

NPCI/2014-15/NACH/Circular No. 54

September 04, 2014

To,
All NACH Member Banks

Process Change for Mandate Cancellation

In compliance with the RBI circular DPSS (CO) EPPD No. 1918 / 04.03.01 / 2011-12 dated April 18, 2012 and also based on the feedback received from member banks, the mandate cancellation process has been altered accordingly.

2. With effect from September 10, 2014, a mandate will be immediately marked inactive on the cancellation request submitted on the NACH platform by sponsor bank or destination bank. In contrast to the current practice on NACH, where the cancellation request shall need acceptance from the receiving bank. As soon as cancellation initiated through GUI and approved by the checker of the initiating bank, the mandate status would be updated as cancelled. In case of upload through XML, as soon as the ACK file is received, the status of the mandate would be updated as cancelled.
3. Receiving bank would continue to receive the cancellation request as a cancellation Inward file. But, no acceptance file is required to be uploaded by the mandate receiving bank. This data would be only for information purpose.
4. Mandates once cancelled cannot be revived. As soon as the status of a mandate is changed to 'inactive', no further transaction can be initiated for the said UMRN number.
5. Pending cancellation requests, at the time of process change will be marked as expired, based on TAT. These requests will have to be reinitiated by the bank.
6. For any queries/further help, please get in touch with us at nachsupport@npci.org.in

Thanking you
Yours faithfully,



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FAQ to the Circular

(i) What will be the new process of mandate cancellation?

The process flow of cancellation of the mandate is explained herein below.

Mandate cancellation raised in GUI:

The initiator of a mandate cancellation request message can be either the debtor (Destination Bank) or the creditor (Sponsor Bank) through GUI.

- There are no changes in the process of submission of cancellation request on the GUI.
- The maker shall submit the mandate cancellation request on the GUI and upon confirmation of checker approver, the mandate will be marked as cancelled immediately. The mandate will then be visible in the removed mandate list.
- Transactions pertaining to any mandate marked as cancelled shall be declined on the NACH platform.
- The INW and RES will continue to be generated as per the existing process flow. INW and RES will be generated in their respective sessions ie. INW at MRC and RES at MARC by NACH and posted in respective bank inbox.
- If the bank receiving the INW file uploads an ACCEPT file (for the Inward File received), then system will reject with the reason "Cancel operation automatically accepted by the system".

Mandate cancellation raised in XML:

The initiator of a Mandate Cancellation Request message can be either the debtor (Destination Bank) or the creditor (Sponsor Bank) through XML.

- Upon upload of Mandate cancellation 'xml' from the debtor or the creditor the mandate will be marked as cancelled immediately.
- Transactions pertaining to any mandate marked as cancelled shall be declined on the NACH platform.
- The INW and RES will continue to be generated as per the existing process flow. INW and RES will be generated in their respective sessions ie. INW at MRC and RES at MARC by NACH and posted in respective bank inbox.
- If the bank receiving the INW file uploads an ACCEPT file (for the Inward File received), then system will reject with the reason "Cancel operation automatically accepted by the system".

Mandate cancellation raised by DCA:

- The mandate cancellation requests initiated by a DCA will continue as per the existing process, i.e. the request will await Creditor/Debtor checker approval. Once approved, the mandate will be cancelled.

Description Table:

	Sponsor Bank initiated cancellation	Destination Bank initiated cancellation
Mandate Image	Optional. The sponsor bank may choose not to submit mandate image	Optional. The destination bank may choose not to submit mandate image
Physical mandate submission by customer	Optional	The bank may provide options to customer to cancel a mandate by way of a physical mandate, phone banking or net banking
Standardized NPCI mandate	Standardized mandate required only in case where bank is submitting scanned copy of mandate on NACH	Standardized mandate required only in case where bank is submitting scanned copy of mandate on NACH
Cancellation reason available	<ul style="list-style-type: none"> - On Customer request - On Corporate request 	<ul style="list-style-type: none"> - On Customer request - On Bank request - Account closed/blocked/frozen/inoperative
XML file upload	Available	Available
GUI	Available	Available
Mandate category based restriction on cancellation	Mandate from all category is available for cancellation	Mandate from all category is available for cancellation
Initiated (Receiving) party approval required	NO	NO
TAT for receiving party to approve	Mandate cancellation doesn't require approval and mandate shall be marked as inactive immediately upon submission on NACH. TAT not applicable.	Mandate cancellation doesn't require approval and mandate shall be marked as inactive immediately upon submission on NACH. TAT not applicable.
Result of TAT expiry as a result of no action by recipient bank	TAT not applicable.	TAT not applicable.
Impact of cancellation confirmation by receiving party	Mandate cancellation doesn't require approval and mandate shall be marked as inactive	Mandate cancellation doesn't require approval and mandate shall be marked as inactive immediately upon submission on NACH.





	immediately upon submission on NACH.	
Impact of cancellation rejection by receiving party	Mandate cancellation doesn't require approval and mandate shall be marked as inactive immediately upon submission on NACH.	Mandate cancellation doesn't require approval and mandate shall be marked as inactive immediately upon submission on NACH.

(ii) What are reports available for mandate cancellation and in what format?

Two reports will be available under "MMS Reports" in MIS Link:

- a. Cancellation Report
- b. Cancellation Audit Report - Initiating Party

Both the reports can be downloaded by the bank in excel, csv or pdf formats.