5.2         |
|           | <b>Rule 3 Inability to Settle</b>  | <b>S5.3</b>  |
|           | <b>Rule 4 Specified Location [Deleted]</b>   | <b>S5.5</b>  |
| <b>6</b>  | <b>PROCEDURES FOR EXCHANGE OF OTHER ARTICLES AT SPECIFIED LOCATIONS [Deleted]</b>  | <b>S6.1</b>  |
| <b>7</b>  | <b>PROCEDURAL RULES GOVERNING OUTWARD CLEARINGS</b>  | <b>S7.1</b>  |
| <b>8</b>  | <b>APPROVED REPRESENTATION ARRANGEMENTS</b>  | <b>S8.1</b>  |
| <b>9</b>  | <b>CONTACT NUMBERS OF THE RESERVE BANK OF AUSTRALIA RITS LOW VALUE SETTLEMENT SERVICE</b>  | <b>S9.1</b>  |
| <b>10</b> | <b>OTHER GENERAL AGREEMENTS BETWEEN INSTITUTIONS (<i>Confidential</i>)</b>   | <b>S10.1</b> |
|           | <b>1. For-Value Debit Items and Credit Items Between Institutions</b>  |              |
|           | 1.1 Restriction on For-Value Paper Exchanges   |              |
|           | 1.2 [Deleted]  |              |
|           | 1.3 Credit Transfers to Accounts at Another Institution  |              |
|           | 1.4 [Deleted]  |              |
|           | 1.5 [Deleted]  |              |

|           |  |  |
|-----------|--|--|
| <b>2.</b> | <b>Remittances &amp; Special Clearances</b>                            |  |
|           | 2.1  | Special Clearances and Special Answers                               |
|           | 2.2  | Dishonoured Debit Items  |
|           | 2.3  | Rubber Or Metal Stamps On Debit Items [Deleted]                      |
|           | 2.4  | Debit Items Lost Between Collecting & Paying Institutions            |
|           | 2.5  | Lost Commonwealth Government Cheques                                 |
|           | 2.6  | Undomiciled Debit Items Received Through The Exchanges [Deleted]     |
| <b>3.</b> | <b>Miscellaneous</b>   |  |
|           | 3.1  | [Deleted]  |
|           | 3.2  | Overseas Issued On-Demand Australian Dollar Denominated (AUD) Drafts |
|           | 3.3  | [Deleted]  |
|           | 3.4  | [Deleted]  |
|           | 3.5  | Missorts Subsequently Lost [Deleted]                                 |
|           | 3.6  | [Deleted]  |
| <b>4.</b> | <b>Fraud Detection and Prevention</b>                                  |  |
|           | 4.1  | Introduction   |
|           | 4.2  | Suspected Counterfeit Cheque   |
|           | 4.3  | Lost, Stolen, Forged or Counterfeit Cheques                          |
|           | 4.4  | Dishonoured Debit Items - Potential Fraud                            |
|           | 4.5  | Monitoring of Dishonours   |
|           | 4.6  | Precautions Regarding Provision of Special Answers                   |
| <b>5.</b> | <b>Third Party Cheque Conversion - Request for Investigation/Claim</b> |  |
|           | 5.1  | Application  |
|           | 5.2  | General Guidelines   |
| <b>6.</b> | <b>Use of Carrier Envelopes for Mutilated or Damaged Items</b>         |  |
|           | 6.1  | Application  |
|           | 6.2  | General Rules  |
| <b>11</b> | <b>PROCEDURES FOR ELECTRONIC PRESENTMENT AND ELECTRONIC DISHONOUR</b>  |  |
|           | <i>(Confidential, except for Preamble)</i>                             | <b>S11.1</b>   |
|           | Preamble   | S11.1  |
|           | Application  | S11.1  |
|           | General effect   | S11.1  |
|           | Interpretation and definitions   | S11.1  |
| <b>1.</b> | <b>Electronic Presentment</b>  |  |
|           | General  |  |
|           | Exchange of Data   |  |
|           | Responsibility   |  |
|           | Exchange of Images and Exhibition of Paper                             |  |
|           | Settlement   |  |
|           | Presentment Request - Debit Item Lost Prior to Electronic Presentment  |  |

**2. Electronic Dishonours (and Return Messages)**

General  
 Exchange of Data  
 Responsibilities  
 Debit Items other than Financial Institution Cheques, Australia Post Money Orders,  
 Warrants and Travellers' Cheques  
 Financial Institution Cheques  
 Australia Post Money Orders  
 Warrants  
 Travellers' Cheques  
 Electronic Dishonour Mailing Advice  
 Settlement  
 Unprocessable Items

**2A. Acceptance of Otherwise Out-Of-Time Dishonours**

**3. Electronic Dishonour Refusals**

General  
 Exchange of Data  
 Responsibilities  
 Electronic Dishonour Refusal Mailing Advice [Deleted]  
 Settlement

**4. Contingency Procedures**

Exchange of Data  
 Responsibilities  
 Options  
 Physical Medium Exchange Standards  
 Read/Write Format Standards for Physical Medium  
 Contingency Exchange Arrangements  
 Bilateral Testing of Contingency Exchange Arrangements  
 Contingency Procedures Testing Certificate  
 Standards for Email File Exchange and Security  
 Email File Exchange Contacts Database

**5. Disabling Events**

**6. Rejected Items**

Rejected Electronic Presentment Record  
 Rejected Electronic Dishonour Record  
 Rejected Image Required Record  
 Rejected Electronic Dishonour Refusal Record

**7. Holiday Calendar**

Business Days  
 Holiday Calendar  
 Publication  
 Responsibility  
 Adjustments to Holiday Calendar  
 Effective Date of the Holiday Calendar

- 8. Capture Validation Rules Database**  
 Database Management and Purposes  
 Sending Capture Validation Rules to the Company  
 Distribution of Capture Validation Rules  
 Updating Capture Validation Rules

**APPENDICES**

|                    |  |             |
|--------------------|--|-------------|
| <b>Appendix A</b>  | <b>Inter-Institution Vouchers</b> <i>(Confidential)</i>                                  | <b>A.1</b>  |
| A1                 | Warrant  |             |
| A2                 | Drawing for Dishonoured Item Returned Direct   |             |
| A3                 | Advice of Dishonoured Item Returned Direct   |             |
| A4                 | Drawing for Direct Remittance  |             |
| A5                 | Advice of Direct Remittance  |             |
| A6                 | Drawing Debit  |             |
| A7                 | Credit Transfer  |             |
| A8                 | Error Adjustment Voucher (Debit)   |             |
| A9                 | Error Adjustment Voucher (Credit)  |             |
| A10                | Batch Header (Debit)   |             |
| A11                | Batch Header (Credit)  |             |
| <b>Appendix B</b>  | <b>Transaction Codes</b> <i>(Confidential)</i>   | <b>B.1</b>  |
| <b>Appendix C</b>  | <b>Forms</b> <i>(Confidential)</i>   | <b>C.1</b>  |
| C1                 | Special Answer Facsimile Request Form  |             |
| C2                 | Trace Request Form   |             |
| C3                 | Not-For-Value Batch Header - Debit   |             |
| C4                 | Electronic Dishonour Mailing Advice  |             |
| C5                 | Electronic Dishonour Refusal Mailing Advice  |             |
| C6                 | Presentment Request - Rejected Technically Invalid Item                                  |             |
| C7                 | Advice of Suspected Counterfeit Cheque   |             |
| C8                 | Third Party Cheque Conversion - Request for Investigation/Claim*                         |             |
| C9                 | Presentment Request - Unprocessable Item   |             |
| C10                | Presentment Request - Debit Item Lost Prior to Electronic Presentment                    |             |
| C11                | Notification of Amount Capture Error   |             |
| C12                | Special Answer Request by Personal Presentation  |             |
| C13                | Customer Notice of Inward Dishonour  |             |
| C14                | Bill for Collection  |             |
| C15                | Paper Item Request   |             |
| C16                | Presentment Request for High Value Item  |             |
| <b>Appendix D</b>  | <b>Centralised Contact Points</b> <i>(Confidential)</i>                                  | <b>D.1</b>  |
| <b>Appendix E</b>  | <b>EP&amp;D File Specifications</b> <i>(Confidential)</i>                                | <b>E.1</b>  |
| <b>Appendix F</b>  | <b>CS1 Value, Non Value and Reconciliation Control Messages</b><br><i>(Confidential)</i> | <b>F.1</b>  |
| <b>Appendix G1</b> | <b>Gazette Notice</b>  | <b>G1.1</b> |
| <b>Appendix G2</b> | <b>Gazette Notice</b>  | <b>G2.1</b> |
| <b>Appendix H</b>  | <b>Discontinued Exception Items List [Deleted]</b>                                       | <b>H.1</b>  |
| <b>Appendix I</b>  | <b>Destination BSB Numbers for Encoding Overseas On-Demand AUD Drafts</b>                | <b>I.1</b>  |

---

|                    |   |             |
|--------------------|---|-------------|
| <b>Appendix J</b>  | <b>EP&amp;D Holiday Calendar Specifications</b>                                       | <b>J.1</b>  |
| <b>Appendix K</b>  | <b>Disabling Events Guidelines</b><br><i>(Confidential, except for certain parts)</i> | <b>K.1</b>  |
| <b>Appendix L1</b> | <b>Replacement Cheques: Facsimile Request Form</b>                                    | <b>L1.1</b> |
| <b>Appendix L2</b> | <b>Replacement Cheques: Letter to Drawer of Missing Cheque</b>                        | <b>L2.1</b> |
| <b>Appendix M</b>  | <b>Processing Difficulty Notification Forms</b>                                       | <b>M.1</b>  |
| M1                 | APCS Processing Difficulty Notification   | M1.1        |
| M2                 | APCS and BECS Processing Difficulty Notification                                      | M2.1        |
| <b>Appendix N</b>  | <b>Primary Exchange Arrangements Matrix</b> <i>(Confidential)</i>                     | <b>N.1</b>  |
| <b>Appendix O</b>  | <b>Contingency Exchange Arrangements Matrix</b> <i>(Confidential)</i>                 | <b>O.1</b>  |
| <b>Appendix P</b>  | <b>Contingency File Exchange</b>  | <b>P.1</b>  |
| P1                 | Contingency File Exchange Form  | P1.1        |
| P2                 | Email File Exchange Contacts Lodgement Form   | P2.1        |
|                    | Email File Exchange Public Key Lodgement Form   | P2.2        |
| P3                 | Contingency Procedures Testing Certificate <i>(Confidential)</i>                      |             |
| <b>Appendix Q</b>  | <b>Carrier Envelope Specifications</b> <i>(Confidential)</i>                          | <b>Q.1</b>  |
| <b>Appendix R</b>  | <b>Exchange Summary [Deleted]</b>   | <b>R.1</b>  |
| <b>Appendix S</b>  | <b>Capture Validation Rules Lodgement</b> <i>(Confidential)</i>                       | <b>S.1</b>  |
| <b>Appendix T</b>  | <b>Image Standards</b> <i>(Confidential)</i>  | <b>T.1</b>  |
| <b>Appendix U</b>  | <b>Paper Handling, Retention and Destruction</b> <i>(Confidential)</i>                | <b>U.1</b>  |

---

**AUSTRALIAN PAYMENTS CLEARING ASSOCIATION LIMITED**  
**ABN 12 055 136 519**

**A Company limited by Guarantee**

**PROCEDURES**

**for**

**AUSTRALIAN PAPER CLEARING SYSTEM FRAMEWORK**

**(CS1)**

**PART 1 PRELIMINARY**

**Definitions**

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

**“Advice of Suspected Counterfeit Cheque”** means a facsimile advice substantially in the form of Appendix C7.

Inserted effective 30/9/99

**“Amount Capture Error”**, in relation to an Item, occurs when:

Last amended effective 25/5/15

- (a) the amount encoded in respect of the Item; or
- (b) the amount entered in an electronic presentment record for the Item; or
- (c) the amount shown in the metadata associated with an Image file for an Item,

differs from the amount that is expressed, in numerical figures on the Item, as the amount to be paid or credited. However, notwithstanding the immediately preceding sentence of this definition, there is no amount capture error within the meaning of these Procedures if the amount encoded or captured is, by virtue of section 15 *Cheques Act* 1986, the sum ordered to be paid by the Item.

**“Amount Encoded Paper”** means Items conforming to Australian Standards and encoded with E-13B MICR characters.

**“Bill for Collection”** means a notice in the form of Appendix C14, which may be used by an Institution to process a bill for collection.

Last amended effective 25/7/08

**“Board”** means the board of directors of the Company.

**“BSB Number”** means in relation to a Framework Participant, non-member Appointor or other Institution its BSB Number (if any) assigned to it by the Company.

Last amended effective 4/12/95

**“Capture Validation Rules”** has the meaning set out in Rule 8.1 of Schedule 11.

Inserted effective 9/12/2009

**“Carrier Envelope”** means an envelope which complies with the specifications set out in Appendix Q.

Inserted effective 11/10/06



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

**“Collator”** [deleted effective 22/10/12] Deleted effective 22/10/12

**“Company”** means Australian Payments Clearing Association Limited (ABN 12 055 136 519). Last amended effective 30/10/02

**“Contingency Exchange Testing Schedule”** means the schedule published by the Company and approved by the Management Committee as required but certainly at a minimum of every two years, showing testing partners for all APCS Tier 1A Framework Participants for mandatory calendar half year testing of contingency exchange arrangements pursuant to Rule 4.11 of Schedule 11 of these Procedures. The schedule will be published on the Company’s extranet. Last amended effective 25/7/08

**“Contingency File Exchange Form”** means a document, substantially in form of Appendix P1, used by a Sending Institution (as defined in Schedule 11 of these Procedures) to advise a Receiving Institution (as defined in Schedule 11 of these Procedures) that a pending/expected file exchange will take place using a bilaterally agreed contingency exchange arrangement (as set out in Appendix O). Inserted effective 30/6/03

**“Counterparty”** means a Tier 1 Framework Participant which receives Items exchanged pursuant to these Procedures, and which is the party identified in the File Settlement Instruction submitted by an Originator in accordance with these Procedures and the requirements of the RITS Low Value Settlement Service, and includes, for the purposes of these Procedures, a Tier 1B Framework Participant on whose behalf a Tier 1A Framework Participant exchanges Items. Inserted effective 22/10/12

**“Credit Items”** includes all paper credit transfers addressed to a bank or a non-bank financial institution and any other paper credit transfers which the Management Committee at any time determines are widely accepted (or approved) for exchanges by Framework Participants at that time, except as may be specifically excluded by the Regulations or these Procedures. Last amended effective 16/08/04

**“Customer Notice of Inward Dishonour”** means a notice in the form of Appendix C13, which may be used by a Framework Participant to notify a customer of the dishonour of a cheque deposited into an account. Inserted effective 15/01/07

**“Debit Items”** includes all cheques and other paper drawings drawn on or addressed to a bank or a non-bank financial institution, travellers’ cheques, money orders and any other paper drawings which the Management Committee at any time determines are widely accepted (or approved) for exchange by Framework Participants at that time, except as may be specifically excluded by the Regulations or these Procedures. Last amended effective 16/08/04

**“Deposit Financial Institution”** means the financial institution with which the holder of a Debit Item lodges it or causes it to be lodged for collection or, where that financial institution is not a Framework Participant and where the context so allows, that financial institution's Clearing Representative.

**“Deputy Regional Co-ordinator”** means the Deputy Regional Co-ordinator appointed in accordance with Regulation 9.7. Amended effective 30/01/06

**“Disabling Event”** means:

- (a) a processing failure or a manifestation of industrial action which affects, or may affect, the ability of Framework Participants to participate to the normal and usual extent in exchanges in one or more Regions; or

(b) a total or partial loss of, or any degree of inaccessibility to, one or more places or locations in one or more Regions which affects Framework Participants and which is of such a nature that normal and usual operation or facilities cannot be provided. Last amended effective 25/05/15

**“Disabled Framework Participant”** has a corresponding meaning.

**“Discontinued Exception Item”** [deleted] Deleted effective 24/3/03

**“Error of Magnitude”** is an error (or a series of errors on the one exchange) of or exceeding \$2 million or such other amount as may be determined from time to time by the Management Committee. Last amended effective 22/01/09

**“Exchange Settlement Funds”** has the meaning given in the RITS Regulations. Inserted effective 22/10/12

**“Exchange Summary”** [Deleted effective 22/10/12] Deleted effective 22/10/12

**“Exchange Summary Data File Transfer Facility”** [Deleted effective 22/10/12] Deleted effective 22/10/12

**“File Recall Instruction”** means a file in the format prescribed by the Reserve Bank of Australia and complying with the specifications for the RITS Low Value Settlement Service which can be accessed via a link on the Company’s extranet. Inserted effective 22/10/12

**“File Recall Response”** means a response to a File Recall Instruction generated by the RITS Low Value Settlement Service. Inserted effective 22/10/12

**“File Settlement Advice”** means an advice in relation to a File Settlement Instruction, generated by the RITS Low Value Settlement Service. Inserted effective 22/10/12

**“File Settlement Instruction”** means a file in the format prescribed by the Reserve Bank of Australia and complying with the specifications for the RITS Low Value Settlement Service which can be accessed via a link on the Company’s extranet. Inserted effective 22/10/12

**“File Settlement Response”** means a response to a File Settlement Instruction, generated by the RITS Low Value Settlement Service. Inserted effective 22/10/12

**“Financial Institution”** in relation to Schedules 10 and 11 means a drawee Institution which is a financial institution within the meaning of section 3(1) of the *Cheques Act 1986*. *For the avoidance of doubt, this includes any body corporate that is a bank, building society, credit union or otherwise an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cth)*. Last amended effective 19/6/00

**“Financial Institution Cheque”** in relation to Schedules 10 and 11 means a cheque drawn by a Financial Institution on itself. *For the avoidance of doubt, this includes instruments drawn by banks (long known as “bank cheques”), building societies, credit unions and other authorised deposit-taking institutions within the meaning of the Banking Act 1959 (Cth), where such Financial Institution is both drawer and drawee*. Last amended effective 19/6/00

**“For Value Debit Item”** means a Debit Item which has an invalid or incomplete codeline. Inserted effective 25/5/15

**“Framework Participant”** means a body corporate who in accordance with the Regulations is a participant in the Australian Paper Clearing System (CS1).

**“High Value Debit Item”** means a Debit Item whose value exceeds either the Sending or Receiving Institution’s supported upper value limit for electronic presentment. Inserted effective 25/5/15

|   |  |
|---|--|
| <p><b>“Image”</b> means a digital facsimile of the front and back of an Item, which complies with the requirements and standards specified in Appendix T.</p>   | <p>Inserted effective 25/5/15</p>  |
| <p><b>“Image Hard Copy”</b> means a paper version of an Image.</p>  | <p>Inserted effective 25/5/15</p>  |
| <p><b>“Inter-organisation Compensation Rules”</b> means the document (as amended or replaced) known as the Inter-organisation Compensation Rules, Publication No. 6.1 of the Company.</p>   | <p>Inserted effective 13/06/01</p>   |
| <p><b>“Items”</b> means Credit Items and Debit Items.</p>   |  |
| <p><b>“Institution”</b> in relation to Schedules 10 and 11 means a Framework Participant, a non-member Appointor, and any other person which participates in the activities contemplated and regulated by Schedules 10 and 11.</p>  | <p>Inserted effective 1/2/95</p>   |
| <p><b>“Inward Clearings”</b> means Items which are received or to be received by or on behalf of a Framework Participant or non-member from another Framework Participant or non-member. In relation to a Representation Arrangement or a Representative under a Representation Arrangement, "Inward Clearings" means Items which are received or to be received by the relevant Appointor.</p> | <p>Inserted effective 20/9/96</p>  |
| <p><b>“Ledger Financial Institution”</b> means:</p> <p>(a) in relation to a Credit Item, the financial institution to which the Credit Item is addressed;</p> <p>(b) in relation to a cheque, the financial institution upon which such cheque is drawn; and</p> <p>(c) in relation to a Debit Item (other than a cheque) the institution to which the Debit Item is addressed.</p>             | <p>Last amended effective 30/10/02</p> <p>Last amended effective 30/10/02</p>                                    |
| <p><b>“LVSS”</b> means the RITS Low Value Settlement Service.</p>   | <p>Inserted effective 22/10/12</p>   |
| <p><b>“LVSS BCP Arrangements”</b> means the contingency plan and associated documents published by the Reserve Bank of Australia for the purposes of the RITS Low Value Settlement Service, and which can be accessed via a link on the Company’s extranet.</p>   | <p>Inserted effective 22/10/12</p>   |
| <p><b>“LVSS Contact”</b> means the person or persons nominated by a Tier 1 Framework Participant as its primary contact for LVSS inquiries, and listed in Appendix D Centralised Contact Points.</p>  | <p>Inserted effective 22/10/12</p>   |
| <p><b>“Management Committee”</b> means the committee constituted pursuant to Part 7 of the Regulations.</p>   |  |
| <p><b>“Manager”</b> means the manager of a Region appointed in accordance with Regulation 9.8.</p>  |  |
|   | <p><b>“National Collator” [deleted]</b> <small>“National Collator” deleted refer “Collator”. Amended</small></p> |
| <p><b>“Nine AM (9am) Funds”</b> means the multilateral net settlement of obligations arising from previous days’ clearings of low value payments which occurs in RITS at around 9am each business day that RITS is open.</p>  | <p>Inserted effective 22/10/12</p>   |
| <p><b>“Originator”</b> means a Tier 1A Framework Participant which, as a result of an outward exchange of Items to another Tier 1 Framework Participant, is responsible for the submission of a File Settlement Instruction, and if necessary, a File Recall Instruction, in accordance with these Procedures and the requirements of the RITS Low Value Settlement Service.</p>                | <p>Inserted effective 22/10/12</p>   |

**“Outward Clearings”** means Items which are delivered or to be delivered by or on behalf of a Framework Participant or non-member to another Framework Participant or non-member. In relation to a Representation Arrangement or a Representative under a Representation Arrangement, "Outward Clearings" means Items which are delivered or to be delivered by or on behalf of the relevant Appointor.

Inserted effective 20/9/96

**“Panel of Experts”** [deleted effective 22/10/12]

Deleted effective 22/10/12

**“Paper Market Share”** and **“PMS”** mean a Framework Participant’s share of transactions in APCS determined as set out in Regulation 7.7.

Inserted effective 1/7/14

**“PDN”** means a Processing Difficulty Notification substantially in the form of Appendix M, used by a Framework Participant to notify other Framework Participants of a processing difficulty or Disabling Event in accordance with Appendix K.

Amended effective 10/10/16

**“Presenting Member”** in relation to any Item means the Framework Participant (whether or not it is the Deposit Financial Institution in relation to that Item) which hands or delivers that Item to a Receiving Member.

**“Quasi-Normal Exchange”** means an exchange which is as similar to a normal exchange as the circumstances permit.

**“Real Time Gross Settlement”** means, in respect of settlement of payment obligations, the processing and settlement of those payment obligations in real time and on a gross (not net) basis.

Inserted effective 22/6/98

**“Receiving Member”** in relation to any Item means the Framework Participant (whether or not it is the Ledger Financial Institution in relation to that Item) to which such Item is in fact handed or delivered by the Presenting Member.

**“Region”** means a region established pursuant to Regulation 9.1. From the date of industry implementation of imaging and truncation in Cheque clearing, references to “Regions” are retained to support representation arrangements only, and should not be construed as an express or implied requirement for continued paper exchanges between Tier 1 Framework Participants.

Amended effective 25/5/15

**“Regional Collator”** deleted, refer **“Collator”**

Amended, effective 4/12/95

**“Regional Co-ordinator”** means the Regional Co-ordinator appointed in accordance with Regulation 9.7 and, where applicable, includes a Deputy Regional Co-ordinator.

**“Regulations”** means the regulations of Australian Paper Clearing System (CS1) as prescribed by the Company.

**“Retention Period”** means the period of eight business days from the date of electronic presentment of an Item.

Amended effective 31/10/16

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

**“RITS Low Value Settlement Service”** means the Reserve Bank of Australia’s settlement file transfer facility which must be used by:

Inserted effective 22/10/12

- (a) each Tier 1A Framework Participant to submit File Settlement Instructions and associated File Recall Instructions; and

- (b) each Tier 1A Framework Participant and Tier 1B Framework Participant if it so elects, to receive File Settlement Advices, File Settlement Responses and File Recall Responses.

**“RITS Regulations”** means the regulations regulating RITS as published by the Reserve Bank of Australia.

Last amended effective 22/10/12

**“RITS/RTGS”** [deleted effective 22/10/12]

Deleted effective 22/10/12

**“RTGS”** means Real Time Gross Settlement.

Inserted effective 22/6/98

**“Settlement Session”** has the meaning ascribed to it in the RITS Regulations.

**“Specified Location”** [deleted]

Deleted effective 25/5/15

**“Suspected Counterfeit Cheque”** has the meaning set out in Rule 4.2.1 of Schedule 10.

Last amended effective 31/12/99

**“SWIFT”** means Society for Worldwide Interbank Financial Telecommunication s.c., having its registered address at Avenue Adele, 1 B-1310 La Hulpe, Belgium.

Inserted effective 31/12/99

**“SWIFT User Handbook”** means the set of rules and procedures governing the use of SWIFT’s services, published from time to time by SWIFT (in whatever medium) as the “SWIFT User Handbook”.

Inserted effective 31/12/99

**“Transaction Code”** means a numeric code enfaced on an Item to denote the sign and nature for that Item.

**“Undomiled Cheque”** means a Cheque without both a branch domicile and BSB Number, and which the drawee Institution would not be able to identify any account to which it could be posted.

Inserted effective 11/9/06

**“Warrant”** [Deleted effective 31/10/16]

Deleted effective 31/10/16

## Interpretation

1.2 In these Procedures:

- (a) words importing any gender include the other genders;
- (b) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (c) the singular includes the plural and vice versa; and
- (d) a reference to a statute, code or the Corporations Act (or to a provision of a statute, code or the Corporations Act) means the statute, the code, the Corporations Act or the provision as modified or amended and in operation for the time being, or any statute, code or provision enacted in lieu thereof and includes any regulation or rule for the time being in force under the statute, the code, the Corporations Act or the provision.

Last amended effective 16/08/04

1.3 Words defined in the Corporations Act have, unless the contrary intention appears, the same meaning in these Procedures.

Last amended effective 16/08/04

1.4 Words defined in the Regulations have, unless the contrary intention appears, the same meaning in these Procedures.

1.5 These Procedures have been determined by the Management Committee and take effect on the date specified by the Chief Executive Officer pursuant to Regulation 1.2.

1.6 Headings are inserted for convenience and do not affect the interpretation of these Procedures.

1.6A Any reference in these Procedures to “exchange” or the “conduct of exchanges” in relation to an Item shall be constituted by, and construed as, the electronic transmission of particulars and Image of that Item, and each reference to, “deliver”, “delivery”, “send” and “receive” in relation to an Item, as the context requires, shall have a corresponding meaning.

Inserted  
effective 25/5/15

1.6B A reference in these Procedures to a requirement to transmit an electronic presentment record and associated Image at or around the same time or on the same business day shall be deemed to be satisfied, in the case of Items exchanged late on any particular business day, if transmission of the Image is effected as soon as reasonably practicable after midnight on that business day.

Inserted  
effective 25/5/15

#### **Inconsistency with Articles or Regulations**

1.7 If a provision of the Regulations or these Procedures is inconsistent with a provision of the Articles, the provision of the Articles prevails.

1.8 If a provision of these Procedures is inconsistent with a provision of the Regulations, the provision of the Regulations prevails.

#### **Governing Law**

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

#### **Copyright**

1.10 Copyright in these Procedures is vested in the Company.

**The next page is 2.1**

**PART 2 EFFECT**

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

---

**PART 3 PROCEDURES**

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

3.2 For the purposes of the Australian Paper Clearing System (CS1) sections 1, (excluding sub-section 1.1.2), 2, 3.5 and 3.6 of the Record of Arrangement Between Banks as at 18 August 1993 (see Regulation 11.3) and as amended since that date are set out in Schedule 10. Schedule 8 (Approved Representation Arrangements) supersedes sub-section 1.1.2 of the Record of Arrangements Between Banks.

Inserted effective 1/2/95

3.3 Without limiting the generality of clause 3.1, the conduct of exchanges of all Items between Framework Participants shall be effected by truncated presentment by exchange of particulars in accordance with either:

Inserted effective 25/5/15

- (a) Schedule 10, which describes the process by which Credit Items and For-Value Debit Items, being those Items which cannot be electronically presented in accordance with Schedule 11, are to be manually electronically presented and by which such Items may be manually electronically dishonoured; or
- (b) Schedule 11, which describes the process by which Debit Items are to be electronically presented, and by which such Items may be electronically dishonoured;

in each case, in accordance with the principles set out in , and subject to the qualifications and clarifications set out in clauses 3.4 and 3.5.

3.4 The procedures set out in Schedules 10 and 11 are to be read in the context of the responsibility of the Sending Institution (as defined in Schedule 11) to:

Inserted effective 25/5/15

- (a) create an Image of each Item, and deliver the Image by electronic transmission to the Receiving Institution;
- (b) store, and maintain an authoritative repository to store and index, each Image and associated data, for the purposes of preserving the integrity, confidentiality and accessibility of such Images and associated data;
- (c) ensure that all physical Items are securely retained for the Retention Period, and in accordance with all associated requirements, specified in the APCS Procedures; and
- (d) upon request by the Receiving Institution during the Retention Period, exhibit the Item to the Receiving Institution;
- (e) upon request by the Receiving Institution, produce and deliver, to the Receiving Institution, an Image Hard Copy, together with written certification that the Image and Image Hard Copy were created by or on behalf of the Sending Institution in accordance with the requirements of, and standards specified in, Appendix T;
- (f) ensure that all physical Items are securely destroyed in accordance with requirements specified in the APCS Procedures.



- 3.5 Except in the case of a specific request for exhibition of a physical Item as contemplated by Rule 4.2.3 of Schedule 10 and Rule 1.13(c) of Schedule 11, there shall be no physical exchange of Items between Framework Participants in the Australian Paper Clearing System. Inserted effective 25/5/15
- 3.6 These Procedures constitute an agreement between Framework Participants, within the meaning of section 6 of the *Cheques Act 1986*, to negate the right or entitlement of any particular Framework Participant, to physical possession of an Item arising by operation of section 68 of the *Cheques Act 1986*. Inserted effective 25/5/15

**PART 4 AMENDMENT**

4.1 These Procedures may be varied by the Management Committee in accordance with Regulation 11.2 and Rule 4.2 of these Procedures. Any variation to these Procedures must contain an editorial note setting out the effective date of such variation.

Last amended effective 25/7/08

4.2 Each Framework Participant must notify the Company:

Last amended effective 25/7/08

(a) of any changes to its contact points as specified in Appendix D; or

(b) if at any time it seeks inclusion in, a change to or deletion from the list of Destination BSB Numbers For Encoding Overseas On-demand AUD Drafts Without Pre-indicated Details in Appendix I for the purposes of Appendix I.1.

Each Tier 1A Framework Participant must notify the Company of any change to the details in the lists of Primary Exchange Arrangements Matrix in Appendix N or Contingency Exchange Arrangements Matrix in Appendix O for the purposes of Rule 4.7 in Schedule 11.

The Chief Executive Officer may vary each of Appendix D, Appendix I, Appendix N, Appendix O, and Schedule 8 (Approved Representation Arrangements) in accordance with such notification without the need to obtain the approval of the Management Committee or any other person.

Last amended effective 22/01/09

A variation made by the Chief Executive Officer pursuant to this Rule 4.2 will, upon publication by the Company, be binding on that Framework Participant and each other Framework Participant.

**The next page is S1.1**

**Schedule 1**

Deleted  
effective 25/5/15

**APPROVED EXCHANGE TIMES**

(Schedule 4, Rule 2.2)

**Schedule 1 has been deleted in its entirety**

**The next page is S2.1**

**Schedule 2**

**REPRESENTATION ARRANGEMENTS  
PUBLISHED MINIMUM REQUIREMENTS**

(Regulation 5.6)

Pursuant to Regulation 5.6 of the Regulations, set out below are the minimum requirements to be included in an agreement for a Representation Arrangement ("**Agreement**") entered into after the Commencement Date. Such an Agreement must be consistent with the Regulations and Procedures.

1. Appointment of the Representative to act as the representative of the Appointor.
2. The term of the appointment is to be specified.
3. Grounds for timing and manner of terminating the Agreement.
4. Procedures relating to the processing of Inward Clearings (if any). Last amended effective 20/9/96
5. Procedures relating to processing of Outward Clearings (if any) in accordance with the requirements of Schedule 7. Last amended effective 20/9/96
6. Settlement of the balances due between the Representative and the Appointor. If the Appointor is a Tier 1B Framework Participant, this must comply with Regulations 4.3 and 10.
7. Agreement that to the extent of any inconsistency, the provisions of the Regulations and Procedures prevail over the terms of the Agreement.

**The next page is S3.1**

**Schedule 3**

**COMPLETION OF FLOW CHARTS  
FOR REPRESENTATION ARRANGEMENTS**

(Regulation 5.3(e))

Deleted  
Effective 16/11/15

**Schedule 3 has been deleted in its entirety**

**The next page is S4.1**

## Schedule 4

### PROCEDURAL RULES GOVERNING THE CONDUCT OF CLEARINGS, SETTLEMENTS AND OTHER MATTERS IN REGIONS

(Regulation 11.1)

#### RULE 1 PRELIMINARY

##### Application

1.1 Subject to Rule 3.4, the Procedures contained in this Schedule 4 (except Rule 6.4) relate to all types of for-value clearings. Rules which are asterisked also apply to exchanges of Images of Items which have been presented electronically: *see also Schedule 11 and Rule 1.13*. Last amended effective 25/5/15

Credit Items and For-Value Debit Items, being those Debit Items which contain inadequate data or information to enable them to be electronically presented, or which are otherwise unfit or unsuitable for electronic presentment, within the terms of Schedule 11, are to be manually electronically cleared in accordance with the procedural requirements set out in Schedule 10. Inserted effective 25/5/15

Rule 3.10 covers the retention of records relating to electronic exchanges. Amended effective 25/5/15

Rules 4.1, 4.2, 4.5, 4.6 and 4.7 cover error adjustments arising out of electronic exchanges. Any reference in Rules 4.1 and 4.7 to “Presenting Member” is to be read as a reference to “capturing Institution” (see clause 1.9, Schedule 11). Last amended effective 25/5/15

Rule 5 covers the settlement of all electronic exchanges whether within the terms of Schedule 10 or Schedule 11. Amended effective 25/5/15

1.2 A Tier 1A Framework Participant which does not directly participate in exchanges in a Region under Schedule 10 must in that Region observe the procedural rules which apply to a Tier 1B Framework Participant. Last amended effective 25/5/15

#### RULE 2 ATTENDANCE AT SPECIFIED LOCATIONS [Deleted] Deleted effective 25/5/15

#### RULE 3 EXCHANGES

**Note: From the date of industry implementation of digital cheque clearing (imaging and truncation) procedures, the provisions of this Rule 3 (other than clause 3.5), relating to batch listings and presentation of work, are retained to support industry requirements for representation arrangements only, and should not be construed as an express or implied requirement for continued paper exchanges between Tier 1 Framework Participants.** Inserted effective 25/5/15

##### Delivery Prior to Exchange Times

\*3.1 [deleted] Deleted effective 25/5/15

##### Attendance at Exchanges

\*3.2 [deleted] Deleted effective 25/5/15

**Extension of Time**

\*3.3 [deleted]

Deleted effective 25/5/15

**Independent Exchanges**

\*3.4 [deleted]

Deleted effective 25/5/15

**Unacceptable Items**

3.5 The following must not be included in any exchange:

Last amended effective 20/6/05

- (a) drafts (other than on demand drafts that are drawn on Framework Participants or a non-member Appointor);
- (b) after sight drafts;
- (c) promissory notes;
- (d) payment instruments drawn in a currency other than Australian dollars;
- (e) Items with other vouchers, duplicates or documents attached;
- (f) dishonoured Items;
- (g) card scheme merchant envelopes (for value);
- (h) AUD instruments not payable in Australia;
- (i) photocopies of Items;
- (j) carrier envelopes which do not comply with the specifications set out in Appendix Q; and
- (k) Undomiciled Cheques.

Last amended effective 22/12/95

Last amended effective 17/3/03

Renumbered effective 11/10/06

Renumbered effective 11/10/06

Inserted effective 11/10/06

Inserted effective 11/9/06

**Batch Listings**

3.6 A Framework Participant may deliver as many branch schedules and/or batch listings during each exchange as it thinks fit provided that:

Amended effective 25/5/15

- (a) each branch schedule or batch listing must show:
  - (i) amounts of individual Items;
  - (ii) total amount of Items listed;
  - (iii) date processed; and
  - (iv) the identifying stamp or BSB Number of the Presenting Member;
- (b) each batch of vouchers must be accompanied by a Debit or Credit Batch Header (*as set out in Appendix A10 and A11 respectively*). The Batch Header(s) must bear the total amount of the Items in the batch and must in each case be the first Item in the batch;

Last amended effective 25/5/15

- (c) batches must be limited in size to approximately 200 Items. Debit Items and Credit Items must be exchanged as separate batches and may in no case be intermixed;
- (d) branch schedules and batch listings must be folded so as to show the total and placed at the front of each batch before the Batch Header;
- (e) corrections to branch schedules and batch listings must be made by deleting the incorrect amount and entering the correct amount. Adjustments may not be made to listings by machine addition or subtraction of a balancing amount; and
- (f) the sequence of the actual Items in the batch and on the branch schedule or batch listing must be the same.

Last amended  
Effective 20/10/99

### **Exchange Listings**

3.7 Listings recording totals of all batches included in an exchange must be compiled and presented as follows:

- (a) each listing may record no more than 20 batch totals;
- (b) if there is more than one exchange listing, the batches relative to each exchange listing must be secured together with the relative listing placed at the front;
- (c) the total value of exchange listings must be aggregated to show the total value exchanged; and
- (d) all exchange listings must clearly indicate the financial institution of origin.

### **Presentation of Work**

3.8 Debit Items may be encoded to the extent specified in Rule 3.8(c)(i) and all Credit Items to the extent specified in Rule 3.8(c)(ii).. Suspected Counterfeit Cheques must not be manually entered or over-encoded for electronic presentment. The following rules apply:

Last amended  
effective 25/5/15

- (a) all Items so encoded must maintain established standards in relation to paper quality, document size and encoding quality;
- (b) all work must be presented in a uniform manner with special attention being paid to:
  - (i) adequate securing of Items contained in batches and batches making up exchange listings;
  - (ii) removal of staples and pins;
  - (iii) absence of adhesive duty stamps from the code line area;
  - (iv) legibility of tape listings;
  - (v) removal of attachments;
  - (vi) treatment of mutilated Items in terms of Rules 3.8(e);
  - (vii) ensuring no Items are folded and that all are facing the same way; and



(viii) supporting documentation in terms of Rules 3.6(b) and (d);

Last amended  
effective 4/12/95

*Rule 3.8(c) Confidential*

(d) the responsibilities of the Presenting Member and the Ledger Financial Institution, with regard to encoding, will be as follows:

(i) the Presenting Member must exercise all reasonable care to ensure the accuracy of amount encoding (if applicable), or of entry of the amount shown in the electronic presentment record relating to an Item and of the amount shown in the metadata attached to the Image file relating to an Item;

Amended  
Effective 25/5/15

(ii) Amount Capture located at the time of processing by the Presenting Member must be corrected in accordance with procedures agreed by Framework Participants from time to time; and

Amended  
Effective 25/5/15

(iii) in all cases, the responsibility for posting the correct amount to the relevant customer's account is that of the Ledger Financial Institution;

*Rules 3.8(d)(iv), 3.8(e) and 3.8(f) are Confidential*

### **Comparison of Items**

3.9 [deleted]

Deleted  
Effective 25/5/15

*Rule 3.10 is Confidential*

### **Processing of Exchanged Items**

3.11 As far as practicable all Items exchanged must be processed on the day of receipt.

*Rule 4 (Rules 4.1 to 4.7 inclusive) is Confidential*

---

**RULE 5 SETTLEMENT**

Amended effective  
22/10/12

- 5.1 Except as otherwise provided in these Procedures, every Item exchanged in the APCS must be settled for, in accordance with the Regulations and these Procedures, on the business day following the day of exchange. The Management Committee may from time to time determine those Items in respect of which settlement is to be effected on the same business day as that on which the Items are exchanged and those Items for which settlement is to be deferred.

Subject to Regulation 12.8 and the regulations and procedures or manual governing any other Clearing System, Tier 1 Framework Participants may submit a File Settlement Instruction, for value settlement amounts which relate to payment instructions which are exchanged between Framework Participants but which payment instructions are not Items exchanged in the APCS.

Amended effective  
22/10/12

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

Amended effective  
22/10/12

- 5.2 For purposes of Rule 5.1, electronic exchanges must be conducted by each Tier 1A Framework Participant which is a direct clearer in a Region on every day that Tier 1A Framework Participants are open for business in that particular Region.

Last amended  
effective 25/5/15

If the day following such exchanges is one on which neither Sydney nor Melbourne is open for business, settlement for such exchanges shall be deferred until the next day which is a business day in Sydney or Melbourne or both.

- 5.2A Obligation to Submit File Settlement Instructions

Amended effective  
25/5/15

Each Tier 1A Framework Participant which participates in exchanges conducted under these Procedures, as a Sending Institution, must ensure that on each day that exchange takes place, it submits:

Amended  
Effective 25/5/15

- (a) a File Settlement Instruction for each of its Tier 1A Framework Participant Counterparties to an electronic exchanges conducted under Schedules 10 and 11, including a File Settlement Instructions for any \$0 clearing files exchanged; and
- (b) a File Settlement Instruction for each Tier 1B Framework Participant Counterparty on whose behalf it acts

Amended  
Effective 25/5/15

to RITS via the Low Value Settlement Service, in each case specifying the amount owed to, or by, as the case may be, such Counterparty, calculated by reference to the net value of Debit Items and Credit Items exchanged.

Amended  
Effective 25/5/15

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

All valid File Settlement Instructions submitted by Tier 1A Framework Participants will be held in RITS for multilateral settlement on the settlement date, unless nominated by the Originator for earlier individual settlement or earlier multilateral settlement, if permitted by the rules governing the RITS Low Value Settlement Service.

5.2B Rejection of File Settlement Instruction

Inserted effective  
22/10/12

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

5.2C Obligation to Monitor Accruing Settlement Obligation

Inserted effective  
22/10/12

Each Tier 1 Framework Participant must monitor its accruing settlement obligations in RITS in the period prior to settlement. In the event that a Counterparty disputes any value or amount in a File or in an unsettled File Settlement Instruction submitted the Originator of that instruction, it will promptly notify the Originator and the provisions of clause 5.2E will apply.

5.2D Recalling File Settlement Instructions

Inserted effective  
22/10/12

Subject to the rules governing the RITS Low Value Settlement Service, an Originator may recall any File Settlement Instruction using a File Recall Instruction.

If an Originator submits a File Recall Instruction in respect of a particular File Settlement Instruction, it will promptly notify the relevant LVSS Contact of the Counterparty and advise the reason for recall. The Originator must promptly identify the defect or error in the original File Settlement Instruction, or otherwise address the reason for the recall. The Originator must promptly submit a new File Settlement Instruction via the RITS Low Value Settlement Service if a new instruction is required.

5.2E Disputed Amounts

Inserted effective  
22/10/12

Subject to the rules governing the RITS Low Value Settlement Service, if at any time prior to settlement a Counterparty disputes any value or reference to a number of Files within a File Settlement Instruction submitted by an Originator, it will promptly notify the Originator. The Originator must review the disputed File Settlement Instruction and, if it identifies any error, promptly:

- (a) submit a File Recall Instruction to recall that particular File Settlement Instruction; and
- (b) submit a new File Settlement Instruction, if required.

If, for any reason, the Originator is unable to recall a File Settlement Instruction in respect of which an error is identified, the error is to be rectified after settlement, in accordance with the provisions of Rule 4.1.

This provision applies without prejudice to the right of either party to invoke the dispute resolution procedures available under Part 13 of the Regulations.

5.2F Interest Adjustments

Inserted effective  
22/10/12

Where settlement in respect of any exchange of any Item is, for whatever reason, effected on a day other than the day on which an Item is exchanged for value, the creditor and debtor Tier 1 Framework Participants must make an adjustment of interest between them in respect of that Item calculated at the interest rate (termed the “ESR” by the Reserve Bank of Australia) payable by the Reserve Bank of Australia on overnight credit balances in Exchange Settlement Accounts held with the Reserve Bank of Australia.

Each Framework Participant acknowledges that:

Amended  
Effective 25/5/15

- (a) if a settlement obligation is included in the Nine AM (9am) Settlement, RITS will:
  - (i) calculate the interest on the net position between each Tier 1 Framework Participant for the number of days elapsed between the value date of the exchange and the day of settlement using the ESR applicable to each of those days during that period; and
  - (ii) automatically generate interest adjustment transactions for the settlement of clearing interest obligations between each Tier 1 Framework Participant and its counterparties. These interest adjustment entries will be incorporated into the Nine AM (9am) Settlement for each Tier 1 Framework Participant; and
- (b) if the settlement obligation is not included in the Nine AM (9am) Settlement, an adjustment for interest is to be made between the Originator and the Counterparty by RITS cash transfer, or otherwise as bilaterally agreed.

5.2G RITS will calculate final settlement figures which will include for-value paper exchanges in all Regions national electronic exchanges and adjustments for each Tier 1A Framework Participant which acts as a Representative in respect of Inward Clearings for a Tier 1 Framework Participant in one or more Regions, to take account of that part of the settlement amount due to or by that Tier 1A Framework Participant which is attributable to exchanges conducted by it as representative for that Tier 1 Framework Participant.

Last amended  
effective 22/10/12

RITS will then generate for each Tier 1 Framework Participant a final national settlement figure to be payable to or receivable by that Tier 1 Framework Participant after computing and making adjustments for (on a multilateral net basis) the cross Clearing System national settlement position for that Tier 1 Framework Participant as a consequence of its participation in the Australian Paper Clearing System (CS1) and any other Clearing System operating on a multilateral settlement basis (including but not limited to the High Value Clearing System (CS4) if that system is settling on a multilateral basis in fall back mode because settlements cannot occur in real time as a result of some contingency). The generation by RITS will be deemed to notify that Tier 1 Framework Participant of its final national settlement figure and its final net cross Clearing System settlement figure. On the day of deemed notification the Tier 1 Framework Participant must settle its final net cross Clearing System settlement figure.

Last amended  
effective 22/10/12

Rules 5.3 to 5.14A have been deleted effective 22/10/12

Deleted effective 22/10/12

5.15 The Reserve Bank of Australia will directly apply to the Exchange Settlement Accounts of Tier 1 Framework Participants entries in accordance with the final net bilateral settlement figures provided to the RITS Low Value Settlement Service.

Last amended  
effective 22/10/12

5.16 The telephone and facsimile numbers of the RITS Low Value Settlement Service contacts are listed in Schedule 9. Any Tier 1 Framework Participant which changes the facsimile number or other detail of its own contact point must notify RITS at least one business day in advance, including temporary changes such as control of settlements during a holiday, and will be solely responsible for the consequences of its failure to do so.

Last amended  
effective 22/10/12

- 5.17 All determinations made by the Management Committee and the Australian Committee of the Australian Clearing House in force at the date of adoption of these Procedures in relation to any of the matters subject of these Procedures will remain in force until altered in accordance with these Procedures. Every determination made subsequently to the adoption of these Procedures in relation to any of the matters which are mentioned in those Rules will be promptly notified in writing by the Management Committee to all Tier 1 Framework Participants and take effect on a date nominated by the Management Committee being a date not less than 7 days after such notification is sent off or handed by the said Management Committee to the Framework Participants. Last amended effective 22/10/12
- 5.18 The RITS Low Value Settlement Service must (subject to the following sentence) be used to submit File Settlement Instructions, File Recall Instructions, and to receive responses and advices which the Tier 1 Framework Participants have elected to receive. Tier 1 Framework Participants must establish and maintain contingency arrangements to ensure that File Settlement Instructions and, if necessary, File Recall Instructions can be manually submitted during any event which results in a loss of connectivity to the RITS Low Value Settlement Service. Last amended effective 22/10/12
- In the event that member user access to RITS is unavailable such that RITS Low Value Settlement Service instructions cannot be entered, viewed or managed, then affected Tier 1 Framework Participants must immediately contact the RITS Help Desk by telephone and request assistance, and otherwise comply with the LVSS BCP Arrangements and any applicable requirements set out in Schedule 5.
- As soon as an applicant is advised by the Secretary that its application for APCS Tier 1 membership has been accepted it must contact RITS to arrange testing and implementation of its functional connectivity to the RITS Low Value Settlement Service. Last amended effective 22/10/12
- The specifications for the RITS Low Value Settlement Service can be found on the Company's extranet. Last amended effective 22/10/12

## **RULE 6 OTHER PROCEDURAL REQUIREMENTS**

### **Debit Item Clearings**

- 6.1 [deleted] Deleted Effective 25/5/15

### **Credit Clearings**

- 6.2 In addition to the general procedural requirements contained in the foregoing Rules of this Schedule 4, all Credit Items will as far as practicable include the Ledger Financial Institution's BSB Number in the form of arabic characters (such as, for example, E-13B MICR characters) in the appropriate BSB Number box on the face of the voucher. Amended Effective 25/5/15

### **Discontinuance of Encoding Credit Items**

- 6.3 [deleted] Deleted Effective 25/5/15

### **Exchange of Other Articles**

- 6.4 [deleted] Deleted Effective 25/5/15

**The next page is S5.1**

**Schedule 5**

Last amended  
effective 25/5/15

**PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKES, STOP  
WORK MEETINGS, OTHER INDUSTRIAL ACTION AND PROCESSING  
FAILURES**

(Regulation 11.1)

**RULE 1 PURPOSE AND POLICY**

**Purpose of Schedule 5**

- 1.1 The purpose of this Schedule 5 is to consolidate and record the procedures which Tier 1 Framework Participants have agreed to follow in the event of the occurrence of a Disabling Event. The procedures which follow have been adopted upon the basis that it is, and will continue to be, the foremost aim of Tier 1A Framework Participants to provide normal payment clearing services to the fullest extent possible and for as long a period as possible notwithstanding the occurrence of a Disabling Event.

Last amended  
Effective 20/9/96

**Underlying Policy of Framework Participants**

- 1.2 Each Tier 1A Framework Participant must at all times during the duration of any Disabling Event (whether such Disabling Event affects that Tier 1A Framework Participant or some or all other Tier 1A Framework Participants) use its best endeavours to process all exchanges at the highest level of efficiency which is reasonably possible in the circumstances. That is to say, preferably in a normal way, failing which by way of Quasi-Normal Exchanges, failing which bilaterally, failing which "unofficially".

**LVSS BCP Arrangements**

Inserted effective  
22/10/12

- 1.3 Each Tier 1A Framework Participant must establish, and periodically test, contingency arrangements to ensure that File Settlement Instructions and, if necessary, File Recall Instructions can be manually entered during any loss of connectivity to the RITS Low Value Settlement Service. The industry standard for testing such contingency arrangements is set out in the LVSS BCP Arrangements which may be accessed via a link on the Company's extranet.

**RULE 2 POWERS AND PROCEDURES**

**Powers of Chief Executive Officer**

- 2.0 (a) The Chief Executive Officer may, from time to time and at his or her own discretion, delegate (subject to such conditions or restrictions as he or she thinks fit) any of his or her powers, functions and responsibilities under this Schedule 5 to a suitable employee, consultant or agent of the Company. Any such delegation must be notified in advance to the Management Committee.
- (b) In any such case, the Chief Executive Officer will remain accountable to the Board for the proper discharge and performance of those powers, functions and responsibilities.
- (c) The Chief Executive Officer may remove such a delegate from office at any time.
- (d) Any reference in Schedule 5 (apart from this Rule 2.0) to "the Chief Executive Officer" is to be read as a reference to "the Chief Executive Officer or his or her delegate under Rule 2.0".

Inserted  
Effective 23/11/99

Inserted  
Effective 23/11/99

Inserted  
Effective 23/11/99

Inserted  
Effective 23/11/99

- 2.1 In the event of the occurrence of any Disabling Event or of any development in the course of a Disabling Event for which provision or exhaustive provision is not made by this Schedule 5 or by any contingency plan approved by the Management Committee, the course to be adopted will be a matter for the decision of the Chief Executive Officer. If for any reason it is impossible or impracticable, within the time constraints imposed by the situation, to submit to the Chief Executive Officer any matter upon which, under any Rule of this Schedule 5, the Chief Executive Officer's decision is required and/or to obtain the Chief Executive Officer's decision on that matter, then the matter must be submitted to, and decided upon by, the chairman of the Management Committee.

Last amended  
Effective 23/11/99

In each such case, the Chief Executive Officer or the chairman of the Management Committee, as applicable, is to exercise his or her discretion to determine the matter having regard to the guidelines set out in Appendix K or to any contingency plan approved by the Management Committee (as appropriate).

Last amended  
Effective 23/10/12

### **Committees - Functions and Procedures**

- 2.2 No reference contained in this Schedule 5 to the making of a decision and the giving of a direction by the Chief Executive Officer or the chairman of the Management Committee precludes the submission by the Chief Executive Officer or by the chairman of the Management Committee (as the case may be) of any question to the Management Committee for advice or direction. Any meeting of the Management Committee convened for the purpose of giving such advice or direction may be so convened without the need to give the period of notice specified in Regulation 7.16.

### **Agreed Procedures Following Advice of Disabling Event**

- 2.3 In the event that any Tier 1A Framework Participant experiences a Disabling Event, that Tier 1A Framework Participant must, at the earliest possible time, give such notification as is required under any applicable contingency plan approved by the Management Committee; or in the absence of any such requirement, notify the Chief Executive Officer of that fact and of the reasons for it.
- 2.3A Tier 1B Framework Participant which experiences a Disabling Event must give such notification as is required under any applicable contingency plan approved by the Management Committee, and notify its Tier 1A Representative of the fact, the reasons for it and reach agreement on the arrangements which are to apply as between the Tier 1B Framework Participant and its Representative for exchanges and settlements during the course of the Disabling Event.
- 2.4 Upon receipt by the Chief Executive Officer of any notification made under Rule 2.3 or in accordance with any contingency plan approved by the Management Committee, the Chief Executive Officer will give such notice of the situation as the Chief Executive Officer may consider appropriate in all the circumstances to all members of the Management Committee and to each Tier 1A Framework Participant and if the Chief Executive Officer considers it necessary to do so, the Chief Executive Officer may convene a meeting of the Management Committee.

Last amended  
effective 23/11/98

Last amended  
effective 23/11/98

Last amended  
effective 23/11/98

For the purposes of these Procedures, a meeting of the Management Committee means:

- (a) a meeting of the Management Committee assembled in person on the same day at the same time and place; or



- (b) the members of the Management Committee communicating with each other by any technological means by which they are able simultaneously to hear each other and to participate in discussion notwithstanding that they are not all physically present in the same place,

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

2.4A In the event of a Disabling Event, notwithstanding any other action which might be taken, the Chief Executive Officer may, if he considers it appropriate to do so, invoke the Member Incident Plan, which is available on the Company's extranet, either by written notice to, or verbally notifying, the Management Committee. The Member Incident Plan provides a framework for Management Committee communication and consultation during applicable contingency events. If the Chief Executive Officer invokes the Member Incident Plan, the Management Committee will comply with its requirements.

Inserted effective  
22/10/12

2.5 [deleted]

Deleted  
Effective 25/5/15

2.6 [deleted]

Deleted  
Effective 25/5/15

### **RULE 3 INABILITY TO SETTLE**

3.1 In the event that by reason of the occurrence of a Disabling Event (and for reasons other than those provided for under Part 12 of the Regulations, a Tier 1A Framework Participant is unable to settle for Items exchanged with one or more other Tier 1A Framework Participants, with the consent of the Chief Executive Officer, an agreement may be made between the Framework Participants concerned to defer settlement between them in Regions in which such Framework Participants participate in exchanges. In the event of such an agreement being reached, and for the duration of the term of such agreement, Items will from time to time be exchanged on an "unofficial basis" between the parties to such agreement.

Last amended  
effective 25/5/15

3.2 Except in the case of money market or other large-value transactions (in relation to which Tier 1A Framework Participants may enter into special bilateral arrangements) and subject to Rule 3.3, each Tier 1A Framework Participant must accept for value from its customers Items drawn on itself and on other financial institutions notwithstanding that it may be impossible for it to process such Items.

3.3 In the event that by reason of the occurrence of a Disabling Event a Tier 1 Framework Participant determines that it will no longer be able to accept the Items of any other financial institution or financial institutions over its counters (either in one or more Regions or throughout the Commonwealth of Australia) and/or that it will no longer be able to accept its own Items from other Framework Participants (either in one or more Regions or throughout the Commonwealth of Australia), such Tier 1 Framework Participant must advise the Chief Executive Officer and give to all other Framework Participants advance notice of the date and time upon which such determination is intended to come into effect. Upon the giving of any notice of the kind to which this Rule refers, the Chief Executive Officer must prescribe procedures for the resolution of the situation.

Last amended  
effective 20/9/96

3.4 In the event that by reason of the occurrence of a Disabling Event (and for reasons other than those provided for under Part 12 of the Regulations, one or more Tier 1 Framework Participants is, or apprehends that it may be or become, unable to settle for Items exchanged (whether on a normal or quasi-normal basis) with one or more other Tier 1 Framework Participants in any one or more Regions, the Chief Executive Officer may upon the Chief Executive Officer's own initiative, and must, if so requested by one or more Tier 1A Framework Participants, determine whether, and if so in what Region or Regions normal exchanges or Quasi-Normal Exchanges are to be continued:

Last amended effective 27/09/07

- (a) between all Tier 1A Framework Participants except such, if any, Tier 1 Framework Participants as may expressly agree between themselves that the settlement of exchanges effected between them will not be deferred;
- (b) between the Tier 1A Framework Participant or each of the Tier 1A Framework Participants first referred to in this Rule 3.4 and each other Tier 1A Framework Participant,

Amended Effective 25/5/15

on a basis of deferred settlement.

3.5 If the Chief Executive Officer determines pursuant to Rule 3.4(a) or (b) that all exchanges or particular exchanges are to be continued on a basis of deferred settlement, either throughout the Commonwealth of Australia or in any one or more Regions the Chief Executive Officer must cause notice of such determination to be conveyed by telephone or other convenient means to the chairman of the Management Committee and to each Tier 1 Framework Participant.

3.6 If the Chief Executive Officer determines pursuant to Rule 3.4(a) that exchanges between all Tier 1A Framework Participants are to be continued on a basis of deferred settlement, either throughout the Commonwealth of Australia or in any one or more Regions, such determination will be binding upon all Tier 1 Framework Participants, except to the extent (if any) that any Tier 1 Framework Participants expressly agree between themselves that the settlement of exchanges effected between them will not be deferred.

3.7 If the Chief Executive Officer determines pursuant to Rule 3.4(b) that exchanges between the Tier 1A Framework Participant or each of the Tier 1A Framework Participants firstly referred to in Rule 3.4 and each other Tier 1A Framework Participant are to be continued on a basis of deferred settlement either throughout the Commonwealth of Australia or in any one or more Regions, such resolution will be binding on all Framework Participants.

3.8 In any case where settlement of exchanges has been deferred pursuant to any determination of the kind referred to in Rule 3.4, the adjustment of interest in terms of Rule 5.2F of Schedule 4 must be made so as to include a calculation of interest on the unsettled balances for the additional number of days intervening until settlement is effected.

Amended effective 22/10/12

3.9 In every instance where a Tier 1A Framework Participant has given notice of the kind referred to in Rule 2.3 such Tier 1A Framework Participant must:

- (a) from time to time during the duration of the relevant Disabling Event, keep the Chief Executive Officer fully informed as to the extent to which such Tier 1A Framework Participant is able to participate in operations and in the procedures contemplated by this Schedule 5 as those which Tier 1A Framework Participants have agreed to follow in the event of the occurrence of a Disabling Event;
- (b) promptly notify the Chief Executive Officer upon the termination (howsoever achieved) of the relevant Disabling Event; and

- (c) from time to time following the termination of the relevant Disabling Event, notify the Chief Executive Officer of the processes and activities in which such Tier 1A Framework Participant is able to engage in the course of resuming processing and exchanges to the normal and usual extent.
- 3.10 Upon receipt of any information or notification of the kind referred to in Rule 3.9, the Chief Executive Officer will communicate the terms thereof to the members of the Management Committee and/or to all Tier 1A Framework Participants in such manner and to such extent as the Chief Executive Officer may consider to be appropriate.

**RULE 4 SPECIFIED LOCATION [Deleted]**

Deleted  
Effective 25/5/15

**The next page is S6.1**

**Schedule 6**

Deleted  
Effective 25/5/15

**PROCEDURES FOR EXCHANGE OF OTHER ARTICLES  
AT SPECIFIED LOCATIONS**

(Schedule 4, Rule 6.4)

**Schedule 6 has been deleted in its entirety**

**The next page is S7.1**

**Schedule 7**

**PROCEDURAL RULES GOVERNING OUTWARD CLEARINGS**

1. A Framework Participant which does not directly participate in exchanges in a Region may use one or more Tier 1A Framework Participants which do directly participate in exchanges in that Region to receive Outward Clearings from the first mentioned Framework Participant and to exchange those Outward Clearings in that Region and:

Last amended  
Effective 25/5/15

  - (a) any Outward Clearings of Debit Items received by a Tier 1A Framework Participant which directly participates in exchanges in a Region must be accompanied by a credit contra transaction for an amount equivalent to the total (gross) value of those Debit Items received; and

Amended  
Effective 25/5/15
  - (b) any Outward Clearings of Credit Items received by a Tier 1A Framework Participant which directly participates in exchanges in a Region must be accompanied by a debit contra transaction for an amount equivalent to the total (gross) value of those Credit Items received.
2. The parties to any arrangement for processing Outward Clearings made under Rule 1 must comply with all the timeframes present in these procedures to the extent they apply to Outward Clearings.

Last amended  
Effective 16/11/15
3. [deleted]

Deleted  
Effective 25/5/15
4. [deleted]

Deleted  
Effective 25/5/15
5. Any Tier 1A Framework Participant which effects any Outward Clearings of Debit Items for any other Tier 1 Framework Participant must maintain a continuous record of the values of all such Outward Clearings of Debit Items over such periods as the Management Committee may determine from time to time and must make those records available to the Company on demand.

Last amended  
Effective 20/9/96

**The next page is S8.1**

**Schedule 8**

**APPROVED REPRESENTATION ARRANGEMENTS**

**Schedule 8 is located separately**

**The next page is S9.1**

**Schedule 9**

**CONTACT NUMBERS  
OF THE RESERVE BANK OF AUSTRALIA  
RITS LOW VALUE SETTLEMENT SERVICE**

Last amended  
effective 22/10/12

(Schedule 4, Rule 5.16)

Last amended  
effective 4/12/95

**RITS Low Value Settlement Service**

Last amended  
effective 22/10/12

**Principal**

**Assistant Manager,  
Electronic Distribution Services**

Last amended  
effective 27/09/07

Telephone: (02) 9551 9974

Fax: (02) 9551 8013 (for the NSW Region)  
(02) 9551 8092 (for all Regions other than NSW)

**Secondary**

Last amended  
effective 27/09/07

**Senior Operator,  
Electronic Distribution Services**

Telephone: (02) 9551 9975

Fax: (02) 9551 8016

**Emergency**

**Systems and Technology Department,  
Computer Operations Help Desk**

Telephone: (02) 9551 9487 (primary site) or  
(02) 9853 9487 (backup site)

Last amended  
effective 27/09/07

**The next page is S10.1**

*Schedule 10 is Confidential*

**Confidential**

**Schedule 10**

**OTHER GENERAL AGREEMENTS BETWEEN INSTITUTIONS**

(Previously agreed under the Record of Arrangements Between Banks)

*Confidential*

**The next page is S11.1**

*Schedule 11 (except for the Preamble) is Confidential*



---

**Confidential except for Preamble**

**Schedule 11**

Last amended effective 1/7/98

**PROCEDURES FOR ELECTRONIC PRESENTMENT  
AND ELECTRONIC DISHONOURS**

**PREAMBLE**

**Application**

The procedures in this Schedule 11 are intended to apply for all Framework Participants and must be read with the related technical requirements and specifications set out in Appendices E, F and K as well as Appendices C3, C4, C5, C6, C9, C10, D, G, J, N, O, P, Q, R, S, T and U of these Procedures.

Last amended effective 25/5/15

Electronic exchanges of Debit Items (other than For-Value Debit Items exchanged pursuant to Schedule 10) between Framework Participants are regulated by this Schedule 11 and its related Appendices, in a manner binding on Framework Participants.

Amended Effective 25/5/15

This Schedule sets out the standard procedures Framework Participants are required to implement for electronic presentment and truncation, that is, the electronic clearing of Debit Items based on exchange of particulars and Images. Schedule 11 will also apply to electronic clearing of For-Value Debit Items and Credit Items, and to the dishonour of For-Value Debit Items, except to the extent specified in the Schedule 10, and accordingly references herein to a "Cheque" shall be read as including such Items as the context requires (*see also Interpretation and Definitions set out in this Schedule 11*).

Inserted Effective 25/5/15

Electronic exchanges so regulated will represent the exchange of value.

**General Effect**

Inserted effective 25/5/99

Schedule 11 has the following effect:

- if details of a Cheque (other than an Item to which Rule 2.2.1 of Schedule 10 applies) are transmitted electronically and the Image of the Cheque is electronically transmitted to the drawer's institution\* or its clearing representative\* on the day of deposit (Business Day 1); and
- neither the depositor's institution\* nor its clearing representative has received a response by the end of the following business day (Business Day 2); then
- the depositor's institution can assume the Cheque is paid. If it then makes the Cheque funds available to its depositor on Business Day 3, it will be protected against tardy dishonour.

Last amended effective 25/5/15

Last amended effective 25/5/08

The preceding paragraph has been inserted to clarify the implications of Schedule 11 and its related provisions for Framework Participants' rights and obligations generally in relation to electronic presentment and electronic dishonours. As such, it must be read subject to the specific provisions of the remainder of Schedule 11 and those related provisions.

*\*Note: See Interpretation and Definitions section immediately below.*

**Interpretation and Definitions**

Last amended effective 25/5/15

In this Schedule 11 and Appendices E, F, K, T and U of these Procedures:

**Capturing Institution** means the Institution which is responsible for capturing codeline data and/or Image capture in relation to a particular Item.

Inserted Effective 25/5/15

Schedule 11 - Procedures for Electronic Presentment and Electronic Dishonours

**Confidential except for Preamble**

**Drawee Institution** means the Institution on which a Cheque is drawn.

Last amended effective 25/7/08

**Paying Institution** includes, in the case of an Agency Cheque, the non-drawee Issuer of the Cheque.

Last amended effective 22/01/09

**Receiving Institution** means a Tier 1A Framework Participant which, as a direct clearer in a Region, receives a file as specified in Appendices E, F or T from another direct clearer in that Region.

Amended Effective 25/5/15

**Sending Institution** means a Tier 1A Framework Participant which, as a direct clearer in a Region, sends a file as specified in Appendices E, F or T to another direct clearer in that Region.

Amended Effective 25/5/15

This Schedule 11 refers specifically to Cheques. However in this Schedule 11 (except for Rule 1.1), references to Cheques are to be read as including Australia Post money orders and other Debit Items which the Management Committee at any time determines are acceptable for electronic exchange, including For-Value Debit Items and, as the context requires, Credit Items, exchanged under Schedule 10.

Last amended effective 25/5/15

As a further matter of interpretation, references in the section above entitled “General Effect” to “depositor’s institution” and “drawer’s institution” are to be taken to mean respectively a collecting Institution and a Drawee Institution for the purposes of this Schedule 11, and references to a “clearing representative” are to be taken to mean the direct clearer which is a Sending Institution or Receiving Institution for the purposes of this Schedule 11, as the context requires.

Inserted effective 25/5/99

**Centralised contact point details in Appendix D**

Last amended effective 01/01/12

Each Framework Participant must nominate, in writing, to the Company a contact point for the handling of various operational issues or processes as specified in these Procedures. Details for these contact points are published in the relevant appendix within *Appendix D Centralised Contact Points* in the Procedures. Where it is necessary to amend any of the contact details, Framework Participants must promptly notify the changes to the Company, not less than 5 business days prior to such changes taking effect, clearly identifying the effective date in the notification.

Details for Framework Participants’ *Processing Centre Contact Points* are published in Appendix D1.

Inserted effective 24/1/05

**Agency Cheques and Delegated Authorities to Non-drawee Issuers**

A presentment request for a Debit Item lost prior to electronic presentment, unprocessable Item or rejected technically invalid Item in relation to Agency Cheques may only be directed to a non-drawee Issuer in accordance with Rules 1.7, 2.16 and 6.1 if the non-drawee Issuer is listed in Appendix D4, Appendix D13 and Appendix D14 as having been delegated authority by the Drawee Institution to directly respond to either a presentment request for a Debit Item lost prior to electronic presentment, unprocessable Item or rejected technically invalid Item.

Amended Effective 25/5/15

For a non-drawee Issuer to be listed in Appendix D4, Appendix D13 and Appendix D14 as having delegated authority as an agent of the Drawee Institution to directly respond to either a presentment request for a Debit Item lost prior to electronic presentment, unprocessable Item or rejected technically invalid Item for Agency Cheques which are issued by that non-drawee Issuer, the Drawee Institution in relation to those Agency Cheques must notify the Company in writing that the non-drawee Issuer has been delegated authority to directly respond to either a presentment request for a Debit Item lost prior to electronic presentment, unprocessable Item or rejected technically invalid Item in relation to Agency Cheques drawn on that Drawee Institution.

Amended Effective 25/5/15

A notice under this Preamble must also contain particulars of the facsimile and telephone numbers for the non-drawee Issuer to which presentment requests for either a Debit Item lost prior to electronic presentment, unprocessable Item or rejected technically invalid Item in relation to Agency Cheques issued by that non-drawee Issuer may be directed.

Amended Effective 25/5/15

Schedule 11 - Procedures for Electronic Presentment and Electronic Dishonours

---

**Confidential except for Preamble**

Such non-drawee Issuers are referred to in Rules 1.17; 2.16; and 6.1 as “Delegated Non-drawee Issuers”.

Where a Drawee Institution chooses to delegate authority to a non-drawee Issuer to directly answer either a presentment request for a Debit Item lost prior to electronic presentment, unprocessable Item or rejected technically invalid Item in relation to Agency Cheques, the Drawee Institution remains ultimately responsible for answers given by the non-drawee Issuer pursuant to that delegated authority.

Amended  
Effective 25/5/15

A Drawee Institution which has delegated authority to a non-drawee Issuer and notified the Company of that delegation under this Preamble may withdraw such delegated authority by written notice to the Company. The withdrawal of such delegated authority takes effect upon notice of the withdrawal by the Company to Framework Participants.

Inserted  
effective 22/01/09

*The remainder of Schedule 11 is Confidential*

**The next page is A.1**

*Appendix A is Confidential*