

Effective:
31 October 2024
Version E055

AUSTRALIAN PAYMENTS NETWORK LIMITED

ABN 12 055 136 519

A Company limited by Guarantee

Procedures

for

AUSTRALIAN PAPER CLEARING SYSTEM FRAMEWORK

(CS1)

Commenced 2 December 1993

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PART 1 PRELIMINARY

1.1 Definitions

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

“Advice of Suspected Counterfeit Cheque” means an advice substantially in the form of Annexure C7.¹

“Amount Capture Error”, in relation to an Item, occurs when:²

- (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.

“AusPayNet” means Australian Payments Network Limited.³

“Bill for Collection” means a notice in the form of Annexure C14, which may be used by an Institution to process a bill for collection.⁴

“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.⁵

“Capture Validation Rules” has the meaning set out in Rule 8.1 of SCHEDULE 11.⁶

“Carrier Envelope” means an envelope which complies with the specifications set out in Annexure Q.⁷

¹ Amended effective 1/6/21, version 050 r&p 001.21

² Last amended effective 25/5/15, version 046 r&p 001.15

³ Inserted effective 30/10/17, version 049 r&p 001.17

⁴ Last amended effective 25/7/08, version 039 r&p 004.08

⁵ Last amended effective 4/12/95, version 010 r&p 008.95

⁶ Inserted effective 9/12/09, version 042 r&p 003.09

⁷ Inserted effective 11/10/06, version 033 r&p 008.06

“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]⁸

“Company” means Australian Payments Network Limited (ABN 12 055 136 519).⁹

“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.¹⁰

“Contingency File Exchange Form” means a document, substantially in form of Annexure 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 Annexure O).¹¹

“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.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.¹³

“Customer Notice of Inward Dishonour” means a notice in the form of Annexure C13, which may be used by a Framework Participant to notify a customer of the dishonour of a cheque deposited into an account.¹⁴

“Debit Items” includes all cheques and other paper drawings drawn on or addressed to a bank or a non-bank financial institution, 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

⁸ Deleted effective 22/10/12, version 044 r&p 003.12

⁹ Last amended effective 30/10/02, version 008 r&p 006.02

¹⁰ Last amended effective 25/7/08, version 039 r&p 004.08

¹¹ Inserted effective 30/6/03, version 016 r&p 002.04

¹² Inserted effective 22/10/12, version 044 r&p 003.12

¹³ Last amended effective 16/8/04, version 019 r&p 007.04

¹⁴ Inserted effective 15/1/07, version 034 r&p 010.06

time, except as may be specifically excluded by the Regulations or these Procedures.¹⁵

“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 9.7.¹⁶

“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.¹⁷

“Disabled Framework Participant” has a corresponding meaning.

“Discontinued Exception Item” [Deleted]¹⁸

“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.¹⁹

“Exchange Settlement Funds” has the meaning given in the RITS Regulations.²⁰

“Exchange Summary” [Deleted]²¹

“Exchange Summary Data File Transfer Facility” [Deleted]²²

“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.²³

¹⁵ Last amended effective 31/10/24, version 055 r&p 001.24

¹⁶ Amended effective 30/1/06, version 028 r&p 008.05

¹⁷ Last amended effective 25/5/15, version 046 r&p 001.15

¹⁸ Deleted effective 24/3/03, version 011 r&p 003.03

¹⁹ Last amended effective 22/1/09, version 040 r&p 005.08

²⁰ Inserted effective 22/10/12, version 044 r&p 003.12

²¹ Deleted effective 22/10/12, version 044 r&p 003.12

²² Deleted effective 22/10/12, version 044 r&p 003.12

²³ Inserted effective 22/10/12, version 044 r&p 003.12

“File Recall Response” means a response to a File Recall Instruction generated by the RITS Low Value Settlement Service.²⁴

“File Settlement Advice” means an advice in relation to a File Settlement Instruction, generated by the RITS Low Value Settlement Service.²⁵

“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.²⁶

“File Settlement Response” means a response to a File Settlement Instruction, generated by the RITS Low Value Settlement Service.²⁷

“Financial Institution” in relation to SCHEDULE 10 and SCHEDULE 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)*.²⁸

“Financial Institution Cheque” in relation to SCHEDULE 10 and SCHEDULE 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.*²⁹

“For Value Debit Item” means a Debit Item which has an invalid or incomplete codeline.³⁰

“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.³¹

“Image” means a digital facsimile of the front and back of an Item, which complies with the requirements and standards specified in Annexure T.³²

“Image Hard Copy” means a paper version of an Image.³³

²⁴ Inserted effective 22/10/12, version 044 r&p 003.12

²⁵ Inserted effective 22/10/12, version 044 r&p 003.12

²⁶ Inserted effective 22/10/12, version 044 r&p 003.12

²⁷ Inserted effective 22/10/12, version 044 r&p 003.12

²⁸ Last amended effective 19/6/00, version 029 r&p 002.00

²⁹ Last amended effective 19/6/00, version 029 r&p 002.00

³⁰ Inserted effective 25/5/15, version 046 r&p 001.15

³¹ Inserted effective 25/5/15, version 046 r&p 001.15

³² Inserted effective 25/5/15, version 046 r&p 001.15

³³ Inserted effective 25/5/15, version 046 r&p 001.15

“**Institution**” in relation to SCHEDULE 10 and SCHEDULE 11 means a Framework Participant, a non-member Appointor, and any other person which participates in the activities contemplated and regulated by SCHEDULE 10 and SCHEDULE 11.³⁴

“**Inter-organisation Compensation Rules**” means the document (as amended or replaced) known as the Inter-organisation Compensation Rules, Publication No. 6.1 of the Company.³⁵

“**Inward Clearings**” 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.³⁶

“**Issuer**” has the meaning set out in the Regulations.³⁷

“**Items**” means Credit Items and Debit Items.

“**Ledger Financial Institution**” means:

- (a) in relation to a Credit Item, the financial institution to which the Credit Item is addressed;
- (b) in relation to a cheque, the financial institution upon which such cheque is drawn; and³⁸
- (c) in relation to a Debit Item (other than a cheque) the institution to which the Debit Item is addressed.³⁹

“**LVSS**” means the RITS Low Value Settlement Service.⁴⁰

“**LVSS BCP Arrangements**” means the contingency plan and associated documents published by the Reserve Bank of Australia for the purposes of the RITS Low Value Settlement Service, and which can be accessed via a link on the Company’s extranet.⁴¹

“**LVSS Contact**” means the person or persons nominated by a Tier 1 Framework Participant as its primary contact for LVSS inquiries, and listed in Annexure D Centralised Contact Points.⁴²

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

³⁴ Inserted effective 1/2/95, version 003 r&p 001.95

³⁵ Inserted effective 13/6/01, version 001 r&p 003.01

³⁶ Inserted effective 20/9/96, version 014 r&p 004.96

³⁷ Inserted effective 1/9/21, version 051 r&p 002.21

³⁸ Last amended effective 30/10/02, version 008 r&p 006.02

³⁹ Last amended effective 30/10/02, version 008 r&p 006.02

⁴⁰ Inserted effective 22/10/12, version 044 r&p 003.12

⁴¹ Inserted effective 22/10/12, version 044 r&p 003.12

⁴² Inserted effective 22/10/12, version 044 r&p 003.12

“Manager” means the manager of a Region appointed in accordance with Regulation 9.8.

“MCC Returns Process” means the mobile cheque capture returns process set out in Rule S 11.9 of SCHEDULE 11.⁴³

“National Collator” [Deleted]

“Nine AM (9am) Funds” 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.⁴⁴

“Originator” 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.⁴⁵

“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.⁴⁶

“Panel of Experts” [Deleted]⁴⁷

“Paper Market Share” and **“PMS”** mean a Framework Participant’s share of transactions in APCS determined as set out in Regulation 7.7.⁴⁸

“PDN” means a Processing Difficulty Notification substantially in the form of Annexure M, used by a Framework Participant to notify other Framework Participants of a processing difficulty or Disabling Event in accordance with Annexure K.⁴⁹

“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.

⁴³ Inserted effective 1/5/22, version 052 r&p 001.22

⁴⁴ Inserted effective 22/10/12, version 044 r&p 003.12

⁴⁵ Inserted effective 22/10/12, version 044 r&p 003.12

⁴⁶ Inserted effective 20/9/96, version 014 r&p 004.96

⁴⁷ Deleted effective 22/10/12, version 044 r&p 003.12

⁴⁸ Inserted effective 1/7/14, version 045 r&p 001.14

⁴⁹ Amended effective 10/10/16, version 048 r&p 002.16

“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.⁵⁰

“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.⁵¹

“Regional Collator” [Deleted]⁵²

“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 five business days from the date of electronic presentment of an Item.⁵³

“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:⁵⁴

- (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.⁵⁵

“RITS/RTGS” [Deleted]⁵⁶

“RTGS” means Real Time Gross Settlement.⁵⁷

⁵⁰ Inserted effective 22/6/98

⁵¹ Amended effective 25/5/15, version 046 r&p 001.15

⁵² Deleted effective 4/12/95, version 010 r&p 008.95

⁵³ Last amended effective 30/10/17, version 049 r&p 001.17

⁵⁴ Inserted effective 22/10/12, version 044 r&p 003.12

⁵⁵ Last amended effective 22/10/12, version 044 r&p 003.12

⁵⁶ Deleted effective 22/10/12, version 044 r&p 003.12

⁵⁷ Inserted effective 22/6/98

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

“**Specified Location**” [Deleted]⁵⁸

“**Suspected Counterfeit Cheque**” has the meaning set out in Rule 4.2.1 of SCHEDULE 10.⁵⁹

“**SWIFT**” means Society for Worldwide Interbank Financial Telecommunication s.c., having its registered address at Avenue Adele, 1 B-1310 La Hulpe, Belgium.⁶⁰

“**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”.⁶¹

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

“**Undomiciled 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.⁶²

“**Warrant**” [Deleted]⁶³

1.2 Interpretation ⁶⁴

In these Procedures:

- (a) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (b) the singular includes the plural and vice versa; and
- (c) 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.⁶⁵
- (d) where these Procedures permit a Framework Participant to use facsimile or email as methods of sending and receiving requests to another Framework Participant, those communications should be consistent with any prudential

⁵⁸ Deleted effective 25/5/15, version 046 r&p 001.15

⁵⁹ Last amended effective 31/12/99, version 027 r&p 006.99

⁶⁰ Inserted effective 31/12/99, version 027 r&p 006.99

⁶¹ Inserted effective 31/12/99, version 027 r&p 006.99

⁶² Inserted effective 11/9/06, version 032 r&p 006.06

⁶³ Deleted effective 31/10/16, version 048 r&p 002.16

⁶⁴ Amended effective 1/1/23, version 053 r&p 003.22

⁶⁵ Last amended effective 16/8/04, version 019 r&p 007.04

guidance issued by the Australian Prudential Regulation Authority (APRA) on information security.⁶⁶

- (e) Words defined in the Corporations Act have, unless the contrary intention appears, the same meaning in these Procedures.⁶⁷
- (f) Words defined in the Regulations have, unless the contrary intention appears, the same meaning in these Procedures.
- (g) 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.
- (h) Headings are inserted for convenience and do not affect the interpretation of these Procedures.
- (i) 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.⁶⁸
- (j) 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.⁶⁹

1.3 Inconsistency with Articles or Regulations

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

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

1.4 Governing Law

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

1.5 Copyright

Copyright in these Procedures is vested in the Company.

Next page is Part 2

⁶⁶ Inserted effective 1/6/21, version 050 r&p 001.21

⁶⁷ Last amended effective 16/8/04, version 019 r&p 007.04

⁶⁸ Inserted effective 25/5/15, version 046 r&p 001.15

⁶⁹ Inserted effective 25/5/15, version 046 r&p 001.15

PART 2 EFFECT

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

Next page is Part 3

PART 3 PROCEDURES

3.1 Conduct of Clearings

Pursuant to Regulation 11.1 and in addition to and subject to the Regulations, the conduct of clearings effected between Framework Participants 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 [Deleted]⁷⁰

3.3 Conduct of Exchanges

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:⁷¹

- (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 Schedule 10 and 11 Procedures

The procedures set out in SCHEDULE 10 and SCHEDULE 11 are to be read in the context of the responsibility of the Sending Institution (as defined in SCHEDULE 11) to:⁷²

- (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

⁷⁰ Deleted effective 1/1/24, version 054 r&p 001.23

⁷¹ Inserted effective 25/5/15, version 046 r&p 001.15

⁷² Inserted effective 25/5/15, version 046 r&p 001.15

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- (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, Annexure T;
 - (f) ensure that all physical Items are securely destroyed in accordance with requirements specified in the APCS Procedures.

3.5 No Physical Exchange

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.⁷³

3.6 Agreement

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*.⁷⁴

Next page is Part 4

⁷³ Inserted effective 25/5/15, version 046 r&p 001.15

⁷⁴ Inserted effective 25/5/15, version 046 r&p 001.15

PART 4 AMENDMENT

4.1 Amendment of Procedure

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.⁷⁵

4.2 Requirements for Various types of Amendment

Each Framework Participant must notify the Company:⁷⁶

- (a) of any changes to its contact points as specified in Annexure 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 Annexure I for the purposes of Annexure 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 Annexure N or Contingency Exchange Arrangements Matrix in Annexure O for the purposes of Rule 4.7 in SCHEDULE 11.

The Chief Executive Officer may vary each of Annexure D, Annexure I, Annexure N, Annexure 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.⁷⁷

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 Schedule 1

⁷⁵ Last amended effective 25/7/08, version 039 r&p 004.08

⁷⁶ Last amended effective 25/7/08, version 039 r&p 004.08

⁷⁷ Last amended effective 22/1/09, version 040 r&p 005.08

SCHEDULE 1. APPROVED EXCHANGE TIMES⁷⁸

(SCHEDULE 4, Rule 2.2)

[Deleted]

The next page is Schedule 2

⁷⁸ Deleted effective 25/5/15, version 046 r&p 001.15

SCHEDULE 2. REPRESENTATION ARRANGEMENTS PUBLISHED MINIMUM REQUIREMENT

(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).⁷⁹
5. Procedures relating to processing of Outward Clearings (if any) in accordance with the requirements of SCHEDULE 7.⁸⁰
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 Schedule 3

⁷⁹ Last amended effective 20/9/96, version 014 r&p 004.96

⁸⁰ Last amended effective 20/9/96, version 014 r&p 004.96

SCHEDULE 3. COMPLETION OF FLOW CHARTS FOR REPRESENTATION ARRANGEMENTS⁸¹

(Regulation 5.3(e))

[Deleted]

The next page is Schedule 4

⁸¹ Deleted effective 16/11/15, version 047 r&p 012.15

SCHEDULE 4. PROCEDURAL RULES GOVERNING THE CONDUCT OF CLEARINGS, SETTLEMENTS AND OTHER MATTERS IN REGIONS

(Regulation 11.1)

S 4.1 RULE 1 PRELIMINARY

S 4.1.1 Application

Subject to Rule S 4.3.4, the Procedures contained in this SCHEDULE 4 (except Rule S 4.6.4) 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, Rule 1.13.*⁸²

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 10.⁸³

Rule S 4.3.10 covers the retention of records relating to electronic exchanges.⁸⁴

Rules S 4.4.1, S 4.4.2, S 4.4.5, S 4.4.6 and S 4.4.7 cover error adjustments arising out of electronic exchanges. Any reference in Rules S 4.4.1 and S 4.4.7 to “Presenting Member” is to be read as a reference to “capturing Institution” (see clause 1.9, SCHEDULE 11).⁸⁵

Rule S 4.5 covers the settlement of all electronic exchanges whether within the terms of SCHEDULE 10 or SCHEDULE 11.⁸⁶

S 4.1.2 Regions

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.⁸⁷

S 4.2 RULE 2 ATTENDANCE AT SPECIFIED LOCATIONS [DELETED]⁸⁸

S 4.3 RULE 3 EXCHANGES

Note: From the date of industry implementation of digital cheque clearing (imaging and truncation) procedures, the provisions of this Rule S 4.3 (other than clause S 4.3.5), relating to batch listings and presentation of work, are retained to support industry requirements for

⁸² Last amended effective 25/5/15, version 046 r&p 001.15

⁸³ Inserted effective 25/5/15, version 046 r&p 001.15

⁸⁴ Amended effective 25/5/15, version 046 r&p 001.15

⁸⁵ Last amended effective 25/5/15, version 046 r&p 001.15

⁸⁶ Amended effective 25/5/15, version 046 r&p 001.15

⁸⁷ Last amended effective 25/5/15, version 046 r&p 001.15

⁸⁸ Deleted effective 25/5/15, version 046 r&p 001.15

*representation arrangements only, and should not be construed as an express or implied requirement for continued paper exchanges between Tier 1 Framework Participants.*⁸⁹

S 4.3.1 Delivery Prior to Exchange Times [Deleted]⁹⁰

S 4.3.2 Attendance at Exchanges [Deleted]⁹¹

S 4.3.3 Extension of Time [Deleted]⁹²

S 4.3.4 Independent Exchanges [Deleted]⁹³

S 4.3.5 Unacceptable Items

The following must not be included in any exchange:⁹⁴

- (a) drafts (other than on demand drafts that are drawn on Framework Participants or a non-member Appointor);⁹⁵
- (b) after sight drafts;
- (c) promissory notes;
- (d) payment instruments drawn in a currency other than Australian dollars;⁹⁶
- (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;⁹⁷
- (i) photocopies of Items;⁹⁸
- (j) carrier envelopes which do not comply with the specifications set out in Annexure Q; and⁹⁹
- (k) Undomiciled Cheques.¹⁰⁰

⁸⁹ Inserted effective 25/5/15, version 046 r&p 001.15

⁹⁰ Deleted effective 25/5/15, version 046 r&p 001.15

⁹¹ Deleted effective 25/5/15, version 046 r&p 001.15

⁹² Deleted effective 25/5/15, version 046 r&p 001.15

⁹³ Deleted effective 25/5/15, version 046 r&p 001.15

⁹⁴ Last amended effective 20/6/05, version 025 r&p 003.05

⁹⁵ Last amended effective 22/12/95

⁹⁶ Last amended effective 17/3/03, version 010 r&p 002.03

⁹⁷ Amended effective 11/10/06, version 033 r&p 008.06

⁹⁸ Amended effective 11/10/06, version 033 r&p 008.06

⁹⁹ Inserted effective 11/10/06, version 033 r&p 008.06

¹⁰⁰ Inserted effective 11/9/06, version 032 r&p 006.06

S 4.3.6 Batch Listings

A Framework Participant may deliver as many branch schedules and/or batch listings during each exchange as it thinks fit provided that:¹⁰¹

- (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 Annexure 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;¹⁰²
- (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;¹⁰³
- (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.

S 4.3.7 Exchange Listings

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

¹⁰¹ Amended effective 25/5/15, version 046 r&p 001.15

¹⁰² Last amended effective 25/5/15, version 046 r&p 001.15

¹⁰³ Last amended effective 20/10/99, version 026 r&p 003.99

- (d) all exchange listings must clearly indicate the financial institution of origin.

S 4.3.8 Presentation of Work

Debit Items may be encoded to the extent specified in Rule S 4.3.8(c)(i) and all Credit Items to the extent specified in Rule S 4.3.8(c)(ii). Suspected Counterfeit Cheques must not be manually entered or over-encoded for electronic presentment. The following rules apply:¹⁰⁴

- (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 S 4.3.8(e);
 - (vii) ensuring no Items are folded and that all are facing the same way; and
 - (viii) supporting documentation in terms of Rules S 4.3.6(b) and S 4.3.6(d) and;¹⁰⁵

Rule.S4.3.8 (c) Confidential

¹⁰⁴ Last amended effective 25/5/15, version 046 r&p 001.15

¹⁰⁵ Last amended effective 4/12/95, version 010 r&p 008.95

¹⁰⁷ Last amended effective 16/7/99, version 026 r&p 003.99

- (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;¹¹¹
 - (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; and¹¹²
 - (iii) in all cases, the responsibility for posting the correct amount to the relevant customer's account is that of the Ledger Financial Institution;

¹⁰⁸ Amended effective 25/5/15, version 046 r&p 001.15

¹⁰⁹ Amended effective 25/5/15, version 046 r&p 001.15

¹¹⁰ Amended effective 25/5/15, version 046 r&p 001.15

¹¹¹ Amended effective 25/5/15, version 046 r&p 001.15

¹¹² Amended effective 25/5/15, version 046 r&p 001.15

S 4.3.9 Comparison of Items [Deleted]¹¹⁷

Rule S 4.3.10 is Confidential

¹¹⁷ Deleted effective 25/5/15, version 046 r&p 001.15

¹¹⁸ Amended effective 25/5/15, version 046 r&p 001.15

S 4.5 RULE 5 SETTLEMENT¹⁵⁸

S 4.5.1 Item Exchange

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

¹⁵⁸ Amended effective 22/10/12, version 044 r&p 003.12

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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.¹⁵⁹

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).¹⁶⁰

S 4.5.2 Electronic Exchanges

For purposes of Rule S 4.5.1, 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.¹⁶¹

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.

[Note: The following Rules 5.2A – 5.2G have been renumbered using the clause numbers that are no longer in use.]¹⁶²

S 4.5.3 Obligation to Submit File Settlement Instructions¹⁶³

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:¹⁶⁴

- (a) a File Settlement Instruction for each of its Tier 1A Framework Participant Counterparties to an electronic exchanges conducted under SCHEDULE 10 and SCHEDULE 11, including a File Settlement Instructions for any \$0 clearing files exchanged; and¹⁶⁵
- (b) a File Settlement Instruction for each Tier 1B Framework Participant Counterparty on whose behalf it acts

¹⁵⁹ Amended effective 22/10/12, version 044 &p 003.12

¹⁶⁰ Amended effective 22/10/12, version 044 &p 003.12

¹⁶¹ Last amended effective 25/5/15, version 046 r&p 001.15

¹⁶² Note inserted effective 31/10/24, version 055 r&p 001.24

¹⁶³ Amended effective 25/5/15, version 046 r&p 001.15

¹⁶⁴ Amended effective 25/5/15, version 046 r&p 001.15

¹⁶⁵ Amended effective 25/5/15, version 046 r&p 001.15

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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.¹⁶⁶

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.

S 4.5.4 Rejection of File Settlement Instruction¹⁶⁷

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.

S 4.5.5 Obligation to Monitor Accruing Settlement Obligation¹⁶⁸

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 4.5.7 will apply.

S 4.5.6 Recalling File Settlement Instructions¹⁶⁹

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.

¹⁶⁶ Amended effective 25/5/15, version 046 r&p 001.15

¹⁶⁷ Inserted effective 22/10/12, version 044 r&p 003.12

¹⁶⁸ Inserted effective 22/10/12, version 044 r&p 003.12

¹⁶⁹ Inserted effective 22/10/12, version 044 r&p 003.12

S 4.5.7 Disputed Amounts¹⁷⁰

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 S 4.4.1.

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

S 4.5.8 Interest Adjustments¹⁷¹

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:¹⁷²

- (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

¹⁷⁰ Inserted effective 22/10/12, version 044 r&p 003.12

¹⁷¹ Inserted effective 22/10/12, version 044 r&p 003.12

¹⁷² Amended effective 25/5/15, version 046 r&p 001.15

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- (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.

S 4.5.9 Final Settlement Figures

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.¹⁷³

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.¹⁷⁴

S 4.5.10 [Deleted]¹⁷⁵

S 4.5.11 [Deleted]

S 4.5.12 [Deleted]

S 4.5.13 [Deleted]

S 4.5.14 [Deleted]

S 4.5.15 Reserve Bank and Exchange Settlement Accounts

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.¹⁷⁶

S 4.5.16 RITS Low Value Settlement Service Contacts

The telephone number and email address and facsimile numbers of the RITS Low Value Settlement Service contacts are listed in SCHEDULE 9. Any Tier 1

¹⁷³ Last amended effective 22/10/12, version 044 r&p 003.12

¹⁷⁴ Last amended effective 22/10/12, version 044 r&p 003.12

¹⁷⁵ S 4.5.3 – S 4.5.14 deleted effective 22/10/12

¹⁷⁶ Last amended effective 22/10/12, version 044 r&p 003.12

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Framework Participant which changes any 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.¹⁷⁷

S 4.5.17 Determinations By Management Committee

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.¹⁷⁸

S 4.5.18 RITS Low Value Settlement Service and File Instructions/Responses

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.¹⁷⁹

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.¹⁸⁰

The specifications for the RITS Low Value Settlement Service can be found on the Company's extranet.¹⁸¹

¹⁷⁷ Last amended effective 1/6/21, version 050 r&p 001.21

¹⁷⁸ Last amended effective 22/10/12, version 044 r&p 003.12

¹⁷⁹ Last amended effective 22/10/12, version 044 r&p 003.12

¹⁸⁰ Last amended effective 22/10/12, version 044 r&p 003.12

¹⁸¹ Last amended effective 22/10/12, version 044 r&p 003.12

S 4.6 RULE 6 OTHER PROCEDURAL REQUIREMENTS

S 4.6.1 Debit Item Clearings [Deleted]¹⁸²

S 4.6.2 Credit Clearings

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.¹⁸³

S 4.6.3 Discontinuance of Encoding Credit Items [Deleted]¹⁸⁴

S 4.6.4 Exchange of Other Articles [Deleted]¹⁸⁵

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¹⁸² Deleted effective 25/5/15, version 046 r&p 001.15

¹⁸³ Amended effective 25/5/15, version 046 r&p 001.15

¹⁸⁴ Deleted effective 25/5/15, version 046 r&p 001.15

¹⁸⁵ Deleted effective 25/5/15, version 046 r&p 001.15

SCHEDULE 5: PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKE, STOP WORK MEETINGS, OTHER INDUSTRIAL ACTION AND PROCESSING FAILURES

SCHEDULE 5. PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKES, STOP WORK MEETINGS, OTHER INDUSTRIAL ACTION AND PROCESSING FAILURES¹⁸⁶

(Regulation 11.1)

S 5.1 RULE 1 PURPOSE AND POLICY

S 5.1.1 Purpose of Schedule 5

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.¹⁸⁷

S 5.1.2 Underlying Policy of Framework Participants

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".

S 5.1.3 LVSS BCP Arrangements¹⁸⁸

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.

S 5.2 RULE 2 POWERS AND PROCEDURES

S 5.2.1 Powers of Chief Executive Officer

- (a) The Chief Executive Officer may, from time to time and at their discretion, delegate (subject to such conditions or restrictions as they think fit) any of their 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.¹⁸⁹

¹⁸⁶ Last amended effective 25/5/15, version 046 r&p 001.15

¹⁸⁷ Last amended effective 20/9/96, version 014 r&p 004.96

¹⁸⁸ Inserted effective 22/10/12, version 044 r&p 003.12

¹⁸⁹ Amended effective 1/1/23, version 053 r&p 003.22

SCHEDULE 5: PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKE, STOP WORK MEETINGS, OTHER INDUSTRIAL ACITON AND PROCESSING FAILURES

- (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.¹⁹⁰
- (c) The Chief Executive Officer may remove such a delegate from office at any time.¹⁹¹
- (d) Any reference in SCHEDULE 5 (apart from this Rule S 5.2.1) to “the Chief Executive Officer” is to be read as a reference to “the Chief Executive Officer or their delegate under Rule S 5.2.1”.

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 chair of the Management Committee.¹⁹²

In each such case, the Chief Executive Officer or the chair of the Management Committee, as applicable, is to exercise their discretion to determine the matter having regard to the guidelines set out in Annexure K or to any contingency plan approved by the Management Committee (as appropriate).¹⁹³

S 5.2.2 Committees - Functions and Procedures

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 chair of the Management Committee precludes the submission by the Chief Executive Officer or by the chair 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 7.16.¹⁹⁴

S 5.2.3 Agreed Procedures Following Advice of Disabling Event

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.¹⁹⁵

¹⁹⁰ Inserted effective 23/11/99, version 026 r&p 003.99

¹⁹¹ Inserted effective 23/11/99, version 026 r&p 003.99

¹⁹² Last amended effective 1/1/23, version 053 r&p 003.22

¹⁹³ Last amended effective 1/1/23, version 053 r&p 003.22

¹⁹⁴ Amended effective 1/1/23, version 053 r&p 003.22

¹⁹⁵ Last amended effective 23/11/98

SCHEDULE 5: PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKE, STOP WORK MEETINGS, OTHER INDUSTRIAL ACITON AND PROCESSING FAILURES

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.¹⁹⁶

S 5.2.4 Notification Under Rule S 5.2.3 or Contingency Plan

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.¹⁹⁷

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.

S 5.2.5 Member Incident Plan

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.¹⁹⁸

S 5.3 RULE 3 INABILITY TO SETTLE

S 5.3.1 Disabling Event

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

¹⁹⁶ Last amended effective 23/11/98

¹⁹⁷ Last amended effective 23/11/98

¹⁹⁸ Inserted effective 22/10/12, version 044 r&p 003.12

SCHEDULE 5: PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKE, STOP WORK MEETINGS, OTHER INDUSTRIAL ACITON AND PROCESSING FAILURES

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.¹⁹⁹

S 5.3.2 Acceptance of Items

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 S 5.3.3, 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.

S 5.3.3 Disabling Events and Acceptance of Items

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.²⁰⁰

S 5.3.4 Disabling Events and Inability to Settle for Items Exchanged

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:²⁰¹

- (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;

¹⁹⁹ Last amended effective 25/5/15, version 046 r&p 001.15

²⁰⁰ Last amended effective 25/5/15, version 046 r&p 001.15

²⁰¹ Last amended effective 27/9/07, version 037 r&p 006.07

SCHEDULE 5: PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKE, STOP WORK MEETINGS, OTHER INDUSTRIAL ACITON AND PROCESSING FAILURES

- (b) between the Tier 1A Framework Participant or each of the Tier 1A Framework Participants first referred to in this Rule S 5.3.4 and each other Tier 1A Framework Participant,²⁰²

on a basis of deferred settlement.

S 5.3.5 Determination pursuant to Rule S 5.3.4(a) or (b) – Deferred Settlement

If the Chief Executive Officer determines pursuant to Rule S 5.3.4(a) or S 5.3.4(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 chair of the Management Committee and to each Tier 1 Framework Participant.

S 5.3.6 Determination pursuant to Rule S 5.3.4(a) – Deferred Settlement

If the Chief Executive Officer determines pursuant to Rule S 5.3.4(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.

S 5.3.7 Determination pursuant to Rule S 5.3.4(b) – Deferred Settlement

If the Chief Executive Officer determines pursuant to Rule S 5.3.4(b) that exchanges between the Tier 1A Framework Participant or each of the Tier 1A Framework Participants firstly referred to in Rule S 5.3.4 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.

S 5.3.8 Adjustment of Interest

In any case where settlement of exchanges has been deferred pursuant to any determination of the kind referred to in Rule S 5.3.4, the adjustment of interest in terms of Rule S 4.5.8 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.²⁰³

S 5.3.9 Obligations of Tier 1a Framework Participants – Notices under Rule S 5.2.3

In every instance where a Tier 1A Framework Participant has given notice of the kind referred to in Rule S 5.2.3 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

²⁰² Amended effective 25/5/15, version 046 r&p 001.15

²⁰³ Amended effective 22/10/12, version 044 r&p 003.12

SCHEDULE 5: PROCEDURAL RULES GOVERNING OPERATIONS DURING STRIKE, STOP WORK MEETINGS, OTHER INDUSTRIAL ACITON AND PROCESSING FAILURES

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.

S 5.3.10 Chief Executive Officer to communicate terms

Upon receipt of any information or notification of the kind referred to in Rule S 5.3.9, 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.

S 5.4 RULE 4 SPECIFIED LOCATION [DELETED²⁰⁴]

The next page is Schedule 6

²⁰⁴ Deleted effective 25/5/15, version 046 r&p 001.15

SCHEDULE 6. PROCEDURES FOR EXCHANGE OF OTHER ARTICLES AT SPECIFIED LOCATIONS²⁰⁵

[Deleted]

The next page is Schedule 7

²⁰⁵ Deleted effective 25/5/15, version 046 r&p 001.15

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:²⁰⁶
 - (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; and²⁰⁷
 - (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.²⁰⁸
3. 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.²⁰⁹

The next page is Schedule 8

²⁰⁶ Last amended effective 25/5/15, version 046 r&p 001.15

²⁰⁷ Amended effective 25/5/15, version 046 r&p 001.15

²⁰⁸ Last amended effective 16/11/15, version 047 r&p 012.15

²⁰⁹ Last amended effective 20/9/96, version 014 r&p 004.96

SCHEDULE 8. APPROVED REPRESENTATION ARRANGEMENTS

Schedule 8 is located separately

The next page is Schedule 9

SCHEDULE 9: CONTACT NUMBERS OF THE RESERVE BANK OF AUSTRALIA RITS LOW VALUE SETTLEMENT SERVICE

SCHEDULE 9. CONTACT NUMBERS OF THE RESERVE BANK OF AUSTRALIA RITS LOW VALUE SETTLEMENT SERVICE²¹⁰

(SCHEDULE 4, Rule 5.16)²¹¹

RITS Low Value Settlement Service²¹²

Principal

**Assistant Manager,²¹³
Electronic Distribution Services**

Telephone: (02) 9551 9974

E-mail: rbaeds@rba.gov.au

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

Secondary²¹⁴

**Senior Operator,²¹⁵
Electronic Distribution Services**

Telephone: (02) 9551 9975

Fax: (02) 9551 8016

E-mail: rbaeds@rba.gov.au

Emergency

**Systems and Technology Department,²¹⁶
Computer Operations Help Desk**

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

The next page is Schedule 10

Schedule 10 is Confidential

²¹⁰ Last amended effective 22/10/12, version 044 r&p 003.12

²¹¹ Last amended effective 4/12/95, version 010 r&p 008.95

²¹² Last amended effective 22/10/12, version 044 r&p 003.12

²¹³ Last amended effective 1/6/21, version 050 r&p 001.21

²¹⁴ Last amended effective 27/9/07, version 037 r&p 006.07

²¹⁵ Amended effective 1/6/21, version 050 r&p 001.21

²¹⁶ Last amended effective 27/9/07, version 037 r&p 006.07

SCHEDULE 10. OTHER GENERAL AGREEMENTS BETWEEN INSTITUTIONS²¹⁷

(Confidential)

SCHEDULE 10: OTHER GENERAL AGREEMENTS BETWEEN INSTITUTIONS

SCHEDULE 10: OTHER GENERAL AGREEMENTS BETWEEN INSTITUTIONS

SCHEDULE 10: OTHER GENERAL AGREEMENTS BETWEEN INSTITUTIONS

The next page is S11.1

Schedule 11 (except for the Preamble) is Confidential

SCHEDULE 11: PROCEDURES FOR ELECTRONIC PRESENTMENT AND ELECTRONIC DISHONOURS

SCHEDULE 11. PROCEDURES FOR ELECTRONIC PRESENTMENT AND ELECTRONIC DISHONOURS³⁷³

Confidential except for Preamble

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 Annexures E, F and K as well as Annexures C3, C4, C5, C6, C9, C10, D, G, J, N, O, P, Q, R, S, T and U of these Procedures.³⁷⁴

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 Annexures, in a manner binding on Framework Participants.³⁷⁵

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*).³⁷⁶

Electronic exchanges so regulated will represent the exchange of value.

General Effect³⁷⁷

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); and³⁷⁸
- 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

³⁷³ Last amended effective 1/7/98

³⁷⁴ Last amended effective 25/5/15, version 046 r&p 001.15

³⁷⁵ Amended effective 25/5/15, version 046 r&p 001.15

³⁷⁶ Amended effective 25/5/15, version 046 r&p 001.15

³⁷⁷ Inserted effective 25/5/15, version 046 r&p 001.15

³⁷⁸ Last amended effective 25/5/15, version 046 r&p 001.15

SCHEDULE 11: PROCEDURES FOR ELECTRONIC PRESENTMENT AND ELECTRONIC DISHONOURS

- 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.³⁷⁹

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 Definitions³⁸⁰

In this SCHEDULE 11 and Annexures 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.³⁸¹

Drawee Institution means the Institution on which a Cheque is drawn.³⁸²

Paying Institution includes, in the case of an Agency Cheque, the non-drawee Issuer of the Cheque.³⁸³

Receiving Institution means a Tier 1A Framework Participant which, as a direct clearer in a Region, receives a file as specified in Annexures E, F or T from another direct clearer in that Region.³⁸⁴

Sending Institution means a Tier 1A Framework Participant which, as a direct clearer in a Region, sends a file as specified in Annexures E, F or T to another direct clearer in that Region.³⁸⁵

This SCHEDULE 11 refers specifically to Cheques. However in this SCHEDULE 11 (except for Rules 1.1 and 9), 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 10.³⁸⁶

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

³⁷⁹ Last amended effective 25/7/08, version 039 r&p 004.08

³⁸⁰ Last amended effective 25/5/15, version 046 r&p 001.15

³⁸¹ Inserted effective 25/5/15, version 046 r&p 001.15

³⁸² Last amended effective 25/7/08, version 039 r&p 004.08

³⁸³ Last amended effective 22/1/09, version 040 r&p 005.08

³⁸⁴ Amended effective 25/5/15, version 046 r&p 001.15

³⁸⁵ Amended effective 25/5/15, version 046 r&p 001.15

³⁸⁶ Last amended effective 1/5/22, version 052 r&p 001.22

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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.³⁸⁷

Centralised contact point details in Annexure D³⁸⁸

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 Annexure within Annexure 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 Annexure D1.³⁸⁹

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 Annexure D4, Annexure D13 and Annexure 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.³⁹⁰

For a non-drawee Issuer to be listed in Annexure D4, Annexure D13 and Annexure 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.³⁹¹

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.³⁹²

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

³⁸⁷ Inserted effective 25/5/99, version 026 r&p 003.99

³⁸⁸ Last amended effective 1/1/12, version 043 r&p 002.12

³⁸⁹ Inserted effective 24/1/05, version 022 r&p 010.04

³⁹⁰ Amended effective 25/5/15, version 046 r&p 001.15

³⁹¹ Amended effective 25/5/15, version 046 r&p 001.15

³⁹² Amended effective 25/5/15, version 046 r&p 001.15

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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.³⁹³

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.³⁹⁴

The remainder of SCHEDULE 11 is Confidential

³⁹³ Amended effective 25/5/15, version 046 r&p 001.15

³⁹⁴ Inserted effective 22/1/09, version 040 r&p 005.08

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The next page is Annexure A

Annexure A is Confidential