

NETC

NATIONAL ELECTRONIC TOLL COLLECTION

NETC Settlement process.

Settlement Process

Role of NPCI as settlement agency

NPCI would act as a clearing and settlement agency for settlement of inter-bank transactions between the Remitter and the Beneficiary members participating in the NETC network.

1) Settlement mechanism

NPCI, as the settlement agency, would credit/debit from the members' settlement account maintained with RBI, the amount as per the summary level data it receives from NETC (NRCS) Network.

Before participating in the NETC, all members should issue a letter of authority to RBI (DAD Mumbai), authorizing the settlement agency (NPCI) to credit and debit their settlement account with RBI for NETC transactions which will be settled in the existing NETC MNSB file. NPCI Network calculates the net debit/credit position based on the total netting of acquiring, issuing transactions and adjustments for a particular member.

In case of net debit, the member has an obligation towards other members. Thus, it owes the amount equal to the net settlement amount to other members in the network. During the settlement process, NPCI debits the members, which is under net debit and credits the members under net credit. To effect this, the net debit member should hold sufficient funds in its settlement account. Settlement account is the RTGS account of members with RBI.

Members should ensure to fund their RTGS settlement account held with RBI with sufficient amount to meet the settlement obligation sent by NPCI.

Members should periodically review daily settlement amount trend and ensure to fund the RTGS settlement account to avoid the out of fund situation.

2) Settlement reporting and reconciliation

NETC/NRCS would provide the cycle wise settlement reports in Back-office application. Using the reports provided by NPCI and bank's own reports, bank need to reconcile and raise required adjustments on back-office portal in case of any customer queries raised.

3) Settlement currency

All transactions in NETC will be settled in Indian Rupee (INR) only.

4) Dispute Resolution Mechanism

Dispute management is a process through which NETC member banks can determine the validity and liability of a financial transaction.

- NRCS provides an electronic platform to raise and resolve disputes among member banks having provision to exchange documentary support and details for the relevant transaction done through NETC System.
- Disputes may be created by Toll plaza operators, Acquirer Bank, Issuer Bank, Tag owners. Tag owners & Toll plaza operator must route their disputes to their member banks through NRCS application.
- For each dispute record processed, a Dispute Reference Number will be created, which will be a unique across the NETC System.
- All member banks have to process dispute stages through NETC system. Supporting documents to be provided by the member banks as applicable.

Disputes can be raised in NETC system by the following two methods:

- Web-UI - NRCS: Selecting a transaction on the NETC system and raising the relevant dispute request.
- Bulk Upload: Raising the relevant dispute request through file staging on NETC System.

NRCS disputed transaction lifecycle

A transaction lifecycle may consist of multiple stages; however, each transaction does not need to pass through every stage of the dispute life cycle. The lifecycle of a transaction can end at any of the below mentioned stages.

Dispute life cycle listed below.

Function Code	Dispute Name	Pre-requisite	Disputed Amount	TAT Day	Initiating Member	Financial/Non - Financial	F/P
763	Debit Adjustment	Settled Txn Debit Type	Settled Transaction	5 days From settled Transaction	Acquirer Bank	F	F/P
762	Credit Adjustment	Settled Txn Debit Type	Settled Transaction	30 days from settled Transaction	Acquirer Bank	F	F/P
451	Credit chargeback raise	Credit Adjustment/ Credit Type	Settled Txn Credit Type or Credit Adjument amount	40 days from CA Adjustment or settled Transaction	Issuer Bank	N	F/P
452	Credit chargeback Acceptance	Credit CB Raise	Credit CB Raise amount	10 days from Credit Chargeback Raised	Acquirer Bank	F	NA
502	Credit_chargeback deemed Acceptance	Credit CB Raise	Credit CB Raise amount	After 10 days from Credit Chargeback Raised	NRCS System	F	NA
450	Chargeback Raise	On Settled Txn Debit Type or Debit Adj	Settled Transaction +DA, Settled Transaction - CA, Settled Transaction	40 days from Adjustment or settled Transaction	Issuer Bank	N	F/P
470	Chargeback_Acceptance	Chargeback Raise	Charegeback Raise amount	10 days from Chargeback Raised	Acquirer Bank	F	NA
500	Chargeback deemed acceptance	Chargeback Raise	Charegeback Raise amount	After 10 days from Chargeback Raised	NRCS System	F	NA
205	Re_presentment raise	Chargeback Raise	Chargeback Raise amount	10 days from Chargeback Raised	Acquirer Bank	N	NA
261	Re_presenrment Acceptance	Re_presentment raise	Chargeback Raise amount	10 days from Representation Raised	Issuer Bank	N	NA

Function Code	Dispute Name	Pre-requisite	Disputed Amount	TAT Day	Initiating Member	Financial/Non - Financial	F/P
501	Re-presentation deemed acceptance	Re_presentation raise	Chargeback Raise amount	After 10 days from Representation Raised	NRCS System	N	NA
471	Pre-Arbitration Raise	Representation Raise	Settled Transaction +DA, Settled Transaction - CA, Settled Transaction	10 Days from Representation	Issuer Bank	N	F/P
474	Pre-Arbitration Acceptance	Pre-Arbitration Raise	Pre-Arbitration Raise Amount	10 Days from Pre-Arbitration Raise	Acquirer Bank	F	NA
473	Pre-Arbitration Declined	Pre-Arbitration Raise	Pre-Arbitration Raise Amount	10 Days from Pre-Arbitration Raise	Acquirer Bank	N	NA
509	Pre-Arbitration Deemed Accepted	Pre-Arbitration Raise	Pre-Arbitration Raise Amount	After 10 Days from Pre-Arbitration Raise	NRCS System	N	NA
479	Arbitration Raise	Pre-Arbitration Declined/ Deemed Declined	Pre-Arbitration Raise Amount	10 Days from Pre-Arbitration Declined/ Deemed Declined	Issuer Bank	N	NA
482	Arbitration Withdrawal	Arbitration Raise	Arbitration Raise Amount	10 Days from Pre-Arbitration Declined/ Deemed Declined	Issuer Bank	N	NA
480	Arbitration Acceptance	Arbitration Raise	Arbitration Raise Amount	10 Days from Pre-Arbitration Declined/ Deemed Declined	Acquirer Bank	F	NA
481	Arbitration Continuation	Arbitration Raise	Arbitration Raise Amount	10 Days from Pre-Arbitration Declined/ Deemed Declined	Acquirer Bank	N	NA
504	Arbitration Deemed Continuation	Arbitration Raise	Arbitration Raise Amount	After 10 Days from Pre-Arbitration Declined/Deemed Declined	NRCS System	N	NA
483	Arbitration Verdict**	Arbitration Continuation/ Deemed Continuation	Settled Transaction +DA, Settled Transaction - CA, Settled Transaction	15 Days from Arbitration Continuation/ Deemed Continuation	NPCI	NA	F/P

Function Code	Dispute Name	Pre-requisite	Disputed Amount	TAT Day	Initiating Member	Financial/Non - Financial	F/P
700	Member Fund Collection	NPCI Verdict	NPCI Verdict Amount	5 days	Issuer/Acquirer	F	F
760	NPCI Fee collection	NPCI Verdict	Rs. 6000/-	NPCI will raise fees against losing party	NPCI	F	F
680	Good faith raise	Dispaute closed or TAT Expired	Settled Transaction +DA, Settled Transaction - CA, Settled Transaction	160 days Dispaute closed or TAT Expired	Issuer/Acquirer	N	F/P
681	Good faith raise Acceptance	Good Faith Raise	Good Faith Raise Amount	30 days from Goodfaith Raise	Issuer/Acquirer	F	NA
682	Good faith raise Decline	Good Faith Raise	Good Faith Raise Amount	30 days from Goodfaith Raise	Issuer/Acquirer	N	NA
505	Good faith Deemed Decline	Good Faith Raise	Good Faith Raise Amount	After 30 days from GF raise Raise	NRCS System	N	NA