



SEC CODE REFERENCE GUIDE

ARC Accounts Receivable Entry

Definition

An entry initiated based on an Eligible Source Document (check) provided to the Originator by the Receiver via US mail, drop box location, or in-person for payment of a bill at a manned location

Type of Entry

Single Debit Entry

Market Type(s)

Mail Order
Retail

Authorization Requirements

Originator must provide a conspicuous notice to the Receiver prior to the Originator's receipt of the Eligible Source Document

For in person payment, Originator must provide a copy of notice to Receiver at time of transaction
Notice MUST include language, or similar as required by Regulation E (see Special Rules)

Special Rules

During initial processing:

- Originator MUST use a reading device to capture the Receiver's routing #, account # and check serial # from the MICR line of Eligible Source Document
- Originator may key-enter information only to correct errors resulting from MICR misreads, mis encoding, or processing rejects

Specific verbiage required for authorization – conspicuous notice provided to Receiver

When you provide a check as payment, you authorize us either to use information for your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction

Additional ODFI Warranties- includes (but not limited to):

- Entry information is accurate
- Eligible Source Document will not be presented for payment
- Secure storage of all banking info and Eligible Source Document until destroyed
- Originator will retain a reproducible and legible copy of FRONT of the Eligible Source Document for 2 years from settlement date



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Eligible Source Documents

To be used as a source of information, the check must:

- Contain a pre-printed serial number
- Be in amount of \$25,000 or less
- Be completed and signed by Receiver
- Have a routing number, account number, and check serial number encoded in magnetic ink

Retention

- Originator will retain a reproducible and legible copy of the FRONT of the Receiver's Eligible Source Document for 2 year from Settlement date
- Upon receipt of an RDFI's written request – ODFI will provide a copy at no charge within 10 banking days (indicate "copy" on face)

Specific Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R37 – Source Document Presented for Payment
 - 60 calendar days – Need WSUD
- R38 – Stop Payment on Source Document
 - 60 calendar days – No WSUD
- R39 – Improper Source Document/Source Document presented for Payment
 - 24 hours (by RDFI) – No WSUD
- R10 – Customer Advises Not Authorized, Improper, or Ineligible
 - 60 calendar days – Need WSUD



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RCK

Represented Check Entry

Definition

An entry constituting a presentment notice of an eligible item (see Eligible Item info below) (i.e. a check returned NSF or uncollected Funds)

An RCK entry is an item defined by Article 4 of the Uniform Commercial Code (UCC4)

Type of Entry

Single Debit Entry

Market Type

Mail Order

Retail

Authorization Requirements

Originator must provide a conspicuous notice to the Receiver in advance of receiving item and obtaining the consumer's completed and signed check

Special Rules

- Company Entry Description MUST contain the word "REDEPCHECK"
- RCK entries may be originated for only the face amount of the check

Additional ODFI Warranties- includes (but not limited to):

- No return fees can be added – return fee must be originated on separate PPD, WEB, or TEL debit entry to consumer account and follow all rules pursuant to authorization for such an entry
- Good title to the returned item
- Signatures are genuine
- All information is correct (encoding is correct)
- Check and ACH will NOT be presented



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Eligible Items

Item must:

- Be an item within meaning of UCC4
- Be a negotiable demand draft payable thru a participating DFI, other than FRB or Fed Home Loan Bank
- Contain a pre-printed check serial number
- Be in an amount less than \$2500
- Indicate on face of document “NSF”, “uncollected funds” or comparable language
- Dated 180 days or less from date entry is transmitted
- Be drawn on a consumer account
- Have been previously presented no more than 2 times physical or 1 time physical and 1 time RCK

Retention

- Originator must retain a copy of the check (front and back) for 7 years from the settlement date of entry – If the item is finally paid, the copy MUST indicate this on its face
- Upon receipt of the RDFI’s written request – ODFI must provide a copy within 10 banking days
- This written request must be within 7 years of settlement date of RCK entry

Specific Return Reason Codes

Each RCK return Entry must be transmitted to the ACH Operator by midnight of the second banking day following the banking day of receipt of the presentment notice

- R50 – State Law Affecting RCK Acceptance
 - 24 hours - No WSUD
- R51 – Item Related to RCK Entry is Ineligible or RCK Entry is Improper
 - 60 calendar days – Need WSUD
- R52 – Stop payment on Item Related to RCK Entry
 - 60 calendar days – No WSUD
- R53 – Item and RCK Entry Presented for Payment
 - 60 calendar days – Need WSUD



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BOC Back Office Conversion Entry

Definition

An entry initiated based on an Eligible Source Document (check) provided to the Originator by the Receiver at the point-of-purchase or a manned bill payment location for subsequent conversion during back-office processing

Type of Entry

Single Debit Entry

Market Type

Retail

Authorization Requirements

Originator must post a conspicuous notice at the point-of-purchase and also provide a copy of such notice PLUS receipt of the Receiver's Eligible Source Document

Notice MUST include language, or similar as required by Regulation E (see Special Rules)

Special Rules

During initial processing:

- Originator MUST use a reading device to capture the Receiver's routing #, account # and check serial # from the MICR line of Eligible Source Document
- Originator may key-enter information only to correct errors resulting from MICR misreads, mis encoding, or processing rejects

Specific verbiage required for authorization – posted and provided to Receiver

"When you provide a check as payment, you authorize us either to use information for your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Inquiries, please call <Retailer phone #>."

Additional ODFI Warranties- includes (but not limited to):

- Entry information is accurate
- Verification of Receiver's identity
- Maintain working customer service phone number answered during normal business hrs.
- Source document will not be presented for payment/Secure storage of payment info
- Eligible Source Document will not be presented for payment
- Secure storage of all banking info and Eligible Source Document until destroyed



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- Originator will retain a reproducible and legible copy of FRONT of the Eligible Source Document for 2 years from settlement date

Eligible Source Documents

To be used as a source of information, the check must:

- Contain a pre-printed serial number
- Be in amount of \$25,000 or less
- Be completed and signed by Receiver
- Have a routing number, account number, and check serial number encoded in magnetic ink

Retention

- Originator will retain a reproducible and legible copy of the FRONT of the Receiver's Eligible Source Document for 2 year from Settlement date
- Upon receipt of an RDFI's written request – ODFI will provide a copy at no charge within 10 banking days (indicate "copy" on face)

Specific Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R37 – Source Document Presented for Payment
 - 60 calendar days – Need WSUD
- R38 – Stop Payment on Source Document
 - 60 calendar days – No WSUD
- R39 – Improper Source Document/Source Document presented for Payment
 - 24 hours (by RDFI) – No WSUD
- R10 – Customer Advises Not Authorized, Improper, or Ineligible
 - 60 calendar days – Need WSUD



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POP Point-of-Purchase Entry

Definition

An entry initiated based on an Eligible Source Document (check) provided to the Originator by a Receiver at the point-of-purchase or manned bill payment location

Type of Entry

Single Debit Entry

Market Type

Retail

Authorization Requirements

- Originator must post notice in conspicuous location at point-of-copy of this notice must be provided to the Receiver
- Receiver signing a receipt at point-of-purchase
- Receiver receives copy of receipt and voided check returned to them
- Notice MUST include language, or similar as required by Regulation E (see Special Rules)

Special Rules

During initial processing:

- Originator MUST use a reading device to capture the Receiver's routing #, account # and check serial # from the MICR line of Eligible Source Document
- Originator may key-enter information only to correct errors resulting from MICR misreads, mis encoding, or processing rejects
- Eligible Source Document must be voided and returned to customer at point-of-purchase

Specific verbiage required for authorization – posted and provided to Receiver

“When you provide a check as payment, you authorize us either to use information for your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Inquiries, please call <Retailer phone #>.”

Additional ODFI Warranties- includes (but not limited to):

- Return of voided Eligible Source Document to Receiver
- Eligible Source Document not previously used for any prior POP entry
- Specific Receipt Requirements- copy given to Receiver (see Subsection 2.5.10.5)



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Eligible Source Documents

To be used as a source of information, the check:

- Must contain a pre-printed serial number
- Must Be in amount of \$25,000 or less
- Need not be completed and signed by Receiver
- Must have a routing number, account number, and check serial number encoded in magnetic ink

Retention

- Originator will retain a copy of signed receipt for 2 years from settlement date
- Upon receipt of an RDFI's written request – ODFI must provide a copy of receipt within 10 banking days (indicate "copy" on face)
- Paper check is stamped "VOID" and retained by Receiver at time of purchase
- Receiver determines how long they retain paper check

Specific Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R37 – Source Document Presented for Payment
 - 60 calendar days – Need WSUD
- R39 – Improper Source Document/Source Document presented for Payment
 - 24 hours (by RDFI) – No WSUD
- R10 – Customer Advises Not Authorized, Improper, or Ineligible
 - 60 calendar days – Need WSUD



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WEB

Internet Initiated/Mobile Entry

Definition

An entry initiated by an Originator to a consumer account of the Receiver based on an authorization obtained from the Receiver via the Internet or Wireless Network; OR any form of authorization and the Receiver's instruction communicated via Wireless Network (mobile)

Type of Entry

Single OR Recurring Debit Entry

Market Type

Ecommerce

Authorization Requirements

Authorization must be "similarly authenticated"

- The standard permits signed, written authorizations to be provided electronically
- To satisfy requirements of Reg E and NACHA Operating Rules, the authentication process must evidence both the consumer's identity and the assent to the authorization

Authorizations must be readily identifiable as an authorization and:

- Must have clear and readily understandable terms (amount of timing of debits)
- Provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization
- For a single entry scheduled in advance, any such revocation right shall afford the Originator a reasonable opportunity to act on the revocation prior to the debit entry

Electronic authorizations:

- Must be visually displayed in a manner that enables consumer to read the communication
- Writing and signature requirements are satisfied by compliance with the E-sign Act
- Electronic signatures include, but are not limited to digital signatures and security codes

Special Rules and Originator Responsibilities

Additional ODFI Warranties:



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- Each Originator of WEB entries has established and implemented a commercially reasonable fraudulent transaction detection system to screen each entry
- Each Originator of WEB entries has established and implemented a commercially reasonable method of authentication to verify the identity of the Receiver
- Each Originator of WEB entries has established and implemented a commercially reasonable procedure to verify that routing numbers are valid
- Each Originator of WEB entries must conduct annual audits to ensure that financial information it obtains from Receivers is protected by security practices and procedures that include at a minimum, adequate levels of:
 - Physical Security
 - Personnel and access Controls
 - Network Security

Formatting Requirements:

- Field used to indicate whether WEB entry is a recurring or Single-entry payment
 - Field in Detail record “Payment type Code” (2 Positions)
 - The value must be “R” = Recurring; the value must be “S” = Single-entry

Retention

- Originator must retain an original or copy of each authorization for 2 years from the termination or revocation of the authorization
- Upon receipt of the RDFI’s written request – ODFI must provide a copy at no charge within 10 banking days

Exception Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R10 – Customer Advises Not Authorized, Improper, or Ineligible
 - 60 calendar days – Need WSUD
- R07 – Authorization Revoked (single or recurring)
 - 60 calendar days – Need WSUD



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TEL

Telephoned Initiated Entry

Definition

An entry initiated by an Originator to a consumer account of the Receiver based on an oral authorization obtained from the Receiver over the telephone

Type of Entry

Single OR Recurring Debit Entry

Market Type

Phone Order

Authorization Requirements

- The authorization must be readily identified as an authorization, have clear and readily understandable terms (amount and timing of debits). For a single entry scheduled in advance, any such revocation right shall afford the Originator a reasonable opportunity to act on the revocation prior to the debit entry.
- Single TEL Entries must include the following minimum information as part of the authorization:
 - Date on or after which the ACH debit to the Receiver's account will occur
 - Amount of the transaction; Receiver's name; account to be debited
 - Telephone number for Receiver inquiries that is answered during normal business hours
 - Date of oral authorization and a statement by the Originator that the authorization obtained is for a single-entry ACH debit
- The Originator must either:
 - Tape record the oral authorization OR
 - Provide the Receiver with written notice confirming the oral authorization prior to the settlement date of the entry
- Recurring TEL Entries must include the following minimum information as part of the authorization:
 - Amount of the recurring transaction
 - The timing (including start date), number and/or frequency
 - Receiver's name and account to be debited
 - Telephone number for Receiver inquiries that is answered during normal business hours
 - Date of the oral authorization
- The Originator must:
 - Tape record and send a copy of the authorization (in compliance with the requirements of Reg E for the authorization of preauthorized transfers)



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Special Rules

A TEL entry may only be used when there is an Existing Relationship between the Originator and the Receiver, OR when there is not an Existing relationship between the Originator and the Receiver, when the Receiver initiates the telephone call

Additional ODFI Warranties:

- Each Originator of TEL entries has established and implemented commercially reasonable procedures to verify the identity of the Receiver
- Each Originator of TEL entries has established and implemented a commercially reasonable procedures to verify that routing numbers are valid
- Field used to indicate whether TEL entry is a recurring or Single-entry payment
 - Field in Detail record “Payment type Code” (2 Positions)
 - The value must be “R” = Recurring; the value must be “S” or space filled = single

Retention

- Single Entry- Originator must retain original or copy of the written notice or original or duplicate audio recording for 2 years from date of authorization
- Recurring Entry- Originator must retain original or duplicate audio recording and evidence that a copy of authorization was provided to the Receiver (in compliance with Reg E), for 2 years from termination or revocation of the authorization
- Upon receipt of the RDFI’s written request – ODFI must provide a copy of authorization at no charge within 10 banking days

Exception Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R10 – Customer Advises Not Authorized
 - 60 calendar days – Need WSUD
- R07 – Authorization Revoked (single or recurring)
 - 60 calendar days – Need WSUD



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PPD Prearranged Payment and Deposit Entry

Definition

An entry initiated by an Originator to a consumer account of the Receiver based on a standing or Single-Entry authorization from a Receiver

Type of Entry

Single OR Recurring Entry
Credit OR Debit Entry

Market Type

Retail
Mail Order

Authorization Requirements

Authorizations must be readily identified as an authorization and:

- have clear and readily understandable terms
- Provide that the Receiver may revoke the authorization only by notifying the Originator in the time and manner stated in the authorization

Credit entries to Consumer accounts:

- Authorization is not required to be in writing

Debit entries to Consumer accounts:

- Authorization must be in writing and signed or similarly authenticated

Similarly authenticated:

- The standard permits signed, written authorizations to be provided electronically
- To satisfy requirements of Reg E and NACHA operating Rules, the authentication process must evidence both the consumer's identity and the assent to the authorization

Electronic authorizations:

- Must be visually displayed in a manner that enables consumer to read the communication
- Writing and signature requirements are satisfied by compliance with the E sign Act
- Electronic signatures include, but are not limited to digital signatures and security codes



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Special Rules

Notice of change in dollar amount:

- If the amount of a debit Entry 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
- The Originator must send this notice at least 10 calendar days prior to the date on which the entry is scheduled to be initiated

Notice of change in scheduled debiting date:

- If the Originator changes the schedule date on or after the entries are scheduled to be initiated to a Receiver's account, the Originator must send the Receiver written notification of the new date
- The Originator must send this notice at least 7 calendar days before the first entry is scheduled to be debited to the Receiver's account

Note: PPD for Consumer should be used if the order form includes the customer's authorization for the debit entry to their account and no check is enclosed.

Addenda Records

Addenda Records are OPTIONAL for PPD entries:

- Maximum number of Addenda records is one
- Used by Originator to supply additional information about the entry detail record
- Must contain payment-related information only- any other use is prohibited
- ANDI ASC X12 data segments or NACHA endorsed banking conventions (i.e. tax payment/child support)

Retention

- Originator must retain the original or a copy of each authorization (signed, written or similarly authenticated) of a Receiver for 2 years from the termination or revocation of the authorization
- Upon receipt of an RDFI's written request- ODFI must provide a copy at no charge within 10 banking days

Exception Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R10 – Customer Advises Not Authorized, Improper, or Ineligible
 - 60 calendar days – Need WSUD



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- R07 – Authorization Revoked (single or recurring)
 - 60 calendar days – Need WSUD

CCD/CTX

Corporate Credit or Debit/Corporate Trade Exchange

Definition

CCD – An entry originated by an Organization to or from the accounts of the Organization or another Organization

CTX- An entry originated by an Organization to or from the account of that Organization or another Organization and accompanied by one or more Addenda records

Type of Entry

Single OR Recurring Entry

Credit OR Debit Entry

May be Non-Monetary

Market Type

Ecommerce

Mail Order

Phone Order (CCD for orders paid from a corporate account)

Retail

Agreements

- The Receiver has an agreement with the Originator under which the Receiver has agreed to be bound by the ACH Rules
- This agreement is sometimes referred to as a Trading Partner Agreement
 - Both parties/Originator and Receiver should retain a copy of this Agreement
- An ODFI may request a copy of this agreement from the Originator

Special Rules

- CCD and CTX entries are contractually bound between two entities for transfer of funds to or from an account that is not primarily used for personal, family or household purposes
- Return timeframes for unauthorized CCD and CTX entries are different than unauthorized consumer entry returns



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- Return timeframe for ALL CCD and CTX entries is 24- hours (2 banking days):
Each Return Entry must be made available to the ODFI no later than the opening of business on the second banking day following the Settlement Date of the original entry.
- Exceptions to Return times frames for CCD and CTX entries:
RDFI contacts ODFI, request and receives Explicit Permission BEFORE returning outside the 24-hour return timeframe (see Return Reasons Codes below).

Note:

- CCD for Corporate should be used if the order form includes the customer's authorization for the debit entry to their account and no check is enclosed.
- Proof of Authorization for transactions ran on the web using CCD will adhere to the same requirements as a web transaction.

Addenda Records

Addenda Records are OPTIONAL for CCD entries:

- Maximum number of Addenda records is one

Addenda Records are OPTIONAL for CTX entries:

- Maximum number of Addenda records is up to 9,999

Addenda Records for both CCD and CTX:

- Are used by Originator to supply additional information about the entry detail record
 - Commonly used for invoice info from company to company
- Must contain payment-related information only- any other use is prohibited
- ONLY- ANDI ASC X12 data segments or NACHA endorsed banking conventions (i.e. tax payment/child support)

Upon request of the Receiver, an RDFI MUST provide to its Receiver all Payment Related Information contained within the Addenda record(s)

- Payment- Related Information Must be provided within 2 banking days

Specific Return Reason Codes

- R08- Payment Stopped
 - 24 hours
- R29- Corporate Customer Advises Not Authorized
 - 24 hours – NO WSUD needed
- R31- Permissible Return Entry (CCD & CTX only)
 - No time limit- Determined by the ODFI and RDFI
 - RDFI MUST request and receive explicit permission from ODFI BEFORE returning



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Exception Return Reason Codes

- R05- Unauthorized Debit to Consumer Account Using Corporate SEC Code
 - 60 calendar days - NEED WSUD from receiver/account holder of consumer account

Please Note: Consumer account as defined by Regulation E

IAT International ACH Transaction

Definition

An 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

Type of Entry

Single OR Recurring Entry
Credit OR Debit Entry
May be Non-Monetary

Authorizations

An Outbound IAT Entry must be authorized as provided by the Rules in Subsection 2.3.1 (Originator must obtain authorization from the Receiver to originate one or more entries) The form and content of the foreign Receiver's authorization, including oral written or electronic, shall be governed by the laws and payment system rules of the receiving country. For an outbound credit IAT entry for which both the Originator and foreign receiver are natural persons, no authorization is required by the Rules.

Definitions (specific to IAT)

Payment Transaction

1. An instruction of a sender to a bank 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
2. Any and all settlements, accounting entries, or disbursements that are necessary or appropriate to carry out the instruction



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Financial Agency

- An entity that is authorized by applicable legal Requirements to accept deposits or to conduct the business of issuing money orders or transferring funds

Financial Agency's Office (an office is involved in the payment transaction of it...)

- Holds an account that is debited or credited as part of the payment transaction
- Receives payment directly from a person or makes a payment directly to a person as part of the payment transaction, or
- Service as an intermediary in the settlement in any party of the payment transaction

The definition of IAT focuses on where the financial agency or its office that handles the payment transaction (movement of funds) is located and not where any party to the transaction (Originator or Receiver) is located

Gateway

- Entry point into or exit point from the United States

Foreign Gateway

- Entry point to or exit point from the Foreign Country

IAT Funds Availability

Posting of IAT entries should follow the ACH Rules (credits- no later than settlement date; debits – not before settlement date) open-of-business funds availability does NOT apply to IAT. Any action by a participating DFI to debit or credit an account or to transfer funds is excused to the extent that such action is inconsistent with US Law (OFAC and FinCEN)

ODFI/Originator Agreements

Origination agreement must include (but limited to):

- Originator or Third-Party sender of IAT entries must authorize the ODFI to originate Entries to Receiver's accounts
- Originator of Third-Party Sender must agree to be bound by the ACH Rules and agrees not to originate Entries that violate the laws of the United States
- Restrictions on types of Entries, the right of the ODFI to terminate or suspend the agreement for breach of these Rules and the right of the ODFI to audit the Originators or Third-party Senders compliance with the ACH Rules

The agreement must specify (1) terms and conditions for allocations of gains, losses, and the assumption of risk for foreign exchange conversion, and (2) the rights and responsibilities of the ODIF in the event of an Erroneous Entry

ODFI Warranties (specific to IAT)

In addition to other warranties contained within the ACH rules, an ODFI initiating an Outbound IAT Entry warrants to each RDFI, ACH Operator and Gateway:



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- Originator and ODFI are in compliance with US Legal Requirements, with respect to the IAT entry, including their obligations under programs administered by US Department of the Treasury's Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN)
- The origination of the IAT Entry complies with the laws and payment system rules of the receiving country

OFAC Compliance RDFI and ODFI and Gateway

- ALL PARTIES to the IAT transaction should be reviewed on Inbound and Outbound IAT Entries, including the seven mandatory addenda records, and up to 5 optional addenda (which consists of a combination of (up to 2) remittance addenda and (up to 5) foreign correspondent addenda (12 maximum addenda for each IAT- inbound).
- Reason for Payment MUST be included in all IAT Entries (Transaction Type Code field – 1st Addenda Record). Codes identified such as PEN for pension, ANN for annuity; and effective 9/21/2012 – REM for remittance; or SEC codes ARC/BOC/POP/RCK/WEB/TEL/MTE/POS/SHR
- The Receiving Depository Financial Institution (RDFI) has an obligation to ensure all Inbound IAT Entries are in compliance with OFAC regulations and to take appropriate steps to investigate, suspend, reject, block and report on transactions as necessary. RDFIs CANNOT contract away their liability for OFAC Compliance if it contracts with a third-party provider
- The Originating Depository Financial Institution (ODFI) is responsible for reviewing all IAT transactions for OFAC compliance PRIOR to the items being released to the ACH Operator. ALL PARTIES to the transaction should be review on Outbound IAT Entries including the name and physical address of the Originator and Receiver, the receiving bank name, identification and branch country code, and any Remittance Information addenda record
- The Gateway is required to notify the RDFI of a “rejected inbound IAT Entry” within 5 banking days; notification to include complete names and addresses of Originator and Receiver (method of notification is not outlined in the NACHA Operating Rules) – effective September 21, 2012

Handling Unlawful transactions

Credit Entries:

- Receiver subject to OFAC sanctions;
 1. Post the credit entry to the account
 2. Ensure the account is frozen
 3. Report transaction to OFAC
- Originator subject to OFAC sanctions;
 1. Do NOT POST the entry to Receiver's account



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2. Funds should be suspended
3. Report transaction to OFAC

Debit Entries:

- An entry that is found to be in violation of an OFAC sanction, contact OFAC directly. OFAC will handle these transactions on a case-by-case- basis. 1-800-540-6322 or 1-202-622-2490

Return and NOC Requirements

IAT Return Entries:

- All valid return reason codes can be used for IAT entries
- R17- Return IAT Entries without complete information as needed for valid OFAC Review
- Return timeframes for IAT Entries- follow the current ACH Rules
- When returning an IAT Entry, all PARTES to the transaction should be reviewed to meet OFAC Compliance Requirement
- Seven (7) MANDATORY Addenda records (that were part of original Entry) MUST be transmitted with the return entry, PLUS the eighth (8) Addenda to include: Addenda Type Code 99, Return Reason Code and Original Entry Trace Number; the optional Remittance and Foreign Correspondent Addenda need not be included with the return entry
- Dishonored and Contested Dishonored Returns are NOT allowed with IAT

Return Reason Codes to be used ONLY by Gateway (NOT for use by the RDFI):

- R80/ R81/ R82/ R83/ R84 and effective 3-13-2013 R85

IAT Notifications of Change (NOC):

- NOCS are OPTIONAL for IAT Entries – timeframe according to the ACH Rules
- Some foreign countries may NOT support NOCs
- Seven (7) MANDATORY addenda records or the optional (up to 2 remittance and 5 foreign correspondent – maximum 12) need NOT be included with NOC Entry
- Refused NOCs are not allowed with IAT

Addenda Details

Inbound IAT Entries:

- Seven (7) MANDATORY Addenda records; Five (5) OPTIONAL Addenda Records, consisting of a combination of (up to 2) remittance addenda for each ITA – inbound)



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Outbound IAT Entries:

- Seven (7) MANDATORY Addenda Records; OPTIONAL Remittance Addenda (up to 2); maximum Addenda records for Outbound IAT is 9 (any foreign correspondent is unknown)