भारतीय राष्ट्रीय भुगतान निगम

NPCI/IMPS/OC No 28/2013-14

Oct 31, 2013

To,

All Member Banks, Immediate Payment Service (IMPS)

Dear Sir/Madam,

<u>Sub: Processing of BENEFICIARY TIMED OUT TRANSACTION as deemed successful (IMPS RC-08 / ISO RC-91)</u>

<u>Objective:</u>

The objective of issuing this document is to explain the process for elimination of raising debit adjustments by beneficiary banks for timed-out P2P and P2A & P2U transactions.

The instructions contained herein will come in to effect from 20th November 2013. From this date treating Beneficiary Timed-out Transactions as "deemed successful" will be implemented. When such transactions are treated as successful and settled between remitter and beneficiary banks, the remitting bank need not hold funds in their pooling account since such transactions are settled and deemed to have been credited to beneficiary's account.

This matter was discussed in the IMPS Steering Committee meeting held on 22nd July, 2013. As per the directions given in the IMPS Steering Committee, a sub group was constituted of SC member banks and NPCI officials. The sub group met on 26th July 2013 and the proposal contained herein was approved and agreed for circulation to banks by the sub group members. This was approved for implementation by IMPS steering committee in its meeting held on 18th October 2013.

<u>Existing practice:</u>

Presently, when P2P/P2A transactions are timed out at the Beneficiary banks' end (Response code 08/ISO Response Code 91); such transactions are treated as declined transaction by NPCI system and are not settled in the IMPS settlement process. After reconciliation between CBS data and IMPS settlement reports, beneficiary bank identifies transactions that are credited to beneficiary's a/c but not settled in IMPS settlement process. In such case, beneficiary bank raises debit adjustment through NPCI's IMPS system on the remitting bank. If beneficiary bank has not credited to the beneficiary's a/c online and the transaction is timed out at beneficiary bank's end, the remitting bank has to wait for 5 days to refund to their customer's a/c. Thus, on 6th day, the remitting bank will reverse the entry from their pooling a/c to the credit of customer a/c after ensuring that they have not received any debit adjustment from the beneficiary bank. This process has become a cause of concern to remitting banks to handle customer complaints that their customer's a/c is debited but beneficiary a/c is not credited.

<u>The proposed process</u>: It is proposed to treat the beneficiary timed out transactions i.e. (IMPS RC-08 / ISO RC-91) as successful transactions. Consequently, such transactions will be settled in the IMPS Settlement process. (In other words, the beneficiary bank will be credited and remitting bank debited for transactions that are timed out at beneficiary banks' end as part of IMPS settlement process.)

Verification Request (VR): Verification request process through online switch shall remain same as existing process. There will not be any change. If the original transaction and VR is success the transaction is settled as approved with RC-00. If the Original transaction is declined and VR is successful the transaction will be treated as declined with RC-M0.

Reconciliation Actions: There will not be any change to existing methodology of making available various reports to banks. The response codes too will remain same. An additional report containing beneficiary timed out transactions that are settled will be made available to beneficiary banks. Beneficiary banks will have to reconcile the CBS data with settled transactions report of IMPS provided by NPCI (all approved and beneficiary timed out transactions) and initiate manual credits to customer's a/c where online credit was not processed. In order to facilitate beneficiary banks to take immediate action of crediting beneficiary's a/c for Timed out transactions, NPCI will make available a separate report that contain only Beneficiary Timed out transactions that are settled. **IT MUST BE ENSURED THAT THE RECONCILIATION PROCESS IS CARRIED OUT IMMEDIATELY AND THE BENEFICIARY'S A/C IS CREDITED WITHIN 2 HOURS IF CREDIT HAS NOT BEEN GIVEN ONLINE.** Please refer to Annexure - A for further details.

Adjustment process through DMS: When this process of settling beneficiary bank timed out transactions gets implemented, it will not be necessary to raise debit adjustments by beneficiary banks. In case beneficiary bank cannot credit the customer's a/c for any reason post reconciliation (e.g. invalid a/c no., a/c closed, etc.), the beneficiary bank should return the funds to the remitting bank by raising **Return Adjustment immediately in any case within T+1 day**.

The remitting bank will be permitted to raise Chargeback for timed out transactions to get the funds back from beneficiary bank if – (a) Beneficiary a/c is not credited and (b) Return adjustment is not raised. In this connection, please refer to Annexure - B wherein timelines and adjustment process for chargeback and return adjustments are given.

TCC-Transaction credit confirmation: An option called **TCC-Transaction credit confirmation** will be provided. Beneficiary bank can confirm that customer's a/c is credited for timed out transactions through TCC option. For marking successful, the beneficiary bank can use front end option or through bulk upload option. When remitter bank try to raise chargeback, a pop up message will be displayed to make them aware that the customer a/c has been credited and therefore there is no necessity to raise chargeback. Initially, DMS will allow raising chargeback even if TCC is already raised. Please refer Annexure-C for details. This will be reviewed in three months post implementation of settlement of beneficiary timed out transactions.

Return process: Beneficiary bank can return the funds to the remitting bank where beneficiary bank is not able to credit their customer's a/c due to wrong a/c no., a/c closed, etc. Beneficiary bank can login in to the DMS and return the funds by using front end or bulk upload option (Please refer to Annexure D for bulk upload *csv* file format). The returns must be processed maximum within T+1 day.

Applicability: The above implementation will be applicable only for P2P, P2A & P2U transactions.

Not applicable to Merchant Transactions (P2M & M2P): This process is not applicable to merchant transactions because the status of transaction at merchant end is known only to the merchant in most of the cases.

Separate file for Rc-08 Transactions: In addition to the existing settlement files, NPCI shall provide separate report which will contain data pertaining to only RC-08 transactions. This will facilitate banks to match the RC-08 transactions with CBS. If the beneficiary customer's a/c is found to be already credited online, there will be no further action needed. However TCC should be uploaded in DMS using suitable reason codes – please refer to Annexure E for reason codes. If it is found that beneficiary's a/c is not credited online, then the same should be credited manually within two hours and thereafter TCC can be uploaded in DMS using suitable reason codes. If the beneficiary bank cannot credit the customer's account for any reason whatsoever (such as, credit freeze in the a/c, closed a/c, etc.) same should be refunded back to remitting bank by raising Return Adjustment within T+1 day. Please refer to Annexure – D for format.

Settlement File formats: Please note that there will not be any change in response code, settlement files and naming conventions of settlement files.

Fraud Reporting: In case of any fraud transactions, same can be reported to fraudrisk@npci.org.in as per the existing process.

Bulk Upload file format: Bulk upload can be done using *csv* file. Please refer to the Annexure-D for *csv* file format. Bulk upload option is provided for Chargeback, Accept Chargeback, Re-presentment, Adjustments due to Return and Transaction Credit Confirmation.
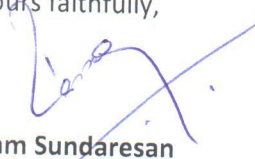
Reason Codes for raising adjustments: Please use the reason codes while raising dispute either through front end option or bulk upload option. Please refer Annexure- E for details.

Upload evidence for re-presentment or rejecting pre-arbitration: Beneficiary bank has to upload confirmation that the customer account has been credited. Please refer Annexure – F for format.

Effective Date: This revised process will be implemented w.e.f. **20th November 2013**. All are requested to take a note of the above and ensure that instructions contained herein are delineated to all concerned.

Should you need any further assistance, please contact Mr Saktiswar Rao at saktiswar.rao@npci.org.in Mobile: 08108122856 / Mr Sourabh Shukla at sourabh.shukla@npci.org.in Mobile: 08108122897.

Yours faithfully,

Ram Sundaresan
Head – Operations
Enc.

S. No	Scenario	Status at beneficiary bank	NPCI proposed actions	Remitting Bank Actions	Beneficiary Bank Actions
1	Beneficiary bank response timed out	Customer account is credited but response got timed out (Beneficiary bank to NPCI)	NPCI settle the trans-action as deemed successful	Remitting bank can see the status of timed-out transaction in TCC report.	Beneficiary bank can upload TCC with reason code 102 that the customer account has been credited online.
2	Beneficiary bank response timed out	Customer account is NOT credited and response got timed out (Beneficiary bank to NPCI)	NPCI settle the trans-action as deemed successful	Remitting bank to check if return adjustment is raised. If not, bank can raise chargeback. While raising chargeback, bank has to ensure that TCC is not flagged. If beneficiary bank has confirmed credit to beneficiary's a/c through TCC, chargeback should not be raised.	Beneficiary bank to reconcile and identify the transactions with RC-08 where transaction is approved at NPCI and not credited to customer online. Beneficiary bank to initiate manual credit to their customer's a/c. Upload TCC confirmation using 103 as reason code through DMS. This will help remitting bank to understand that manual credit has been given. Therefore Remitting bank need not raise chargeback.
3	Beneficiary bank response timed out	Customer account is NOT credited and response got timed out. (Beneficiary bank to NPCI). Post reconciliation it is found that customer account cannot be credited because of closed account, no such a/c, etc.	NPCI settle the trans-action as deemed successful	Remitting bank to check if beneficiary bank has initiated returns through return option. If not, the bank can raise chargeback. While raising chargeback, bank has to ensure there is no pop-up message of TCC/RET. (TCC means beneficiary bank has credited their customer a/c and RET means funds are returned to remitting bank). If the funds are returned by beneficiary bank, system will not allow remitter bank to initiate chargeback. If TCC/RET is not flagged, then chargeback can be raised.	If customer account cannot be credited due to various reasons, beneficiary bank has to raise pro-active returns using return adjustment option within T+1 day, to reverse the funds to the remitting bank. The return of funds to remitting bank should be made using "Returns" option in DMS with suitable reason codes. On raising returns, beneficiary bank will be debited and remitting bank will be credited.
4	Beneficiary bank response timed out	Customer account is NOT credited and response got timed out (beneficiary to NPCI).	NPCI settle the trans-action as successful	Remitting bank raised chargeback as there is no return adjustment and no TCC flag while raising chargeback.	If beneficiary bank has credited their customer account post reconciliation and fail to upload TCC, beneficiary bank can re-present it by uploading duly signed acknowledgement form as per Annexure – F.

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Adjustment table for P2P/P2A & P2U

Annexure-B

S. No	Adjustments Type	TAT	Initiated by	Fund Transfer		Remarks
				From (Dr)	To (Cr)	
1	Chargeback	**60 days** from the next day of transaction date.	Remitter bank	Beneficiary bank	Remitter bank	Beneficiary bank has not credited their customer's a/c and has not returned the funds to Remitting bank.
2	Chargeback Acceptance /Re-presentment	T + 3 days (T is chargeback day). (Beneficiary bank has to upload document as per Annexure F at the time of re-presentment).	Beneficiary bank	Remitter bank	Beneficiary bank	No document required for chargeback acceptance.
3	Pre-arbitration	**30 days** from the next day of the Re-presentment date.	Remitter bank	Beneficiary bank	Remitter bank	----
4	Pre-arbitration Acceptance	5 days	Beneficiary bank	No fund transfer shall happen as adjustment amount is already settled to remitting banks when pre-arbitration is raised.		----
5	Pre-arbitration Rejection	5 days	Beneficiary bank	Remitter bank	Beneficiary bank	If rejected within TAT the transaction will be settled.
6	Arbitration	**30 days** from the next day of the Pre-arbitration Rejection.	Remitter bank	Based on panel decision		----
7	TCC	Maximum within T+1 day from the date of Transaction, however system will allow beyond T+1.	Beneficiary bank	No Fund Movement	No Fund Movement	This option is provided only to make remitter bank understand that customer a/c has been credited either online or by initiating manual credit by beneficiary. This will avoid raising chargeback by remitter bank.
8	RET	Maximum within T+1 day from the date of Transaction, however system will allow beyond T+1.	Beneficiary bank	Beneficiary bank	Remitter bank	Beneficiary bank can return the funds to the remitting bank where beneficiary bank is not able to credit their customer's a/c due to wrong a/c no, a/c closed, etc.

Upload Proof/Adjustments front-end and bulk upload option: Annexure-C

Type of Adjustments	Transaction Type	RC	Upload Evidence	Front end option	Bulk upload option
Transaction Credit Confirmation	P2P/P2A/P2U	08	-	Yes	Yes
Return Adjustment	P2P/P2A/P2U	08	-	Yes	Yes
Chargeback	P2P/P2A/P2U	08	-	Yes	Yes
Chargeback Acceptance	P2P/P2A/P2U	08	-	Yes	Yes
Re-presentment	P2P/P2A/P2U	08	Yes	Yes	Yes
Pre Arbitration	P2P/P2A/P2U	08	-	Yes	No
Pre Arbitration Accept	P2P/P2A/P2U	08	-	Yes	No
Pre Arbitration Reject	P2P/P2A/P2U	08	Yes	Yes	No
Arbitration Logging	P2P/P2A/P2U	08	Yes	Yes	No

Bulk Upload File Format:

Header	Description	Length	Example
Bankadjref	Bank Adjustment Reference Number	Length-100 (AN)	REM/BEN/CB/081013
Flag	**B/R/TCC/A/RET**	Length-03 (A)	B
shtdat	Transaction Date	YYYY-MM-DD (AN)	2013-10-08
adjamt	Dispute amount	(N)	1000
Shser	RRN	Length-50 (AN)	123456789102
Shcrd	1. P2P - NBIN + Mobile Number (19 Digits) 2. P2A - NBIN + Account Number (19 Digits) 3. P2U - NBIN + Aadhar Number (19 Digits)	Length-53 (AN)	E.g. 5234001008108122883) 5234(NBIN)/ 00 (Reserved)/ 1 (Product Number) 00 (Reserved)/ Mobile Number
filename	.CSV file name	Length-50 (AN)	Remcbfile.csv
reason	Reason Codes	Length-05 (AN)	108
specifyother	Bank remarks	Length-400 (AN)	Beneficiary account not credited

Note: A-Alpha and N-Numeric.

Flag Description:

Flag	Description
B	Chargeback
A	Chargeback Acceptance
R	Re-presentment
TCC	Transaction credit confirmation
RET	Returns confirmation by beneficiary bank

Illustration of CSV file

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Bulk file format Sample - Notepad
File Edit Format View Help
Bankadjref,flag,shtdat,adjamt,shser,Shcrd,filename,reason,specifyother
REM/BEN/CB/09102013-1,B,2013-10-03,1000,123456789123,5234001008108122883,ABC-CB-03102013-1.CSV,108,Enter anything if reason is others- otherwise blank
REM/BEN/CB/09102013-2,C,2013-10-03,2000,123456789124,5234001008108122884,ABC-CB-03102013-2.CSV,111,Enter anything if reason is others- otherwise blank
REM/BEN/CB/09102013-3,R,2013-10-03,3000,123456789125,5234001008108122885,ABC-CB-03102013-3.CSV,208,Enter anything if reason is others- otherwise blank
REM/BEN/CB/09102013-4,A,2013-10-03,4000,123456789126,5234001008108122886,ABC-CB-03102013-4.CSV,111,Enter anything if reason is others- otherwise blank
REM/BEN/CB/09102013-5,TCC,2013-10-03,5000,123456789127,5234001008108122887,ABC-CB-03102013-5.CSV,207,Enter anything if reason is others- otherwise blank
REM/BEN/CB/09102013-6,RET,2013-10-03,6000,123456789128,5234001008108122888,ABC-CB-03102013-6.CSV,214,Enter anything if reason is others- otherwise blank
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Dispute Category	Dispute Flag	Reason Code	Reason Code Description
Chargeback	B	108	Remitter account debited but beneficiary account not credited
Chargeback Acceptance	A	111	Beneficiary bank unable to credit their customer account
Re-presentment	R	208	Beneficiary account credited online
Re-presentment	R	209	Beneficiary account credited manually post reconciliation
Pre-Arbitration	P	109	Remitter bank customer still disputes that beneficiary account is not credited
Pre-Arbitration Accept	AP	111	Beneficiary bank not able to credit the customer account
Pre-Arbitration Reject	PR	112	Beneficiary account credited online
Pre-Arbitration Reject	PR	113	Beneficiary account credited manually post reconciliation
Arbitration	AR	101	Both the parties denies to agree
Transaction Credit Confirmation	TCC	102	Beneficiary account has been credited online
Transaction Credit Confirmation	TCC	103	Beneficiary account has been credited manually
Returns	RET	114	Account closed
Returns	RET	115	Account does not exist
Returns	RET	116	Party instructions
Returns	RET	117	NRI account
Returns	RET	118	Credit freezed
Returns	RET	119	Invalid beneficiary details
Returns	RET	120	Any other reason
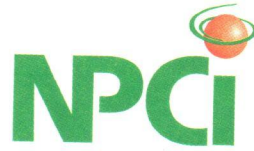
<u>**Confirmation of credit to beneficiary a/c**</u>   **Annexure F**

(On bank's letterhead)
Format for Re-presentment/Rejecting Pre-arbitration -

Madam/Dear Sir,

We refer to the below mentioned chargeback/Pre-arbitration raised against our Bank through Dispute Management System (DMS) for IMPS RC-08 (P2P / P2A / P2U)

Description	Particulars
Remitter details (Mobile Number)	
Beneficiary Details (Mobile Number/Account Number with IFSC/ Aadhar Number)	
RRN	
Transaction Type	
Transaction Amount	
Transaction Date	
Transaction Time	
Dispute Date	

We hereby confirm that afore mentioned transaction amount was successfully credited to the Beneficiary's account as per the details mentioned below.

Account No:
Beneficiary Details: (Mobile Number/Account Number with IFSC/ Aadhar Number)
Date & Time of Credit:
Mode of credit: (Online/Manual Credit)
Voucher/Reference No:

We confirm that this declaration will be considered as a conclusive proof of our Bank having credited the Beneficiary's account and will be used as an documentary evidence in the Dispute Management process. We also confirm that the remitting bank can confirm to the remitter that beneficiary's a/c has been credited as above and can share this confirmation form with their customer and/or any other authority as the remitting bank may consider necessary.

(Authorized Signatory)

    Bank Seal

Name of the Official: _____

Designation: _____

Bank name: _____

Date: _____

Separate report option in DMS which contains only Rc-08 transactions   Annexure - G

Illustration of Transaction (SAMPLE)	
TXN UID	1234567
TXN Type (FC,F3)	FC/F3
TXN Date	7/10/2013
TXN Time	15:24:55
Settlement Date	7/10/2013
Response Code	08
RRN	328020000000
STAN	4435167493
Remitter	AXB
Beneficiary	VJB
Beneficiary Mobile/Account/Aadhar Number	1234568108122856
Remitter Mobile Number	1234568108122897
TXN Amount	5000

Sample View of the table (Report shall be made available in XLS & .CSV format)

TXN UID	TXN Type (FC,F3)	TXN Date	TXN Time	Settlement Date	Response Code	RRN	STAN	Remmitter	Beneficiary	Beny Mobile/Account/Aadhar Number	Remitter Mobile Number	TXN Amount
1234567	FC/F3	7/10/2013	15:24:55	7/10/2013	08	328020000000	4435167493	AXB	VJB	1234568108122856	1234568108122897	5000