

**PPD (PREARRANGED PAYMENT AND DEPOSIT ENTRY)**

<b>DEFINITION</b>	A PPD Entry is a credit Entry or debit Entry originated by an Organization to a Consumer Account of a Receiver based on a standing or a Single-Entry authorization from the Receiver.	
<b>AUTHORIZATION REQUIREMENTS</b>	<p>The Receiver must be provided with a written authorization that is readily identifiable as an ACH debit authorization and contains clear and readily understandable terms.</p> <p>The Originator must obtain the Receiver's agreement to the terms of the authorization via his signature or electronic signature equivalent.</p>	
<b>VARIABLE DEBIT AUTHORIZATIONS</b>	<p>If the authorization obtained for a recurring PPD debit Entry allows for variable debit amounts and scheduled debit dates, there may be additional notification that is required to be provided to the Receiver.</p> <p><b>Change in Amount:</b> If the amount of a debit Entry to be initiated to a Consumer Account differs from the amount of the immediately preceding debit Entry relating to the same authorization, or differs from a preauthorized amount, an Originator must send the Receiver written notification of the amount of the Entry and the date on or after which the Entry will be debited at least ten calendar days prior to the date on which the Entry is scheduled to be initiated.</p> <p>The Originator is not required to give such notice as described above if (i) the Originator provides, and the Receiver chooses, the option to receive such notice only if the amount of the Entry falls outside a specified range or if the Entry differs from the most recent Entry by more than an agreed upon amount, and (ii) the variation in the amount of the Entry is within the tolerance agreed to by the Receiver.</p> <p><b>Change in Scheduled Debit Date:</b> If an Originator changes the scheduled date on or after which debit Entries are to be initiated to a Receiver's account, the Originator must send the Receiver written notification, at least seven calendar days before the first such Entry, of the new date on or after which Entries are scheduled to be debited to the Receiver's account.</p>	
<b>RETENTION</b>	<p>An Originator must retain the original or a copy of each written authorization of a Receiver, or a readily and accurately reproducible Record evidencing any other form of authorization, for two years from the termination or revocation of the authorization.</p> <p>Upon receipt of an RDFI's written request, the ODFI must provide the original, copy, or other accurate Record of the Receiver's authorization to the RDFI within ten Banking Days without charge.</p>	
<b>SPECIFIC RETURN REASON CODES</b>	<p><b>R07</b> – Authorization Revoked by Customer (60 Calendar Days w/ Required WSUD)</p> <p><b>R10</b> – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account (60 Calendar Days w/ Required WSUD)</p> <p><b>R11</b> - Customer Advises Entry Not in Accordance with the Terms of the Authorization (60 Calendar Days w/ Required WSUD)</p>	<p><b>R08</b> – Payment Stopped (2 Banking Days)</p>

**TEL (TELEPHONE-INITIATED ENTRY)**

<b>DEFINITION</b>	A TEL Entry is a debit Entry to a Consumer Account originated based on an oral authorization provided to the Originator by a Consumer Receiver via the telephone.	
<b>AUTHORIZATION REQUIREMENTS</b>	<p><b>Single-Entry TEL:</b> The Originator must either make an audio recording of the oral authorization or provide the Receiver with written notice confirming the oral authorization prior to the settlement of the Entry.</p> <p>In addition to the requirements of Subsection 2.3.2.3 (Form of Authorization), the following minimum information must be included as part of the authorization of a Single-Entry TEL Entry: (a) the date on or after which the ACH debit to the Receiver's account will occur; (b) the amount of the transaction or a reference to the method of determining the amount of the transaction; (c) the Receiver's name or identity; (d) the account to be debited; (e) a telephone number for Receiver inquiries that is answered during normal business hours; (f) the date of the Receiver's oral authorization; and (g) a statement by the Originator that the authorization obtained from the Receiver is for a Single-Entry ACH debit, a one-time electronic funds transfer, or other similar reference.</p> <p><b>Recurring-Entry TEL:</b> For an authorization relating to recurring TEL Entries, the Originator must comply with the requirements of Regulation E for the authorization of preauthorized transfers, including the requirement to send a copy of the authorization to the Receiver. The Originator must both make an audio recording of the oral authorization and provide the Receiver with a written confirmation of the oral authorization prior to the Settlement Date of the first Entry.</p> <p>In addition to the requirements of Subsection 2.3.2.3 (Form of Authorization), the following minimum information must be included as part of the authorization of a Recurring-Entry TEL: (h) the amount of the recurring transactions, or a reference to the method of determining the amounts of recurring transactions; (i) the timing (including the start date), number, and/or frequency of the electronic fund transfers, or other similar reference, to the Consumer's account; (j) the Receiver's name or identity; (k) the account to be debited; (l) a telephone number for Receiver inquiries that is answered during normal business hours; and (m) the date of the Receiver's oral authorization.</p>	
<b>SPECIAL RULES</b>	<p>TEL Entries may only be initiated when there is an Existing Relationship between the Originator and the Receiver, or when there is no Existing Relationship, but the Receiver initiates the phone call.</p> <p><b>ODFI Warranties:</b> In addition to the other warranties described in the Rules, the ODFI warrants the following:</p> <ul style="list-style-type: none"> <li>• The Originator has established and implemented commercially reasonable procedures to verify the identity of the Receiver.</li> <li>• The Originator has established and implemented commercially reasonable procedures to verify that the routing number used in the TEL Entry is valid.</li> </ul>	
<b>RETENTION</b>	<p><b>Single-Entry TEL:</b> The Originator must retain a reproducible copy of the recording or written confirmation of the authorization for 2 years from the date of the authorization.</p> <p><b>Recurring Entry TEL:</b> The Originator must retain both of the following for 2 years from termination or revocation of the authorization:</p> <ul style="list-style-type: none"> <li>• The original or a duplicate audio recording of the oral authorization.</li> <li>• Evidence that a copy of the authorization was provided to the Receiver.</li> </ul>	
<b>SPECIFIC RETURN REASON CODES</b>	<p><b>R07</b> – Authorization Revoked by Customer (60 Calendar Days w/ Required WSUD)</p> <p><b>R10</b> – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account (60 Calendar Days w/ Required WSUD)</p>	<p><b>R08</b> – Payment Stopped (2 Banking Days)</p>

**CCD (CORPORATE CREDIT OR DEBIT ENTRY)**

<b>DEFINITION</b>	<p>A CCD Entry is originated by an Organization to or from the account of that Organization or another Organization. A CCD Entry may be a credit Entry or a debit Entry, and it may provide payment-related information in one Addenda Record.</p> <p>A CCD Entry may also be a Non-Monetary Entry that carries payment-related information in one Addenda Record.</p>	
<b>AUTHORIZATION REQUIREMENTS</b>	<p>The Receiver must authorize the Originator to send debit or credit Entries to their account. This type of authorization is often accomplished through a Trading Partner Agreement which should contain the authorization requirements and procedures as determined by the two parties.</p> <p>The agreement should also specify the manner in which dispute resolution will be handled.</p>	
<b>SPECIAL RULES</b>	<p>Return time frames for corporate-to-corporate Entries, which include CCD Entries, do not offer the same extended return time frame that consumer Entries do.</p> <p>Unauthorized CCD debit Entries posted to a corporate account must be returned by the RDFI in such a time that the return is made available to the ODFI by the opening of business on the second banking day following the Settlement Date of the Entry.</p> <p>Unauthorized corporate debits may be returned beyond the 2 Banking Day return time frame <b>only</b> with the explicit permission of the ODFI. In these cases, the Entry should be returned using the return reason code R31 – Permissible Return Entry.</p> <p><b>NOTE:</b> If a CCD debit Entry is originated to the account of a Consumer Receiver, the RDFI may return the unauthorized debit Entry for 60 calendar days using the return reason code R05 – Unauthorized Debit to a Consumer Account Using a Corporate SEC Code only after obtaining a signed Written Statement of Unauthorized Debit (WSUD).</p>	
<b>ADDENDA RECORDS</b>	<ul style="list-style-type: none"> <li>Upon the request of a Receiver, an RDFI must provide to the Receiver all information contained within the Payment-Related Information field of an Addenda Record(s) Transmitted with a CCD Entry.</li> <li>For a Health Care EFT Transaction to a Non-Consumer Account, an RDFI must, either automatically or upon the request of a Receiver that is a Health Care Provider, provide or make available all information contained within the Payment-Related Information field of the Added a Record Transmitted with the Health Care EFT Transaction. <ul style="list-style-type: none"> <li>The RDFI must offer or make available to the Health Care Provider an option to receive or access the Payment-Related Information via a secure, electronic means that provides a commercially reasonable level of security that complies with applicable regulatory requirements.</li> </ul> </li> <li>Addenda Records may use American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 transaction sets and data segments to relay payment-related information. The CCD Addenda Record can carry payment-related ANSI ASC X12 data elements or data segments only.</li> </ul>	
<b>SPECIFIC RETURN REASON CODES</b>	<p><b>R05</b> – Unauthorized Debit to a Consumer Account Using a Corporate SEC Code (Return time frame: 60 Calendar Days w/ Required WSUD)</p>	<p><b>R29</b> – Corporate Customer Advises Not Authorized (Return time frame: 2 Banking Days)</p>
	<p><b>R08</b> – Payment Stopped (Return time frame: 2 Banking Days)</p>	<p><b>R31</b> – Permissible Return Entry (Return time frame: Time frame determined by the ODFI and the RDFI)</p>



**CTX (CORPORATE TRADE EXCHANGE ENTRY)**

<b>DEFINITION</b>	<p>A CTX Entry is originated by an Organization to or from the account of that Organization or another Organization. A CTX Entry may be a credit Entry or a debit Entry that provides payment-related information in one or more Addenda Records (up to 9,999 Addenda Records).</p> <p>A CTX Entry may also be a Non-Monetary Entry that carries information related to the payment in one or more Addenda Records (up to 9,999 Addenda Records).</p>	
<b>AUTHORIZATION REQUIREMENTS</b>	<p>The Receiver must authorize the Originator to send debit or credit Entries to their account. This type of authorization is often accomplished through a Trading Partner Agreement which should contain the authorization requirements and procedures as determined by the two parties.</p> <p>The agreement should also specify the manner in which dispute resolution will be handled.</p>	
<b>SPECIAL RULES</b>	<p>Return time frames for corporate-to-corporate Entries, which include CTX Entries, do not offer the same extended return time frame that consumer Entries do.</p> <p>Unauthorized CTX debit Entries posted to a corporate account must be returned by the RDFI in such a time that the return is made available to the ODFI by the opening of business on the second banking day following the Settlement Date of the Entry.</p> <p>Unauthorized corporate debits may be returned beyond the 2 Banking Day return time frame <b>only</b> with the explicit permission of the ODFI. In these cases, the Entry should be returned using the return reason code R31 – Permissible Return Entry.</p> <p><b>Note:</b> If a CTX debit Entry is originated to the account of a Consumer Receiver, the RDFI may return the unauthorized debit Entry for 60 calendar days using the return reason code R05 – Unauthorized Debit to a Consumer Account Using a Corporate SEC Code only after obtaining a signed Written Statement of Unauthorized Debit (WSUD).</p>	
<b>ADDENDA RECORDS</b>	<ul style="list-style-type: none"> <li>• Upon the request of a Receiver, an RDFI must provide to the Receiver all information contained within the Payment-Related Information field of an Addenda Record(s) Transmitted with a CTX Entry.</li> <li>• For a Health Care EFT Transaction to a Non-Consumer Account, an RDFI must, either automatically or upon the request of a Receiver that is a Health Care Provider, provide or make available all information contained within the Payment-Related Information field of the Addenda Record Transmitted with the Health Care EFT Transaction. <ul style="list-style-type: none"> <li>◦ The RDFI must offer or make available to the Health Care Provider an option to receive or access the Payment-Related Information via a secure, electronic means that provides a commercially reasonable level of security that complies with applicable regulatory requirements</li> </ul> </li> <li>• Addenda Records may use American National Standards Institute (ANSI) Accredited   Standards Committee (ASC) X12 transaction sets and data segments to relay payment-related information. CTX Addenda Records can carry a full payment-related ANSI ASC X12 transaction set (i.e., one that contains a BRP or BPS data segment) or payment-related UN/EDIFACT syntax.</li> </ul>	
<b>SPECIFIC RETURN REASON CODES</b>	<p><b>R05</b> – Unauthorized Debit to a Consumer Account Using a Corporate SEC Code (Return time frame: 60 Calendar Days w/ Required WSUD)</p>	<p><b>R29</b> – Corporate Customer Advises Not Authorized (Return time frame: 2 Banking Days)</p>
	<p><b>R08</b> – Payment Stopped (Return time frame: 2 Banking Days)</p>	<p><b>R31</b> – Permissible Return Entry (Return time frame: Time frame determined by the ODFI and the RDF)</p>

**WEB [CREDIT] (INTERNET-INITIATED/MOBILE ENTRY)**

<b>DEFINITION</b>	A credit WEB Entry is a credit Entry initiated by or on behalf of the holder of a Consumer Account that is intended for a Consumer Account of a Receiver, regardless of whether the authorization is communicated via the Internet or Wireless Network.
<b>AUTHORIZATION REQUIREMENTS</b>	If both the Originator and Receiver are natural Persons, no authorization by the Receiver is required, and no warranty with respect to any such authorization is made by the ODFI.
<b>INDEMNITY</b>	An ODFI shall indemnify each RDFI from and against any and all claims, demands, losses, liabilities, and expenses, including attorneys' fees and costs, that result directly or indirectly from the RDFI's accurate communication or display to a Receiver of any information provided within the Payment-Related Information field of an Addenda Record Transmitted by the ODFI with a credit WEB Entry.
<b>SPECIAL RULES</b>	<p>Both RDFIs receiving and ODFIs originating credit WEB Entries have an obligation to provide or make available to each of its consumer Receivers and Originators, respectively, certain information concerning the Entry to the consumer's account.</p> <p><b>RDFIs:</b> An RDFI must provide or make available to each of its Receivers the following information concerning each credit WEB Entry: (a) posting date to Receiver's account; (b) dollar amount of the Entry; (c) Originator name (the name of the consumer Originator is located within the Individual Identification Number field of the Entry Detail Record); (d) company Entry description; (e) account type; (f) account number; (g) amount of any charges assessed against the account for services related to the Entry; and (h) balances in the Receiver's account at the beginning and at the close of the statement period.</p> <p><b>ODFIs:</b> An RDFI must provide or make available to each of its Receivers the following information concerning each debit WEB Entry: (a) the date funds were debited from the Consumer's Account for the purpose of funding the credit WEB Entry; (b) dollar amount of the funds debited; (c) payee name; (d) a description of the payment; (e) account type; (f) account number; (g) amount of any charges assessed against the account for services related to the Entry; (h) balances in the Originator's account at the beginning and at the close of the statement period; and (i) address and telephone number to be used for inquiries or notices of errors preceded by "Direct Inquiries To" or similar language.</p> <p><b>The following subsections of the ACH Rules do not apply to credit WEB Entries:</b></p> <ul style="list-style-type: none"> <li>• Subsection 2.2.2.1 (ODFI Must Enter Origination Agreement with Originator)</li> <li>• Subsection 2.2.3 (ODFI Risk Management), to the extent applicable to Originators</li> </ul>
<b>USE CASE EXAMPLES</b>	<p>WEB is appropriate to use when initiating credit Entries transmitted between consumers or between consumer accounts belonging to the same person, regardless of the way the payment is initiated.</p> <p><b>Example:</b> A consumer's payment instruction to send funds to another consumer is obtained from a consumer over the Internet accessed from a device that uses a wired or Wireless Network, or via in-person instruction at a bank or credit union branch.</p>
<b>NOTIFICATIONS OF CHANGE</b>	<p>When the ODFI receives a Notification of Change in response to a recurring credit WEB Entry, the ODFI must make the changes itself, or provide the P2P provider with the necessary information within two banking days of the Settlement Date of the NOC or corrected NOC.</p> <p>As with any other NOC for recurring entries, the ODFI or the P2P provider must make the changes specified in the NOC or corrected NOC within six banking days of receipt of the NOC information or prior to initiating another entry to the Receiver's account, whichever is later.</p>
<b>SPECIFIC RETURN REASON CODES</b>	<b>R23</b> – Credit Entry Refused by Receiver (RDFI must transmit the Return Entry to the ACH Operator in time for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's receipt of notification of refusal of the Entry from its Receiver.)



**WEB [DEBIT] (INTERNET-INITIATED/MOBILE ENTRY)**

<b>DEFINITION</b>	A debit WEB Entry is a debit Entry to a Consumer Account originated based on (1) an authorization that is communicated, other than by an oral communication, from the Receiver to the Originator via the Internet or a Wireless Network; or (2) any form of authorization if the Receiver's instruction for the initiation of the individual debit Entry is designed by the Originator to be communicated, other than by an oral communication, to the Originator via a Wireless Network.	
<b>AUTHORIZATION REQUIREMENTS</b>	An Originator must satisfy the requirement for authorization of a debit WEB Entry to a Consumer Account of the Receiver by: (1) obtaining written authorization from the Receiver via the Internet or a Wireless Network; or (2) obtaining the Receiver's authorization in any manner permissible under Subsection 2.3.2 (Authorizations and Notices with Respect to Consumer Accounts), and the Receiver's instruction for the initiation of the individual debit Entry is communicated, other than by an oral communication, via a Wireless Network.	
<b>ANNUAL AUDIT REQUIREMENTS</b>	An Originator of debit WEB Entries must conduct, or have conducted on its behalf, an annual audit to ensure that the financial information it obtains from Receivers is protected by security practices and procedures that include, at a minimum, adequate levels of: <ul style="list-style-type: none"> <li>Physical security to protect against theft, tampering, or damage</li> <li>Personnel and access controls to protect against unauthorized access and use</li> <li>Network security to ensure secure capture, storage, and distribution</li> </ul>	
<b>ODFI WARRANTIES</b>	<p>In addition to the other warranties described in the Rules, the ODFI warrants the following:</p> <ul style="list-style-type: none"> <li>The Originator has established and implemented a commercially reasonable fraudulent transaction detection system to screen the debit WEB Entry. *</li> </ul> <div style="border: 1px solid black; padding: 5px;"> <p><b>* Effective 3/19/21:</b> The Originator has established and implemented a commercially reasonable fraudulent transaction detection system to screen the debit WEB Entry. Such a fraudulent transaction detection system must, at a minimum, validate the account to be debited for the first use of such account number, and for any subsequent change(s) to the account number.</p> </div> <ul style="list-style-type: none"> <li>The Originator has established and implemented commercially reasonable methods of authentication to verify the identity of the Receiver of the debit WEB Entry.</li> <li>The Originator has established and implemented commercially reasonable procedures to verify that the routing number used in the debit WEB Entry is valid.</li> </ul>	
<b>RETENTION</b>	<p>An Originator must retain the original or a copy of each authorization of a Receiver, or a readily and accurately reproducible Record evidencing the authorization, for two years from the termination or revocation of the authorization.</p> <p>Upon receipt of an RDFI's written request, the ODFI must provide the original, copy, or other accurate Record of the Receiver's authorization to the RDFI within ten Banking Days without charge.</p>	
<b>USE CASE EXAMPLES</b>	<p><b>Example:</b> A consumer's authorization for a debit Entry is obtained over the Internet accessed from a device that uses a wired or Wireless Network.</p> <p>WEB is appropriate if the consumer Receiver's instructions for initiation of the debit entry are communicated to the Originator via a Wireless Network, even if the authorization has been given in some other manner.</p> <p><b>Example:</b> An authorization was obtained from the Receiver in-person, but the Receiver sends a text message to communicate when to initiate the debit Entry.</p>	
<b>SPECIFIC RETURN REASON CODES</b>	<p><b>R07</b> – Authorization Revoked by Customer (60 Calendar Days w/ Required WSUD)</p> <p><b>R10</b> – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account (60 Calendar Days w/ Required WSUD)</p>	<p><b>R08</b> – Payment Stopped (2 Banking Days)</p>

**ARC (ACCOUNTS RECEIVABLE ENTRY)**

<b>DEFINITION</b>	An ARC Entry is a Single-Entry debit originated based on an Eligible Source Document provided to an Originator by a Receiver (1) via U.S. mail or delivery service, (2) at a dropbox location, or (3) in-person for payment of a bill at a manned location.	
<b>AUTHORIZATION REQUIREMENTS</b>	<p>The Originator must provide a conspicuous notice to the Receiver that includes the following, or substantially similar, language prior to the receipt of each Eligible Source Document that is used to initiate an ARC Entry (as required by Regulation E):</p> <p style="text-align: center;"><i>"When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction."</i></p> <p>If the Source Document is provided in-person at a manned location, the Originator must provide a copy of the notice, or language that is substantially similar, to the Receiver.</p>	
<b>ELIGIBLE SOURCE DOCUMENTS</b>	<p><b>Checks meeting the following criteria qualify as an Eligible Source Document:</b></p> <ul style="list-style-type: none"> <li>• Contains a pre-printed check serial number</li> <li>• In an amount of \$25,000.00 or less</li> <li>• Completed and signed by the Receiver</li> <li>• The routing number, account number, and check serial number are encoded in MICR ink</li> </ul>	
<b>INELIGIBLE SOURCE DOCUMENTS</b>	<p><b>Checks meeting any of the following criteria are considered Ineligible Source Documents:</b></p> <ul style="list-style-type: none"> <li>• Contains an Auxiliary On-Us field in the MICR line</li> <li>• Payable to a Person other than the Originator</li> <li>• Does not contain the signature of the Receiver</li> <li>• Accesses a credit card account, Home Equity Line, or other form of credit</li> <li>• Drawn on an investment company (as defined in the Investment Company Act of 1940)</li> <li>• Obligation of a financial institution (e.g. Official Check, Cashier's Check, Traveler's Check, or Money Order)</li> <li>• Drawn on the Treasury of the U.S., a Federal Reserve Bank, or a Federal Home Loan Bank</li> <li>• Drawn on a state or local government that is not payable through or at a participating Depository Financial Institution</li> <li>• Payable in a medium other than United States Currency</li> </ul>	
<b>SPECIAL RULES</b>	<p><b>The following special rules/requirements apply:</b></p> <ul style="list-style-type: none"> <li>• The Originator must use a reading device to capture the Receiver's routing number, account number, and Check Serial Number from the MICR line</li> <li>• The Originator may key-enter such information only to correct errors resulting from MICR misreads, mis-encoding, or processing rejects</li> </ul> <p>Additionally, the ODFI makes the following warranties: (a) The amount of the ARC Entry, the routing number, the account number, and the Check Serial Number accurately represent the information on the Eligible Source Document; (b) The Eligible Source Document will not be presented for payment.</p>	
<b>RETENTION</b>	<ul style="list-style-type: none"> <li>• The Originator must retain a reproducible and legible copy of the front of the Eligible Source Document used to initiate each ARC Entry for two years from the Settlement Date.</li> <li>• Upon receipt of a request from an RDFI for a copy of the Eligible Source Document, the ODFI must provide a copy of the front of the check, clearly marked as a "copy."</li> </ul>	
<b>SPECIFIC RETURN REASON CODES</b>	<b>R08</b> – Payment Stopped (2 Banking Days)	<b>R37</b> – Source Document Presented for Payment (60 Calendar Days w/ Required WSUD)
	<b>R38</b> – Stop Payment on Source Document (60 Calendar Days w/ Required WSUD)	<b>R39</b> – Improper Source Document/Source Document Presented for Payment (2 Banking Days)
	<b>R10</b> – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account (60 Calendar Days w/ Required WSUD)	



**BOC (BACK OFFICE CONVERSION ENTRY)**

DEFINITION	A BOC Entry is a Single-Entry debit originated based on an Eligible Source Document provided to an Originator by a Receiver at the point-of-purchase or manned bill payment location for subsequent conversion during back-office processing.	
AUTHORIZATION REQUIREMENTS	The Originator must provide a conspicuous notice to the Receiver that includes the following, or substantially similar, language prior to the receipt of each Eligible Source Document that is used to initiate an BOC Entry (as required by Regulation E):  "When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please call <retailer phone number>."  The Originator must post the notice in a prominent and conspicuous location and must provide a copy of such notice, or language that is substantially similar, to the Receiver at the time of the transaction.	
ELIGIBLE SOURCE DOCUMENTS	<b>Checks provided by the Receiver at the point of purchase or manned bill payment location and meeting the following criteria qualify as an Eligible Source Document:</b> <ul style="list-style-type: none"><li>• Contains a pre-printed check serial number</li><li>• In an amount of \$25,000.00 or less</li><li>• Completed and signed by the Receiver</li><li>• The routing number, account number, and check serial number are encoded in MICR ink</li></ul>	
INELIGIBLE SOURCE DOCUMENTS	<b>Checks meeting any of the following criteria are considered Ineligible Source Documents:</b> <ul style="list-style-type: none"><li>• Contains an Auxiliary On-Us field in the MICR line</li><li>• Payable to a Person other than the Originator</li><li>• Does not contain the signature of the Receiver</li><li>• Accesses a credit card account, Home Equity Line, or other form of credit</li><li>• Drawn on an investment company (as defined in the Investment Company Act of 1940)</li><li>• Obligation of a financial institution (e.g. Official Check, Cashier's Check, Traveler's Check, or Money Order</li><li>• Drawn on the Treasury of the U.S., a Federal Reserve Bank, or a Federal Home Loan Bank</li><li>• Drawn on a state or local government that is not payable through or at a participating Depository Financial Institution</li><li>• Payable in a medium other than United States Currency</li></ul>	
SPECIAL RULES	<b>The following special rules/requirements apply:</b> <ul style="list-style-type: none"><li>• The Originator must use a reading device to capture the Receiver's routing number, account number, and Check Serial Number from the MICR lin</li><li>• The Originator may key-enter such information only to correct errors resulting from MICR misreads, mis-encoding, or processing rejects</li></ul>	
RETENTION	The Originator must retain a reproducible and legible copy of the front of the Eligible Source Document used to initiate each BOC Entry for two years from the Settlement Date. Upon receipt of a request from an RDFI for a copy of the Eligible Source Document, the ODFI must provide a copy of the front of the check, clearly marked as a "copy."	
SPECIFIC RETURN REASON CODES	<b>R08</b> – Payment Stopped (2 Banking Days)	<b>R37</b> – Source Document Presented for Payment (60 Calendar Days w/ Required WSUD)
	<b>R38</b> – Stop Payment on Source Document (60 Calendar Days w/ Required WSUD)	<b>R39</b> – Improper Source Document/Source Document Presented for Payment (2 Banking Days)
	<b>R10</b> – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account (60 Calendar Days w/ Required WSUD)	



**POP (POINT-OF-PURCHASE ENTRY)**

<b>DEFINITION</b>	A POP Entry is a Single-Entry debit originated based on an Eligible Source Document provided to an Originator by a Receiver at the point-of-purchase or manned bill payment location for conversion at the point-of-purchase or manned bill payment location.	
<b>AUTHORIZATION REQUIREMENTS</b>	The Originator must provide a conspicuous notice to the Receiver that includes the following, or substantially similar, language prior to the receipt of each Eligible Source Document that is used to initiate each POP Entry (as required by Regulation E):  "When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction." The Originator must post the notice in a prominent and conspicuous location and a copy of such notice, or language that is substantially similar, must be provided to the Receiver at the time of the transaction.	
<b>ELIGIBLE SOURCE DOCUMENTS</b>	<b>Checks meeting the following criteria qualify as an Eligible Source Document:</b> <ul style="list-style-type: none"> <li>Contains a pre-printed check serial number</li> <li>In an amount of \$25,000.00 or less</li> <li>The routing number, account number, and check serial number are encoded in MICR ink</li> </ul>	
<b>INELIGIBLE SOURCE DOCUMENTS</b>	<b>Checks meeting any of the following criteria are considered Ineligible Source Documents:</b> <ul style="list-style-type: none"> <li>Contains an Auxiliary On-Us field in the MICR line</li> <li>Payable to a Person other than the Originator</li> <li>Accesses a credit card account, Home Equity Line, or other form of credit</li> <li>Drawn on an investment company (as defined in the Investment Company Act of 1940)</li> <li>Obligation of a financial institution (e.g. Official Check, Cashier's Check, Traveler's Check, or Money Order)</li> <li>Drawn on the Treasury of the U.S., a Federal Reserve Bank, or a Federal Home Loan Bank</li> <li>Drawn on a state or local government that is not payable through or at a participating Depository Financial Institution</li> <li>Payable in a medium other than United States Currency</li> <li>The source document is not a paper draft</li> </ul>	
<b>SPECIAL RULES</b>	<b>The following special rules/requirements apply:</b> <ul style="list-style-type: none"> <li>The Originator must use a reading device to capture the Receiver's routing number, account number, and Check Serial Number from the MICR line</li> <li>The Originator may key-enter such information only to correct errors resulting from MICR misreads, mis-encoding, or processing rejects</li> <li>An Originator must void the Eligible Source Document at the time of the transaction and return it to the Receiver.</li> </ul> <p>The Originator must provide the Receiver a receipt containing the following information with respect to each POP Entry to the Receiver's account: (i) Originator name (merchant); (ii) company (merchant)/Third-Party Service Provider telephone number; (iii) date of transaction; (iv) transaction amount; (v) Check Serial Number of the Eligible Source Document; (vi) merchant number (or other unique number that identifies the location of the transaction); (vii) terminal city, as that term is defined in Regulation E; and (viii) terminal state, as that term is defined in Regulation E.</p> <p>Additionally, the ODFI warrants the following: (a) The Originator voided the Eligible Source-Documents used to initiate such POP Entry and returned it to the Receiver at the time of the transaction and (b) the Eligible Source Document used to initiate the POP Entry has not been provided by the Receiver for use in initiating any prior POP Entry.</p>	
<b>SPECIFIC RETURN REASON CODES</b>	<b>R08</b> – Payment Stopped (2 Banking Days)  <b>R39</b> – Improper Source Document/Source Document Presented for Payment (2 Banking Days)  <b>R10</b> – Customer Advises Originator is Not Known to Receiver and/or Originator is Not Authorized by Receiver to Debit Receiver's Account (60 Calendar Days w/ Required WSUD)	<b>R37</b> – Source Document Presented for Payment (60 Calendar Days w/ Required WSUD)

**POS (POINT-OF-SALE ENTRY)**

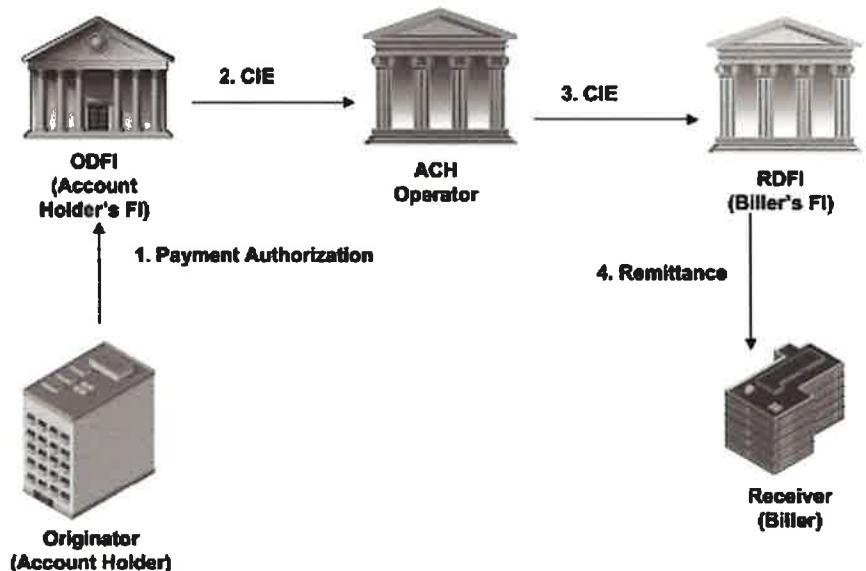
<b>DEFINITION</b>	<p>A POS Entry is a debit Entry initiated at an "electronic terminal," as that term is defined in Regulation E, to a Consumer Account of the Receiver to pay an obligation incurred in a point-of-sale transaction, or to effect a point-of-sale terminal cash withdrawal.</p> <p>A POS Entry may also be an adjusting or other credit Entry related to such debit Entry, transfer of funds, or obligation.</p>
<b>OTHER DEFINITIONS</b>	<p><b>ACH Card:</b> A card or other means of access to a Consumer Account held by a Depository Financial Institution that is issued by an entity other than the Depository Financial Institution or a party that has contracted directly with the Depository Financial Institution to issue such cards or other means of access, and can be used at the point-of-sale to initiate POS Entries.</p> <p><b>Electronic Terminal:</b> As defined by Regulation E, an Electronic Terminal means an electronic device, other than a telephone operated by a consumer, through which a consumer may initiate an electronic fund transfer. The term includes, but is not limited to, point-of-sale terminals, automated teller machines (ATMs), and cash dispensing machines.</p>
<b>AUTHORIZATION REQUIREMENTS</b>	<p>The Receiver must be provided with a written authorization that is readily identifiable as an ACH debit authorization and contains clear and readily understandable terms.</p> <p>The Originator must obtain the Receiver's agreement to the terms of the authorization via his signature or electronic signature equivalent.</p>
<b>REQUIRED DISCLOSURES</b>	<p>Originators or Third-Party Service Providers that issue ACH Cards or other means of access used to initiate POS Entries must make the following disclosures in written or electronic retainable form to a consumer prior to activation:</p> <ul style="list-style-type: none"> <li>• The ACH Card is not issued by the consumer's Depository Financial Institution.</li> <li>• POS Entries made with the ACH Card that exceed the balance in the consumer's linked Financial Institution account may result in overdrafts and associated fees, regardless of whether the consumer has opted to allow overdrafts with respect to debit cards issued by the Depository Financial Institution that holds the consumer's account.</li> <li>• Benefits and protections for transactions made using the ACH Card may vary from those available through debit cards issued by the consumer's Depository Financial Institution.</li> </ul>
<b>PIN SECURITY</b>	<p>An ODFI and any Originator and Third-Party Sender must comply with the American National Standards Institute's (ANSI) Accredited Standards Committee (ASC) X9.8 concerning PIN Management and Security with respect to the handling of any personal identification number (PIN) in connection with the authorization of a POS Entry.</p> <p><b>ODFI Warranty:</b> If a personal identification number (PIN) is required in connection with the authorization for an POS Entry, an ODFI warrants that the Originator has complied with the American National Standards Institute's (ANSI) Accredited Standards Committee (ASC) X9.8 concerning PIN Management and Security.</p> <p>This provision does not apply if a card issued by the ODFI or Originator of the Entry is used in connection with the authorization for these Entries.</p>
<b>ERROR RESOLUTION</b>	<p>When a service provider issues an access device to a consumer for initiating transfers to or from the consumer's account at a financial institution and the two entities have no agreement regarding this EFT service, then § 1005.14 of 12 CFR Part 1005 (Regulation E) applies</p> <p>Refer to § 1005.14 of 12 CFR Part 1005 for official interpretation from the Consumer Financial Protection Bureau (CFPB) regarding the obligations of the account-holding institution.</p> <p>The Nacha Operating Rules do not disqualify or prohibit the use of standard consumer unauthorized return reason codes, such as R07, R10, or, R11 for the return of POS Entries.</p>



**RCK (RE-PRESENTED CHECK ENTRY)**

<b>DEFINITION</b>	<p>An RCK Entry is a debit Entry used to collect the amount of an Eligible Check returned for insufficient or uncollected funds.</p> <p>An RCK Entry is deemed to be a presentment notice for purposes of Revised Article 4 of the Uniform Commercial Code (1990 Official Text), receipt of the RCK Entry constitutes presentment of the item pursuant to Article 4-110, and return of the RCK Entry constitutes notice of dishonor or non-payment pursuant to Article 4-301. The provisions of the Rules that are applicable to RCK Entries are intended to constitute a modification of Regulation CC by agreement as provided at 12 CFR Part 229.37 of Federal Reserve Regulation CC.</p>	
<b>AUTHORIZATION REQUIREMENTS</b>	<p>The Originator must provide a conspicuous notice to the Receiver that has clear and readily understandable terms for initiating RCK Entries in advance of receiving the item to which the RCK Entry relates.</p>	
<b>ELIGIBLE ITEMS</b>	<p>Checks meeting the following criteria qualify as an Eligible Item:</p> <ul style="list-style-type: none"> <li>• Contains a pre-printed check serial number</li> <li>• In an amount less than \$2,500.00</li> <li>• Completed and signed by the Receiver</li> <li>• The routing number, account number, and check serial number are encoded in MICR ink</li> <li>• Is an item within the meaning of Revised Article 4 of the Uniform Commercial Code</li> <li>• Is a negotiable demand draft drawn on or payable through or at a Participating DFI, other than a Federal Reserve Bank or Federal Home Loan Bank</li> <li>• Indicates on the face of the document that the item was returned due to "Not Sufficient Funds," "NSF," "Uncollected Funds," or comparable language</li> <li>• Is dated 180 days or less from the date the RCK Entry is Transmitted to the RDFI</li> <li>• Is drawn on a Consumer Account</li> <li>• Has been previously presented</li> <li>• Has not been processed more than 2 times through the check collection system, if the Entry is the initial RCK; or, has not been processed more than 1 time through the check collection system if the Entry is a reinitiated RCK Entry</li> </ul>	
<b>INELIGIBLE ITEMS</b>	<p>Checks meeting the following criteria are considered Ineligible Items: (a) noncash items (as defined in Section 229.2(u) of Regulation CC); (b) drafts drawn on the Treasury of the United States, a Federal Reserve Bank, or a Federal Home Loan Bank; (c) drafts drawn on a state or local government that are not payable through or at a Participating DFI; (d) United States Postal Service money orders; (e) items payable in a medium other than United States currency; (f) items payable to a person other than the Originator; and (g) drafts that do not contain the original signature of the Receiver, including remotely created checks, as defined by Regulation CC.</p>	
<b>SPECIAL RULES</b>	<p>The Company Entry Description field of an RCK Entry must contain REDEPCHECK.</p> <p>The ODFI makes several warranties regarding RCK Entries including, but not limited to: The ODFI has good title or is entitled to enforce the item to which the RCK Entry relates or is authorized to obtain payment or acceptance on behalf of one who has good title or is entitled to enforce the item. All signatures on the item to which the RCK Entry relates are authentic and authorized. The item to which the RCK Entry relates has not been altered.</p> <p>For a comprehensive list, refer to Subsection 2.5.13.7 Additional ODFI Warranties for RCK Entries.</p>	
<b>RETENTION</b>	<p>An Originator must retain a copy of the front and back of the item to which the RCK Entry relates for seven years from the Settlement Date of the RCK Entry.</p>	
<b>SPECIFIC RETURN REASON CODES</b>	<p><b>R50</b> – State Law Affecting RCK Acceptance (2 Banking Days)</p> <p><b>R52</b> – Stop Payment on Item Related to RCK Entry (60 Calendar Days w/ Required WSUD)</p>	<p><b>R51</b> – Item Related to RCK Entry is Ineligible or RCK Entry is Improper (60 Calendar Days w/ Required WSUD)</p> <p><b>R53</b> – Item and RCK Entry Presented for Payment (60 Calendar Days w/ Required WSUD)</p>

**CIE (CUSTOMER-INITIATED ENTRY)**

<p><b>DEFINITION</b></p>	<p>A CIE Entry is a credit Entry initiated by or on behalf of the holder of a Consumer Account to the Non-Consumer Account of a Receiver.</p> <p>CIE Entries are generally originated based on a Consumer's action within a financial institution or Third-Party Service Provider's online bill payment system where the Consumer provides instruction to pay a merchant (the Receiver) for a bill.</p>
<p><b>SPECIAL RULES</b></p>	<p>The following subsections of the Rules <b>do not</b> apply to CIE Entries:</p> <ul style="list-style-type: none"> <li>• (a) Subsection 2.2.2.1 (ODFI Must Enter Origination Agreement with Originator)</li> <li>• (b) Subsection 2.2.3 (ODFI Risk Management)</li> </ul>
<p><b>STATEMENT REQUIREMENTS</b></p>	<p><b>An ODFI must provide or make available to the Originator the following information with respect to the Consumer Account of the Originator of a CIE Entry:</b></p> <ul style="list-style-type: none"> <li>• (a) the date funds were debited from the Consumer's Account for the purpose of funding the CIE Entry</li> <li>• (b) dollar amount of the funds debited</li> <li>• (c) payee name</li> <li>• (d) a description of the payment</li> <li>• (e) account type</li> <li>• (f) account number</li> <li>• (g) amount of any charges assessed against the account for services related to the Entry</li> <li>• (h) balances in the Originator's account at the beginning and at the close of the statement period</li> <li>• (i) address and telephone number to be used for inquiries or notices of errors preceded by "Direct Inquiries To" or similar language</li> </ul>
<p><b>ADDENDA RECORDS</b></p>	<p>CIE Entries may be accompanied by one Addenda Record.</p> <p>Any payment-related ANSI ASC X12 data segment may be included within the Payment-Related Information field of the CIE Addenda Record. This enables billers and Bill Payment Service Providers to transmit specific information related to the payment that assists them when processing CIE entries, such as consumer name or address.</p> <p>The specific ANSI ASC X12 data segments that are included within this field are decided upon by agreement between the Bill Payment Service Provider and the biller. Information transmitted between the bill payment service provider and biller may, for example, include a name, account number with the biller, additional address information, etc.</p>
<p><b>TRANSACTION FLOW MODEL</b></p> <p>In the model illustrated here, the financial institution operates its own bill payment system and acts as the ODFI to originate the ACH payments submitted by the Consumer Originator.</p> <p>In many instances, however, there may be a Third-Party Service Provider that originates Entries on behalf of the financial institution. The transaction flow may vary based on the set up used by each individual financial institution.</p>	 <pre> graph TD     Originator[Originator (Account Holder)] -- "1. Payment Authorization" --&gt; ODFI[ODFI (Account Holder's FI)]     ODFI -- "2. CIE" --&gt; ACH[ACH Operator]     ACH -- "3. CIE" --&gt; RDFI[RDFI (Biller's FI)]     RDFI -- "4. Remittance" --&gt; Receiver[Receiver (Biller)]     </pre> <p>The diagram illustrates the transaction flow for a CIE entry. It starts with the <b>Originator (Account Holder)</b> providing <b>1. Payment Authorization</b> to the <b>ODFI (Account Holder's FI)</b>. The ODFI then sends <b>2. CIE</b> to the <b>ACH Operator</b>, who sends <b>3. CIE</b> to the <b>RDFI (Biller's FI)</b>. Finally, the RDFI provides <b>4. Remittance</b> to the <b>Receiver (Biller)</b>.</p>



**IAT (INTERNATIONAL ACH TRANSACTION) [PAGE 1 OF 3]**

<b>DEFINITION</b>	An IAT Entry is an Inbound or Outbound debit or credit Entry that is part of a payment transaction involving a Financial Agency's office that is not located in the territorial jurisdiction of the United States.
<b>AUTHORIZATION REQUIREMENTS</b>	<p>An Originator must obtain authorization from the Receiver to originate one or more Entries to the Receiver's account.</p> <p>The form and content of the foreign Receiver's authorization, including whether such authorization may be oral, electronic, or written, is governed by the laws and payment system rules of the receiving country.</p> <p>For an Outbound credit IAT Entry for which both the Originator and foreign Receiver are natural Persons, no authorization is required by these Rules.</p>
<b>SAME DAY RESTRICTION</b>	An IAT Entry cannot be a Same Day Entry
<b>DEFINITIONS RELATED TO IAT ENTRIES</b>	<p><b>Payment Transaction:</b> (a) An instruction of a sender to a financial institution to pay, or to obtain payment of, or to cause another bank to pay or to obtain payment of, a fixed or determinate amount of money that is to be paid to, or obtained from, a Receiver, and (b) Any and all settlements, accounting entries, or disbursements that are necessary or appropriate to carry out the instruction.</p> <p><b>Financial Agency:</b> An entity that is authorized by applicable Legal Requirements to accept deposits or to conduct the business of issuing money orders or transferring funds.</p> <p><b>Financial Agency's Office:</b> An office of a financial agency is involved in the payment transaction if one or more of the following conditions are met: (a) Holds an account that is credited or debited as part of a payment transaction; or (b) Receives funds directly from a person or makes payment directly to a person as part of a payment transaction; or (c) Serves as an intermediary in the settlement of any part of a payment transaction.</p> <p><b>Gateway:</b> An ACH Operator or a Participating DFI that acts as an entry point to or exit point from the United States for ACH payment transactions. Also known as a "Gateway Operator" or "GO."</p> <p><b>Foreign Gateway:</b> An entity that performs, outside of the United States, functions substantially similar to those of a Gateway by acting as an entry point to or exit point from a country other than the United States for payment transactions. Also known as a "Foreign Gateway Operator" or "FGO."</p>
<b>IAT FUNDS AVAILABILITY</b>	<p>Standard funds availability requirements as described in 'Section 3.3 - Timing Requirements for RDFI to Make Credit and Debit Entries Available' apply to inbound IAT Entries.</p> <p><b>Note:</b> Financial Institutions should be mindful of Effect of Illegality (Subsection 1.2.1), which states "Nothing in these Rules requires a Participating DFI to debit or credit an account or to transfer funds or take other action required by the Rules if the Participating DFI reasonably believes that taking such action in connection with a specific Entry would violate applicable U.S. Legal Requirements, including the obligations of the Participating DFI under programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN)."</p>
<b>ODFI ORIGINATOR AGREEMENTS</b>	In addition to the requirements set forth in Subsection 2.2.2 (ODFI Agreement with Originator, Third-Party Sender, or Sending Point), an Origination Agreement between an ODFI and an Originator or Third-Party Sender for IAT Entries must specify the following: (a) the terms and conditions for the allocation of gains, losses, and the assumption of risk for foreign exchange conversion; and (b) the rights and responsibilities of the ODFI in the event of an Erroneous Entry.

**IAT (INTERNATIONAL ACH TRANSACTION) [PAGE 2 OF 3]**

<p><b>ODFI WARRANTIES</b></p>	<p>In addition to the other warranties outlined in the ACH Rules, an ODFI initiating an Outbound IAT Entry warrants the following to each RDFI, ACH Operator, and Gateway:</p> <ul style="list-style-type: none"> <li>• (a) Compliance with U.S. Legal Requirements. The Originator and ODFI are in compliance with U.S. Legal Requirements with respect to the IAT Entry, including their obligations under programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN).</li> <li>• (b) Compliance with Foreign Laws or Payment System Rules Regarding Authorization. If the laws or payment system rules of the receiving country require authorization with respect to an IAT Entry, the ODFI warrants that the authorization of the IAT Entry complies with the laws and payment system rules of the receiving country.</li> </ul>
<p><b>OFAC COMPLIANCE OBLIGATIONS</b></p> <p><b>RDFI, ODFI, AND GATEWAY</b></p>	<p>It's important to note that neither an RDFI nor an ODFI can "contract away" their liability for OFAC compliance if partnering with a Third-Party Service Provider for OFAC screening. When conducting OFAC screening, all 7 mandatory Addenda Records and any additional Addenda Records (up to 5 additional Addenda Records, for a total of 12 Addenda Records) should be reviewed and screened for OFAC compliance.</p> <p><b>RDFIs:</b> All United States RDFIs have an obligation to ensure that all aspects of inbound, cross-border transactions are compliant with OFAC regulations and to take appropriate steps to investigate, suspend, reject, block, and report on transactions as necessary.</p> <p><b>ODFIs:</b> All United States ODFIs are responsible for ensuring that all parties to the transactions, as well as the underlying purpose of the transactions, are not in violation of OFAC regulations, and need to take appropriate steps to investigate, suspend, reject, block, and report on transactions.</p> <p><b>Gateway:</b> A Gateway for inbound IAT Entries is responsible for reviewing all inbound IAT debits for OFAC compliance, including all parties to the transaction and all remittance data. A Gateway should populate the OFAC Screening Indicator for clean transactions with a "0" and investigate suspect transactions. In the event of a confirmed OFAC hit, the Gateway is responsible for the following:</p> <ol style="list-style-type: none"> <li>1. Cease processing of the Entry</li> <li>2. Notify the Foreign Gateway that the debit Entry has been rejected and is in violation of United States law</li> <li>3. Notify OFAC within 10 days</li> <li>4. Notify the RDFI that the transaction destined for one of its customers has been rejected, and provide the RDFI with a copy of the transaction details.</li> </ol>
<p><b>TRANSACTION TYPE CODE</b></p>	<p>The Transaction Type Code field is a required, three-position field that appears in the first Addenda Record and is used to identify the reason for payment for certain IAT entries. The Transaction Type Code field for an IAT Entry also includes the use of a secondary SEC Code for certain inbound IAT Entries to indicate the use of an underlying ACH application by an entity outside the territorial jurisdiction of the United States. These entries need to be identified by using both the IAT and the secondary SEC Code to identify the underlying ACH application and requirements.</p>
<p><b>HANDLING UNLAWFUL TRANSACTIONS</b></p>	<p><b>RDFIs</b> receiving Entries found to be in violation of OFAC sanctions should take prompt action.</p> <ul style="list-style-type: none"> <li>• <b>Inbound Credits:</b> The transaction should be blocked and placed into an interest-bearing account, and OFAC should be notified at (800) 540-6322 so they can provide further guidance.</li> <li>• <b>Inbound Debits:</b> The debit should be returned using return reason code R16 and OFAC should be notified at (800) 540-6322 so they can provide further guidance.</li> </ul> <p><b>ODFIs</b> processing outbound IAT Entries that discover an Entry is in violation of OFAC sanctions should take prompt action. The ODFI should immediately cease processing the Entry and OFAC should be notified at (800) 540-6322 so they can provide further guidance. Information on the obligations of a <b>Gateway</b> can be found in Article Five of the Nacha Operating Rules.</p>



**IAT (INTERNATIONAL ACH TRANSACTION) [PAGE 3 OF 3]**

**RETURNS  
AND  
NOCs**

**Returns:** Any valid return reason code may be used to return an inbound IAT Entry. All return time frames from the Nacha Operating Rules apply to the return of IAT Entries. Return reason codes requiring a WSUD still carry the requirement of obtaining a WSUD if returning an IAT Entry.

Important Reminders for Returns:

- The seven mandatory Addenda Records that accompany a forward IAT entry are required to be transmitted with any IAT return entry. An IAT return is also required to include one additional Addenda Record within which specific information related to the return (such as return reason code, original entry trace number, etc.) is included.
- Prior to returning IAT Entries, it is recommended that all 7 mandatory Addenda Records be screened for OFAC compliance before submitting the return Entry.
- Dishonored and Contested Dishonored Return entries are not permitted for use with IAT entries.

**Notifications of Change:** The rules governing NOCs apply only to the extent that the NOC process is supported by the payment system rules of the foreign receiving country. Unlike the IAT return process, the seven mandatory Addenda Records are not included when submitting a NOC.

**ADDENDA  
RECORDS**

**Inbound IAT Entries:** A maximum of 12 Addenda Records may be included within an inbound IAT Entry. 7 of the Addenda Records are mandatory, while 5 are optional and may include remittance and foreign correspondent bank details.

**Outbound IAT Entries:** 7 mandatory Addenda Records must accompany each IAT entry in order to convey the information required from the BSA's "Travel Rule." A maximum of 2 optional Addenda Records containing remittance information may be included.

**INBOUND IAT PROCESS FLOW ILLUSTRATION**

