

As amended to
25 March 2005

**AUSTRALIAN PAYMENTS CLEARING ASSOCIATION
LIMITED**

ABN 12 055 136 519

A Company limited by Guarantee

PROCEDURES

for

BULK ELECTRONIC CLEARING SYSTEM

(CS2)

Commenced 12 December 1994

**Copyright © 1994 Australian Payments Clearing Association Limited
ABN 12 055 136 519**

**Australian Payments Clearing Association Limited
Level 24, 25 Bligh Street, SYDNEY NSW 2000
Telephone: (02) 9221 8944 Facsimile: (02) 9221 8057**

PROCEDURES
FOR
BULK ELECTRONIC CLEARING SYSTEM
(CS2)

INDEX

Item	Page Number
1. PRELIMINARY	1.1
1.1 Definitions	1.1
1.2 Interpretation	1.8
1.7 Inconsistency with Constitution or Regulations	1.9
1.9 Governing Law	1.9
1.10 Copyright	1.9
1.11 Application of Procedures	1.9
2. EFFECT	2.1
3. PROCEDURES AND AMENDMENT	3.1
3.1 Conduct of Clearings	3.1
3.2 Amendment	3.1
4. GENERAL OPERATIONAL REQUIREMENTS	4.1
4.1 BSB Number	4.1
4.2 Times of Exchange	4.1
4.5 DE File Specifications	4.2
4.6 Transaction Codes	4.2
<i>Clauses 4.7 to 4.16 are Confidential</i>	
4.7 Return Codes	4.2
4.8 Refusal Codes	4.3
4.9 Tracing Requests/Missing Items	4.3
4.10 Incorrectly Applied Items	4.3
4.11 Errors and Adjustments to Totals of Exchanges	4.4
4.12 Missorted Items	4.5
4.13 Interest Adjustments	4.5
4.14 Further Provisions Relating to Interest	4.5
4.15 Losses	4.5
4.16 Returning/Refusing FI ID Number	4.6
4.17 Reversing FI ID Number	4.6
4.18 Processing by account number only	4.6

5.	GENERAL REQUIREMENTS IN RELATION TO USERS	5.1
5.1	Approval and Termination	5.1
5.2	Compliance by Users	5.1
5.3	Notification of User Details to the Chief Executive Officer	5.1
5.7	Change of User FI/Sponsor	5.2
5.8	Liquidation or Insolvency of User	5.3
5.9	Change of User's Name and/or Transfer of Business	5.3
5.11	Trace Record	5.4
5.12	User Identification Numbers	5.4
	<i>Clauses 5.14 to 5.22 are confidential</i>	
5.14	Recall Requests	5.5
5.15	Recall Requests Processed via a Bureau	5.5
5.16	Return Requests	5.6
5.16A	Reversals	5.7
5.17	Unposted Items	5.8
5.18	Returns where Trace Record Institution is not Specified or is Incorrect	5.8
5.19	Refusals	5.9
5.20	Direct Entry Returned or Refused - Voucher Specifications	Deleted
5.21	Notification to User of Transfer or Change to Customer's Account	5.9
5.22	Transitional	5.10
6.	DIRECT CREDIT SYSTEM	6.1
6.1	Persons Authorised to Approve Credit Users	6.1
6.2	User FI Approval	6.1
6.5	User FI Responsibilities	6.1
6.7	Ledger FI Responsibilities	6.2
6.8	Lodgement FI Responsibilities	6.3
6.9	Transaction Negotiation Authority (TNA)	6.4
6.10	Change of Lodgement FI by a User or Bureau	6.4
6.11	Credit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc.	6.5
6.12	Credit User Application - Stamp Duty	6.6
7.	DIRECT DEBIT SYSTEM	7.1
7.1	Participating Members Authorised to Sponsor Debit Users	7.1
7.2	Sponsor Approval	7.1
7.4	Direct Debit Requests	7.1
7.4A	Transitional	7.2
7.5	Sponsor Responsibilities	7.2
7.6	Sponsor Indemnification	7.4
7.7	Representative Indemnification	7.4
7.8	Claim Procedures under Sponsor Indemnification and Representative Indemnification	7.5
7.9	Cancellation of Sponsor Indemnification and Representative Indemnification	7.7
7.10	Debit User Responsibilities	7.8
7.11	DDR Service Agreement	7.10

7.12	Ledger FI's Responsibilities	7.11
*	Debit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds, etc	Deleted
*	Debit User Indemnity - Stamp Duty	Deleted
7.13	Lodgement FI's Responsibilities	7.12
*	Form PD-C	Deleted
7.14	Printing/Publication of Direct Debit Requests	7.12
7.15	Unpaid Direct Debits	7.13
8.	FILE/ITEM REJECTION (<i>Confidential</i>)	8.1
8.1	Rejection of Individual Items by Receiving Member	8.1
8.2	Errors Causing File Rejection	8.1
8.3	Notification of File Rejection	8.2
8.4	Treatment of Unacceptable Files	8.2
8.5	Technical or Transmission Difficulties	8.2
9.	SETTLEMENT	9.1
9.1	Date of Settlement	9.1
9.2	Method of Settlement	9.1
9.3	Variations to Normal Settlement	9.2
9.4	Interest Adjustment	9.3
9.5	Settlement Contact Points (<i>Confidential</i>)	9.3
10.	CONTINGENCY PROCEDURES	10.1
10.1	Responsibilities	10.1
10.2	Options	10.1
10.3	Magnetic Tape Handling (<i>Confidential</i>)	Deleted
10.4	Physical Medium Exchange Standards	10.1
10.5	Read/Write Format Standards For Physical Medium	10.2
10.6	Structure of File	10.2
10.7	Blocking Factor	Deleted
10.8	Contact Points (<i>Confidential</i>)	10.3
10.9	Contingency Exchange Arrangements	10.3
10.10	Bilateral Testing of Contingency Exchange Arrangements	10.3
10.11	Annual Signing of Contingency Procedures Testing Certificate	10.4
10.12	Standards for Email File Exchange and Security	10.4
10.13	Email File Exchange Contacts Database	10.5
11.	LIABILITY OF PARTICIPATING MEMBERS IN THE EVENT OF FRAUD	11.1
11.1	Fraudulent Items	11.1
11.2	(<i>Confidential</i>)	11.1
12.	DE FILE SPECIFICATIONS	12.1
12.1	Overview	12.1
12.3	Character Bit Structure	12.1
12.4	Structure of File	12.2

12.5	Record Format	12.3
12.6	Publication of DE User Item File Specifications	12.3
13.	USER RECORDS (<i>Confidential</i>)	13.1
13.1	Overview of User Database System	13.1
13.2	Sending Data to the Company	13.1
13.3	Multiple Lodgement	13.2
13.4	Deleted	13.2
13.5	Deleted	13.2
13.6	Deleted	13.2
13.7	User FI Program	13.2
APPENDIX A	DOCUMENTS	
A1	Confirmation of Recall (<i>Confidential</i>)	A1.1
A2	Credit User Application	A2.1
A3	Daily Summary Report (<i>Confidential</i>)	A3.1
A4	Direct Entry System Advice (<i>Confidential</i>)	A4.1
A5	Direct Entry Returned or Refused - Debit & Credit Vouchers	Deleted
A6	Direct Entry Returned or Refused - Credit Voucher	Deleted
A7	Form PD-C	A7.1
A8	Transaction Negotiation Authority (<i>Confidential</i>)	A8.1
A9	Debit User Indemnity	Deleted
A10	Notice of Redirection of Direct Entry Item(s)	A10.1
A11	Linking Indemnity	Deleted
A12	Exchange Summary	A12.1
A13	Error Adjustment Vouchers (<i>Confidential</i>)	Deleted
A14	User's Indemnity Direct Debit System - Image Processing of Form PD-C	Deleted
A15	Direct Debit System Customer Claim	Deleted
A16	Direct Debit System Claim Request (<i>Confidential</i>)	A16.1

A17	Debit User - Change of Name or Other Details Advice	A17.1
A18	Debit User - Transfer of Business Advice	A18.1
A19	Notification of Reversal of Items Sent in Error	A19.1
A20	Direct Entry Trace Request	A20.1
A21	Cancellation Request	A21.1

APPENDIX B CONTACT POINTS (*Confidential*)

B1	Operational Contacts	B1.1
B2	Recall Initiating Contacts	B2.1
B3	Processing Centre	B3.1
B4	TNA Excesses	B4.1
B5	Electronic Return/Refusal	B5.1
B6	Settlement Contact	B6.1
B7	DDR Claims Contact and Claims Account Details	B7.1
B8	Trace Requests	B8.1
B9	Inter-organisation Compensation Contact	B9.1

APPENDIX C DE FILE SPECIFICATIONS (*Confidential*)

C1	DE File User Item Specifications	C1.1
C2	DE File Return Specifications	C2.1
C3	DE File Refusal Specifications	C3.1
C4	DE File Claim Specifications	C4.1
C5	DE File Reversal Specifications	C5.1

APPENDIX D SPECIFIED LOCATIONS Deleted

APPENDIX E APPROVED REPRESENTATION ARRANGEMENTS Deleted

APPENDIX F	APPROVED ELECTRONIC EXCHANGE ARRANGEMENTS	
Table 1A:	Approved Arrangements (Tier 1)	F.1
Table 1B:	Approved Representation Arrangements (Tier 2)	F.2
Table 2:	Electronic Exchange Arrangements between Tier 1PMs <i>(Confidential)</i>	F.4
APPENDIX G	FINANCIAL INSTITUTION IDENTIFICATION NUMBERS	
G1	Returning/ Refusing FI ID Numbers and Reversing FI ID Numbers <i>(Confidential)</i>	G1.1
G2	Claiming FI ID Numbers <i>(Confidential)</i>	G2.1
APPENDIX H	LEDGER FIs REQUIRING PD-C LISTS	Deleted
APPENDIX I	CONTINGENCY PROCEDURES FOR DISABLING EVENTS	
I1	Executive Summary	I1.2
I2	Roles and Responsibilities	I2.1
I3	Communications	I3.1
I4	Contingency Procedures For Disabling Events	I4.1
I5	Disabling Events	I5.1
APPENDIX J	PROCESSING DIFFICULTY NOTIFICATION FORMS	
J1	APCS and BECS Processing Difficulty Notification Form	J1.1
J2	BECS Processing Difficulty Notification Form	J2.1
APPENDIX K	PRIMARY EXCHANGE ARRANGEMENTS MATRIX	K1.1
APPENDIX L	CONTINGENCY EXCHANGE ARRANGEMENTS MATRIX	L1.1
APPENDIX M	CONTINGENCY FILE EXCHANGE	
M1	BECS Contingency File Exchange Form	M1.1
M2	Email File Exchange Contacts Lodgement Form	M2.1
	Email File Exchange Public Key Lodgement Form	M2.2

AUSTRALIAN PAYMENTS CLEARING ASSOCIATION LIMITED

ABN 12 055 136 519

A Company limited by Guarantee

PROCEDURES

for

BULK ELECTRONIC CLEARING SYSTEM

(CS2)

PART 1 PRELIMINARY

Definitions

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

“**Appointor**” means a Participating Member or a Non-member which enters into a Representation Arrangement with a Representative and (in the case of a Non-member) provides an undertaking to the Company substantially in the form of Annexure 2 of the Regulations.

“**BECS**” means Bulk Electronic Clearing System (CS2).

“**BSB Number**” means a BSB Number assigned to a financial institution. BSB Numbers, titles and abbreviations are set out in the Company's current publication entitled "BSB Numbers in Australia".

“**Bulk Electronic Clearing System (CS2)**” means the systems and procedures contained in the Regulations for:

- (a) the purpose of co-ordinating, facilitating and protecting the conduct and settlement of exchanges of Items between Participating Members and all aspects of the related clearing cycle; and
- (b) the exchange of financial data.

“**Bureau**” means a person which either creates a File on behalf of a single User and lodges it with a Lodgement FI or creates Multi-User Files on behalf of more than one User and lodges these with a Lodgement FI on behalf of those Users.

“**Cancellation Request**” means a document in the form of Appendix A21.

Inserted
effective 20/7/2001

“Chief Executive Officer” means the person appointed as a chief executive officer of the Company under Article 14.20 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.

“Claim Request” means a document in the form of Appendix A16.

“Commonwealth Government File”: Deleted effective 1/04/02, refer “Government File”

“Commonwealth Government Payment”: Deleted effective 1/04/02, refer “Government Payment”

“Company” means Australian Payments Clearing Association Limited (ABN 12 055 136 519).

“Confirmation of Recall” means a document in the form of Appendix A1.

“Contingency” means any Disabling Event and any other event or circumstance specified by the Management Committee for the purposes of Regulation 9.1. Inserted effective 28/10/96

“Contingency File Exchange Form” means a document, substantially in the form of Appendix M1, used by a sending or Disabled Tier 1 Participating Member to advise a receiving Tier 1 Participating Member that a pending/expected file exchange will take place using a bilaterally agreed contingency exchange arrangement (as set out in Appendix L). Inserted effective 30/6/03

“Contingency Procedures” means the procedures in Part 10 and in any contingency plans formulated and approved by the Management Committee under Regulation 9.1. Inserted effective 28/10/96

“Credit Items” includes all credit payment instructions contained in a File, addressed to a Ledger FI, except as may be specifically excluded by the Regulations or these Procedures.

“Credit User” means a person who issues Credit Items through a User FI for distribution to a Ledger FI. *Note: A person does not become a Credit User by reason only of issuing Reversing Items.* Last amended effective 4/8/2006

“Credit User Application” means an application in the form of Appendix A2.

“Customer” means the customer of the Ledger FI: Last amended effective 28/10/96

- (a) into whose account(s) a User’s Record Type 1 Credit Items are credited; or
- (b) from whose account(s) a User’s Record Type 1 Debit Items are debited; or
- (c) in respect of whose account(s) a combination of (a) and (b) occurs.

“Customer Claim” means a document in such form as the relevant Ledger FI may approve and, at a minimum, satisfying the requirements of clause 7.8(b). Last amended effective 31/3/2000

“Daily Summary Report” means a report containing any additions, deletions or other changes to Users’ details, an example of which is set out in Appendix A3.

“DDR” means a Direct Debit Request. Inserted effective 31/3/2000

“DDR Compliance Date” means the date approved and published by the Management Committee on and from which Debit Users will be required to ensure that all debit authorities for BECS given by Customers are Direct Debit Requests. Inserted effective 31/3/2000

“DDR Implementation Date” means the date approved and published by the Management Committee for the introduction of Direct Debit Requests. Inserted Effective 31/3/2000

“DDR Service Agreement” means a Debit User’s binding agreement given for the benefit of a Customer as to the basis on which it will provide direct debit services to that Customer through BECS, in such form as the relevant Sponsor may approve and, at a minimum, satisfying the requirements of clause 7.11. Inserted effective 31/3/2000

“DDR Transitional Period” means the period commencing on the DDR Implementation Date and ending on the day immediately preceding the DDR Compliance Date. Inserted effective 31/3/2000

“Debit Items” includes all debit payment instructions, contained in a File, addressed to a Ledger FI, except as may be specifically excluded by the Regulations or these Procedures.

“Debit User” means a person who issues Debit Items through a User FI for distribution to a Ledger FI. *Note: A person does not become a Debit User by reason only of issuing Reversing Items.* Last amended effective 4/8/2000

“Debit User - Change of Name or Other Details Advice” means an advice of supplementary change of name or other details for a Debit User in the form of Appendix A17. Inserted effective 14/12/95

“Debit User Indemnity”: Deleted effective 31/3/2000.

“Debit User - Transfer of Business Advice” means an advice of supplementary transfer of business details for a Debit User in the form of Appendix A18. Inserted effective 14/12/95

“DE File Reversal Specifications” means the technical specifications set out in Appendix C5 for Reversal Files. Inserted effective 4/8/2000

“DE File Specifications” means DE File User Item Specifications, DE File Return Specifications, DE File Refusal Specifications and DE File Reversal Specifications. (See Part 12 and Appendices C1, C2, C3 and C5). Last amended effective 4/8/2000

“DE File User Item Specifications” means the technical specifications set out in Appendix C1 for Record Type 1 Credit Items and Debit Items issued by Users. Inserted effective 28/10/96

“DES Advice” means a Direct Entry System Advice in the form of Appendix A4.

“Detail Record” in relation to any Item, means the record on the relevant File which contains information on that Item. (See Appendices C1, C2, C3 and C5). Last amended effective 4/8/2000

“DE File Refusal Specifications” means the technical specifications set out in Appendix C3 for Refusal Files. Inserted effective 28/10/96

“DE File Return Specifications” means the technical specifications set out in Appendix C2 for Return Files. Inserted effective 28/10/96

“Direct Debit Request” means an authority and request to debit amounts to a specified account of a Customer with the Ledger FI satisfying the requirements of clause 7.4. Last amended effective 11/03/04

(Note: a requirement for “writing” is interpreted in clause 1.2 (Interpretation)).

“Direct Entry Returned or Refused - Credit Voucher”: Deleted effective 31/03/04.

"Direct Entry Returned or Refused - Debit Voucher": Deleted effective 31/03/04.

"Disabling Event" means any:

Last amended
effective 4/8/2000

- (a) processing, communications or other failure of a technical nature;
- (b) inaccessibility (total or partial) of facilities by means of which exchanges are conducted;
or
- (c) manifestation of industrial action,

which affects, or may affect, the ability of any Participating Member to participate to the normal and usual extent in exchanges of Items (including Record Type 1 Items issued by any User, Returned Items, Refused Items and Reversing Items).

"Disabled Participating Member" means a Participating Member experiencing a disabling event which affects their ability to participate in the normal (primary) exchange and/or processing of data file(s) in the Clearing System.

Inserted effective
23/09/02

"Error Adjustment Voucher": Deleted effective 31/03/04.

"Error of Magnitude" is an error (or a series of errors on the one exchange) of or exceeding \$500,000.

"Exchange Summary" means a summary in the form of Appendix A12.

"Failure to Match Rules" has the meaning ascribed to that term in clause 9.2.

"File Cleansing": Deleted effective 14/12/95

"File Cleansing Lists": Deleted effective 14/12/95

"File" means one or more Items in an electronic format (and, for the avoidance of doubt, includes Files containing Record Type 1 Items issued by any User, Return Files, Refusal Files and Reversal Files). (See Part 12 and Appendices C1, C2, C3 and C5 for required specifications).

Last amended
effective 4/8/2000

"Form PD-C" means a request and authority so termed made in writing by a Customer before the DDR Compliance Date to and in favour of a Ledger FI, substantially in the form of Appendix A7.

Last amended
effective 31/3/2000

"Government File" means a File containing Government Payments.

Last amended
effective 1/04/02

"Government Payment" means a Credit Item which is:

Last amended
effective 1/04/02

- (a) initiated by a Credit User which is:
 - (i) a Commonwealth or State Government department, instrumentality or agency, or
 - (ii) some other statutory body wholly owned or controlled, directly or indirectly, by the Commonwealth Government or a State Government and approved by the Management Committee, and
- (b) subject to arrangements to the contrary under any bilateral agreement, transmitted in a File which specifies as the PD Day the next business day after the date of the exchange of the File and with a Receiving Dataset nominated under clause 6.7(f).

“Guidelines for Establishing Direct Debit Requests over the Internet” means the document entitled as such issued and varied by the Company from time to time including any substitute document howsoever entitled.

Inserted effective
31/03/04

“Inter-bank Settlement Interest Rate” means the interest rate determined in accordance with clause 9.4.

“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.

Inserted effective
13/06/01

“Items” means Credit Items and Debit Items (and, for the avoidance of doubt, includes Record Type 1 Items issued by any User, Returned Items, Refused Items and Reversing Items).

Last amended
effective 4/8/2000

“Ledger FI” means in relation to an Item, the Participating Member or Appointor to which the Item is addressed.

“Linking Indemnity”: Deleted effective 31/3/2000.

“Lodgement FI” means a Participating Member or Appointor with which Files are lodged.

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

“Missorted Item” means an Item received in an exchange and for which the BSB Number does not belong to the Receiving Member or any Appointor of that Receiving Member.

Inserted
effective 28/10/96

“Morning Settlement Session” means the settlement session conducted through the Reserve Bank Information and Transfer System between 7.30 am to 8.45 am, Monday to Friday.

Inserted
effective 18/01/02

“Multi-User File” means media containing more than one File.

“National Collator”: Deleted effective 20/08/04.

“Notice of Redirection of a Direct Entry Item” means a notice in the form set out in Appendix A10.

“Notification of Reversal of Items Sent in Error” means a notice in the form set out in Appendix A19.

Inserted
effective 24/11/03

“9.00am Funds” has the same meaning as “9am Funds” in the RITS regulations.

“Official Government File Exchange Time” means the times referred to as such in clause 4.2.

Last amended
effective 1/04/02

“Official Exchange Times” means the times referred to as such in clause 4.2.

Inserted
effective 28/10/96

“Participating Member” means a body corporate who in accordance with the Regulations is a participant in BECS.

“PD Day” means in relation to a File the day on which that File is to be processed, following exchange of the File by the Lodgement FI, and in relation to an Item, the day on which the File containing that Item is to be processed following exchange of the File by the Lodgement FI.

Last amended
effective 18/01/02

- “PDN”** means a Processing Difficulty Notification form, substantially in the form of Appendix J, used by a Participating Member to notify APCA of a Disabling Event in accordance with paragraph 3.3 of Appendix I. Inserted effective 23/09/02
- “Recall”** means a recall of the entire amount of an Item or File prior to the exchange of the Item or File.
- “Receiving Dataset”** means, in relation to the transmission of a File, the receiving destination details for that File, nominated by the Ledger FI to which that File is addressed. Inserted effective 18/01/02
- “Receiving Member”** in relation to any Item (including Record Type 1 Items issued by any User, Returned Items and Refused Items), means the Participating Member (whether or not it is the institution to which that Item is addressed) to which such Item is in fact delivered by the Sending Member. Last amended effective 28/10/96
- “Record Type”** has the same meaning as in clause 12.2 and Appendices C1, C2, C3 and C5. Any reference to any particular Record Type means that particular Record Type specified in clause 12.2 and, as applicable, the DE File User Item Specifications (Appendix C1), DE File Return Specifications (Appendix C2), DE File Refusal Specifications (Appendix C3) and DE File Reversal Specifications (Appendix C5). Last amended effective 4/8/2000
- “Refusal”** means refusal to accept a Returned Item. Inserted effective 28/10/96
- “Refusal Codes”** means the codes specified as such in clause 4.8. Any reference to a particular Refusal Code means that particular Refusal Code specified in clause 4.8. Inserted effective 28/10/96
- “Refusal File”** means a File containing Refused Items. (See Part 12 and Appendix C3 for required Specifications). Inserted effective 28/10/96
- “Refused Item”** means, in relation to any Returned Item, an Item which is used to effect Refusal (using Record Type 3) by the Receiving Member of that Returned Item. Inserted effective 28/10/96
- “Regulations”** means the regulations of BECS as prescribed by the Company.
- “Return”** means return of the value of a Credit Item or Debit Item, in accordance with clause 5.16, to the person entitled to receive such value after the exchange of that Item. Last amended effective 24/11/03
- “Returned Item”** means, in relation to any Record Type 1 Item issued by a User, an Item which is used to effect return (using Record Type 2) by the Receiving Member of that User’s Item. Inserted effective 4/8/2000
- “Return File”** means a File containing Returned Items. (See Part 12 and Appendix C2 for required specifications). Inserted effective 28/10/96
- “Returning/Refusing FI ID Number”** means the special identification number assigned to a Participating Member by the Company under clause 4.16. Inserted effective 28/10/96
- “Reversal”** means the reversal, in accordance with clause 5.16A, of a Record Type 1 Item, issued by a User, that has been sent in error. Last amended effective 24/11/03
- “Reversing FI”** means a Participating Member that initiates a Reversal File. *Note: The Reversing FI ID Number of that Participating Member appears in the Reversal File.* Inserted effective 4/8/2000

“Reversing FI ID Number” means the special identification number assigned to a Participating Member by the Company under clause 4.17.

Inserted effective 4/8/2000

“Reversal File” means a File containing Reversing Items (see Part 12 and Appendix C5 for required specifications).

Inserted effective 4/8/2000

“Reversing Item” means an Item which is used to effect a Reversal.

Inserted effective 4/8/2000

“RITS” means the Reserve Bank Information and Transfer System.

“Sending Member” in relation to any Item (including Record Type 1 Items issued by any User, Returned Items and Refused Items), means the Participating Member which delivers that Item to a Receiving Member.

Last amended effective 4/8/2000

“Settlement Session” has the same meaning as in the RITS regulations.

“Specified Location”: Deleted effective 28/10/96

“Sponsor” means a Participating Member which sponsors a Debit User pursuant to Part 7.

“TNA” means an authority entitled "Transaction Negotiation Authority" given by a TNA Issuer to a Lodgement FI to process a File containing a User's Credit Items, the total of which do not exceed a specified amount during a specified frequency in the form set out in Appendix A8.

Last amended effective 14/12/95

“TNA Issuer” in relation to a TNA in support of a Credit User's File means the relevant User FI or, to the extent that the Credit User's funding account is held with a Participating Member or Appointor which is not the User FI, that Participating Member or Appointor.

Inserted effective 14/12/95

“Trace Record” means that part of a Detail Record being character positions 81 to 96 inclusive which indicates the point (financial institution and account) to which an Item (including any Record Type 1 Item issued by any User, any Returned Item, any Refused Item and any Reversing Item) must be returned if it cannot be applied.

Last amended effective 4/8/2000

“Trace Record Institution” in relation to any Item (including Record Type 1 Items issued by any User, Returned Items, Refused Items and Reversing Items) means the financial institution specified (by reference to its BSB Number) in the Trace Record for that Item.

Last amended effective 4/8/2000

“User” means a Debit User or a Credit User.

“User FI” means, in respect of a User at any time, the Participating Member or Appointor which at that time represents the User in BECS.

“User Identification Number” means in relation to a User, its User Identification Number assigned to it in accordance with clause 5.12.

“Valid Claim” has the meaning ascribed to that term in clause 7.6.

Interpretation

1.2 In these Procedures, except where the context requires otherwise:

Last amended effective 31/3/2000

(a) words importing any gender include the other genders;

- (b) “person” includes a firm, a body corporate, an unincorporated association or an authority; Last amended effective 31/3/2000
- (c) the singular includes the plural and vice versa; and
- (d) a reference to a statute, code or the Corporations Law (or to a provision of a statute, code or the Corporations Law) means the statute, the code, the Corporations Law 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 Law or the provision;
- (e) a requirement to: Inserted effective 31/3/2000
- (i) give any information in writing (which, without limitation, includes making a claim or request or providing an authority, notification or advice);
- (ii) retain a document; or
- (iii) produce or deliver a document,
- may be done by means of an electronic communication generated by a method which enables that information or the information contained in that document to be readily accessible so as to be useable for subsequent reference and which provides a reasonable means of assuring the integrity of that information or the information contained in that document, except to the extent the validity of that means of electronic communication is otherwise limited by any applicable law; Last amended effective 31/03/04
- (f) a requirement for a signature of a person may be met in relation to an electronic communication if a method is used to identify that person and indicate that person’s approval of the information communicated, provided that: Last amended effective 10/09/2001
- (i) the person to whom the signature is required to be given consents to the signature being given by way of that method; and Last amended effective 31/03/04
- (ii) either: Last amended effective 31/03/04
- (A) having regard to all the relevant circumstances at the time the method was used, the method was as reliable as reasonably appropriate for the purposes for which the information was communicated; or Last amended effective 31/03/04
- (B) if the Management Committee has specified that such method be in accordance with particular information technology requirements (including whether hardware, software or otherwise) or procedural/process requirements, these requirements have been met. Last amended effective 31/03/04
- (g) a reference to a Direct Debit Request in relation to a Debit User is to be taken to include: Inserted effective 31/3/2000
- (i) a Form PD-C referable to that Debit User; and
- (ii) a Form PD-C or a Direct Debit Request referable to a third-party Debit User from which the relevant Debit User has acquired a business involving direct debit arrangements under BECS, which continued after that acquisition for the benefit of the relevant Debit User; and

(h) a reference to a Debit User making payment otherwise than in accordance with a Direct Debit Request or failing to make payment in accordance with a Direct Debit Request is to be taken to include any failure on the part of the Debit User to debit in accordance with the debit arrangements set out in the Debit User's DDR Service Agreement applicable to it at the relevant time.

Inserted
effective 31/3/2000

- 1.3 Words defined in the Corporations Law have, unless the contrary intention appears, the same meaning in these Procedures.
- 1.4 Words defined in the Regulations have, unless the contrary intention appears, the same meaning in these Procedures.
- 1.5 These Procedures have been determined by the Management Committee and take effect on the date specified by the Chief Executive Officer pursuant to Regulation 1.6.
- 1.6 Headings are inserted for convenience and do not affect the interpretation of these Procedures.

Inconsistency with Articles or Regulations

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

Governing Law

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

Copyright

- 1.10 Copyright in these Procedures is vested in the Company.

Application of Procedures

- 1.11 The procedures contained in these Procedures apply to the clearing system commonly known or referred to as the direct entry system, whereby payment instructions are exchanged electronically in bulk. If any other bulk electronic clearing systems evolve over time which are subject to the Regulations and for which the Management Committee becomes responsible, additional separate procedures will be required for those systems.

The next page is 2.1

PART 2 EFFECT

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

The next page is 3.1

PART 3 PROCEDURES AND AMENDMENT

Conduct of Clearings

- 3.1 Pursuant to Regulation 11.1 and in addition to and subject to the Regulations, the conduct of clearings effected between Participating Members 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 these Procedures.

Amendment

- 3.2 These Procedures may be varied by the Management Committee in accordance with Regulation 11.2 and clause 3.3 of these Procedures. Any variation to these Procedures must contain an editorial note setting out the effective date of such variation.

- 3.3 Each Participating Member must notify the Company of any changes to its contact points as specified in Appendix B. A Participating Member must also notify the Company if at any time it seeks inclusion in, or its deletion from, the list of Ledger FIs specified in Appendix H for the purposes of Clause 5.10. The Chief Executive Officer may vary each of Appendix B and Appendix H in accordance with any such notification without the need to obtain the approval of the Management Committee or any other person.

Last amended effective 24/1/97

A variation made by the Chief Executive Officer pursuant to this Clause 3.3 will, upon publication by the Company, be binding on that Participating Member and each other Participating Member.

Last amended effective 24/1/97

The next page is 4.1

PART 4 GENERAL OPERATIONAL REQUIREMENTS**BSB Number**

- 4.1 To facilitate participation in BECS each Participating Member and each other financial institution which participates in BECS must have a BSB Number.

If a Participating Member or other financial institution has not already been allocated a BSB Number by virtue of its participation in another clearing system managed by the Company (which BSB Number is also valid for BECS), a prospective Participating Member must request allocation of a BSB Number from the Company when applying to join BECS. Any other financial institution must have or receive a BSB Number from the Company before it takes any action in connection with BECS.

Times of Exchange

- 4.2 Official Exchange Times for Files other than Government Files are 1.00 pm, 6.30 pm and 8.15 pm Sydney time each Monday to Friday, excluding national public holidays. Official Exchange Times for Government Files are 7.00 am, 6.15 pm and 8.00 pm Sydney time each Monday to Friday excluding national public holidays. Exchanges on any day on which they are permitted must be completed by 8.30 pm. Each Participating Member may only commence transmitting Files (including Files containing Record Type 1 Items issued by any User, any Return Files, any Refusal Files:

- (a) with respect to Files other than Government Files, at any Official Exchange Time;
- (b) with respect to Government Files, at any Official Government File Exchange Time; or
- (c) otherwise by bilateral agreement.

Each Participating Member must be ready and able to receive transmissions of Files commenced at any Official Exchange Time or Official Government File Exchange Time.

Participating Members may agree bilaterally to exchange Files at other times, provided the Participating Members observe all other provisions of the Regulations and these Procedures. Nothing in this clause 4.2 prevents any Participating Member from exchanging Files, other than Government Files, at any Official Exchange Time or Government Files at any Official Government Exchange Time.

- 4.3 Settlement of obligations arising from exchange of Files, other than Government Files, will be effected in terms of Part 9 of these Procedures regardless whether exchanges are conducted at Official Exchange Times or by bilateral agreement. Settlement of obligations arising from exchange of Government Files will be effected in terms of clause 9.1A of these Procedures, regardless of whether exchanges are conducted at Official Government File Exchange Times or by bilateral agreement.

Exchange of Items (other than by bilateral agreement) will not take place on national public holidays. On any day other than a national public holiday, Tier 1 Participating Members in those states which are closed (for example, because of state public holidays) must be available to receive transmissions from all other Tier 1 Participating Members.

- 4.4 Where normal operations have been adversely affected by extraordinary circumstances, the Chief Executive Officer may vary the Official Exchange Times, Official Government File Exchange Times and/or the time by which exchanges must be completed. The Chief Executive Officer will notify all Participating Members in writing of any variations under this clause which apply overnight or longer.

DE File Specifications

- 4.5 All Items (including Record Type 1 Items issued by any User, Returned Items, Refused Items, and Reversing Items) and Files (including Files containing Record Type 1 Items issued by any User, Return Files, Refusal Files and Reversal Files) exchanged between Participating Members must conform with requirements set out in Part 12 and the applicable DE File Specifications in Appendices C1, C2, C3 and C5.

Transaction Codes

- 4.6 The following transaction codes form part of the DE File User Item Specifications and apply to Record Type 1 Items issued by Users and exchanged in BECS. All Participating Members must ensure that these transaction codes are used where applicable:

- 13 externally initiated Debit Items
- 50 externally initiated Credit Items with the exception of those bearing transaction codes 51-57 inclusive
- 51 Australian government security interest
- 52 basic family payments/additional family payment
- 53 pay
- 54 pension
- 55 allotment
- 56 dividend
- 57 debenture/note interest.

Clauses 4.7 to 4.16 inclusive are Confidential

CONFIDENTIALITY
GRANTED

CONFIDENTIALITY
GRANTED

Reversing FI ID Number

- 4.17 To facilitate Reversals, each Participating Member must have a special identification number in the form "997XXX" (where "XXX" is the relevant BSB Number). That number is referred to in these Procedures as the Reversing FI ID Number. The Company assigns the Reversing FI ID Numbers to Participating Members (see Appendix G1).

Processing by Account Number Details only

- 4.18 Ledger FIs are entitled to rely solely on Account Number Details in all circumstances when processing Items received by them, regardless of whether any account name details are transmitted with the Account Number Details or are otherwise known to the Ledger FI. Ledger FIs are not obliged (including under any duty to the Lodgement FI which may but for this clause 4.18 arise at law or in equity) to check whether the Account Number Details are correct.
- 4.19 (a) Subject to clause 4.19(b), if an amount has been credited or debited by the Ledger FI in accordance with the Account Number Details provided by the Lodgement FI but the amount has been credited or debited to the wrong account, then as between the Lodgement FI and the Ledger FI, the Ledger FI is not liable to compensate the Lodgement FI, any person on whose behalf the Lodgement FI exchanges an Item, the intended beneficiary of a Credit Item, a customer whose account has been wrongly debited or any other person for any loss or damage. In these circumstances, liability, if any, for compensating any person for any loss or damage which a person may suffer directly or indirectly in connection with the wrong crediting or debiting is the responsibility of the Lodgement FI. If a Ledger FI suffers loss or damage, or receives any claim for loss or damage arising because the Ledger FI has relied solely on Account Number Details provided by the Lodgement FI when processing an Item, the Lodgement FI must fully indemnify the Ledger FI in relation to such loss, damage or claim.
- (b) If an amount has been credited or debited by the Ledger FI in accordance with the Account Number Details provided by the Lodgement FI but the amount has been credited or debited to the wrong account due to an account number being reissued or duplicated by the Ledger FI, then as between the Lodgement FI and the Ledger FI, the Lodgement FI is not liable to compensate the Ledger FI, any person on whose behalf the Lodgement FI exchanges an Item, the intended beneficiary of a Credit Item, a customer whose account has been wrongly debited or any other person for any loss or damage. In these circumstances, liability, if any,

for compensating any person for any loss or damage which a person may suffer directly or indirectly in connection with the wrong crediting or debiting is the responsibility of the Ledger FI. If a Lodgement FI suffers loss or damage, or receives any claim for loss or damage arising because the Ledger FI has relied solely on Account Number Details provided by the Lodgement FI when processing an Item, but the loss, damage or claim arises because the relevant account number had been reissued or duplicated by the Ledger FI, the Ledger FI must fully indemnify the Lodgement FI in relation to such loss, damage or claim.

(Note: For the purposes of clauses 4.18 and 4.19, Account Number Details means the BSB number and the account number or, in the case of a Ledger FI which has a unique account numbers system, the account number only.)

Last amended effective 3/05/04

The next page is 5.1

PART 5 GENERAL REQUIREMENTS IN RELATION TO USERS

Approval and Termination

- 5.1 A User FI must ensure that a prospective User is approved in accordance with these Procedures before the processing of any Items belonging to that User takes place. See clause 5.2 below.

If the User FI gives written notice of termination of its arrangements with a User to the User then the arrangements between the User and its User FI will be terminated as to future Items but without prejudice to any right or liability arising under the terms of any proprietary arrangements with regard to Debit Items between them or under any Credit User Application in force in accordance with these Procedures.

Last amended effective 11/3/00

A User FI must notify the details of any of its new Users, any changes to any existing User and termination of any arrangements with its Users to the Chief Executive Officer in accordance with clause 5.3.

A Lodgement FI must give at least 30 days' prior written notice to all Tier 1 Participating Members before it exchanges any Government Files for the first time in BECS. The notice must specify the date on which the Lodgement FI will commence exchanging Government Files in BECS (which must not be sooner than 30 days after the expected date of receipt of the notice by all Tier 1 Participating Members).

Inserted effective 22/04/02

Compliance by Users

- 5.2 User FIs must ensure that Users wishing to:
- (a) issue Credit Items (including by using a Bureau), comply with the requirements specified in Part 6; and
 - (b) issue Debit Items, comply with the requirements specified in Part 7.

Notification of User Details to the Chief Executive Officer

- 5.3 In the case of a Credit User, the User FI, and in the case of a Debit User, the Sponsor, must notify the details of any new User, any changes to any existing User and any termination of arrangements with a User to the Chief Executive Officer. Notification must be given using:
- (a) the DES Advice or by way of input to the Company's records using the Company's software program (see Part 13); or
 - (b) the Debit User - Change of Name or Other Details Advice (Appendix A17) and/or a Debit User - Transfer of Business Advice (Appendix A18) if the notification is by facsimile transmission; or

Last amended effective 24/11/97

Last amended effective 1/07/02

Last amended effective 1/07/02

- (c) an electronic version of Appendix A17 and/or Appendix A18 if the notification is by e-mail, using the secure file transfer facility available on the APCA Extranet as part of the B.U.D.S. software program (see Part 13). Last amended effective 23/09/02

Upon receipt of any notifications referred to above, the Chief Executive Officer will in turn notify all Participating Members by means of a Daily Summary Report, which will issue no later than the following business day after such receipt.

A User FI must ensure that a Credit User does not, and a Sponsor must ensure that a Debit User does not, commence lodging Items or Items reflecting changed details until 5 business days (inclusive of State public holidays where these fall on a business day) after the issue of the relevant Daily Summary Report. Last amended effective 31/3/00

Paragraph (including sub-clauses (a) and (b) deleted. Effective 31/3/00.

That period is to be inclusive of State public holidays where these fall on a business day. Last amended effective 31/3/00

5.4 [Deleted] Deleted effective 14/12/95

5.5 [Deleted] Deleted effective 14/12/95

5.6 [Deleted] Deleted effective 14/12/95

Change of User FI/Sponsor

- 5.7 If a Credit User changes its User FI, the new User FI must ensure that the Credit User executes fresh Credit User documentation as required by these Procedures.

If a Debit User changes its Sponsor, the new Sponsor must promptly notify the Chief Executive Officer using a Debit User - Change of Name or Other Details Advice. Last amended effective 31/3/00

The outgoing User FI or Sponsor must notify the Company in writing of it ceasing to be a User FI or Sponsor (as the case may be) in addition to notifying details of termination of arrangements with a User in accordance with clause 5.3. Last amended effective 31/3/00

Any person making a claim under a Credit User Application must make a claim under the most recently executed Credit User Application existing as at the date of the occurrence of the event or circumstance in respect of which the claim is being made. Last amended effective 31/3/00

When a User changes to a new User FI (irrespective of whether that User FI is also the relevant Sponsor), some operational aspects which should be considered by the new User FI include: Last amended effective 14/9/96

- (a) establishing a new TNA in accordance with clause 6.9 for those Users lodging Credit Items through a Bureau or Lodgement FI;
- (b) changing the name of the User FI on the descriptive record of the User's File; and
- (c) changing the BSB Number and account number in the Trace Record on the User's File.

Cancellation of the existing TNA is the responsibility of the outgoing User FI.

Liquidation or Insolvency of User

- 5.8 In the event of the liquidation or insolvency of a User, the User may continue to have access to BECS if:
- (a) the User FI and, in the case of the Debit User, the Sponsor is prepared to continue its arrangements with the User. If a Sponsor is prepared to continue to permit a Debit User access to BECS it does so at its own risk under these Procedures, in particular, clauses 7.5 and 7.6 of these Procedures; and
 - (b) the liquidator, trustee in bankruptcy or other person responsible for the administration ("**Administrator**") of that User confirms that the User, under the administration of the Administrator, wishes to continue using BECS and, in the case of a Credit User, confirms the terms of the Credit User Application.

If the relevant Sponsor is prepared to continue its arrangements with the Debit User, it must notify the Chief Executive Officer as soon as practicable, using a Debit User - Change of Name or Other Details Advice.

Change of User's Name and/or Transfer of Business

- 5.9 The following provisions apply whenever there is a change of a User's name or where business of a User, being business which involves direct debit or credit arrangements under BECS, is transferred to another User (for example as a result of a takeover or merger of the User by or with another User or a sale of the business or part of the business of the User to another User) (in this clause 5.9 a transfer of business of the kind referred to above is called a "transfer of business" and the User to which business is transferred is called the "transferee User"):
- (a) if the User which changes its name or transfers business is a Credit User:
 - (i) the User FI must ensure that the User or the transferee User, as the case may be, executes and delivers to the User FI a Credit User Application; and
 - (ii) the User FI must replace the TNA (if applicable);
 - (b) if the User which changes its name or transfers its business is a Debit User, the arrangements between the Sponsor and the User, or the transferee User (as applicable) will be proprietary (including without limitation indemnity arrangements between the transferee User and the Sponsor in respect of claims arising in connection with Direct Debit Requests originally given to the User). The Sponsor should advise the User or the transferee User (as applicable) to notify all of its clients of the circumstances of the change as soon as practicable and in any case within a period specified by the Sponsor. The relevant Sponsor must also assess, and is solely accountable for determining, the transferee User's suitability for continued access to BECS as Debit User;
 - (c) the relevant User FI or Sponsor (as the case may be) must notify appropriate details of the change in name or transfer of business (using, in the case of a Debit User, a Debit User - Change of Name or Other Details Advice or a Debit User - Transfer of Business Advice, as applicable) to the Chief Executive Officer who will then notify all Participating Members in accordance with clause 5.3; and
 - (d) the relevant user FI or Sponsor (as the case may be) in respect of Credit Users and Debit

Users is to instruct:

- (i) the User, in the event of a change of name; or
- (ii) the transferee User, in the event of a transfer of business,

to change the details on the User's, or transferee User's, File (for example, the User Identification Number, name of remitter, User preferred name and Trace Record).

Each of the things required to be done under paragraphs (a), (b), (c) and (d) of this clause 5.9 should ideally be done within a reasonable time prior to lodgement of the first File under the User's new name (in the case of a name change only) or the transferee User's name (in the case of a transfer of business).

5.10 [Deleted]

Deleted
effective 31/3/00

Trace Record

5.11 Each User FI must ensure that each User which it represents in BECS includes in each of that User's Files appropriate BSB Number and account number details in character positions 81 - 96 of Record Type 1 as the Trace Record to which an Item must be returned electronically if it cannot be applied. The Trace Record details are usually the same for each Item on any one File but they may be different for some Items or for groups of Items if required by the User. A financial institution which is not the User FI may be specified in the Trace Record, but only if it has given its prior written consent to the User FI.

User Identification Numbers

5.12 Each User must have a unique User Identification Number issued to it.

A Participating Member may from time to time contact the Chief Executive Officer and request a block allocation of User Identification Numbers. The Chief Executive Officer will, upon such request, make a block allocation available if satisfied that the Participating Member's annual usage justifies it. Where a block allocation is made available, the Participating Member will issue User Identification Numbers from the block allocation to its new Users. Alternatively, a request must be made to the Chief Executive Officer for the issue of a User Identification Number to each individual User and such request must include the full User name and other relevant details.

In all cases, advices of newly approved Users and their User Identification Numbers must be notified to the Chief Executive Officer in accordance with clause 5.3. Details of Users and their User Identification Numbers will be recorded by the Company on its database system.

Participating Members which issue User Identification Numbers from a block allocation must:

- (a) establish an appropriate central point or points within their institutions for assignment of User Identification Numbers. Where more than one point issues User Identification Numbers, schedules must be separated;
- (b) guard against losing/misplacing schedules by placing these in a suitable binder/cover and retaining schedules at a readily locatable point;

- (c) before issuing a User Identification Number, ensure that the User is not already recorded on the Company's database system as a User. If it is, consider treatment as an extension of usage of the system under the previously issued User Identification Number; and
- (d) in the case of a proposed User which does not proceed to use BECS and whose details have not been notified to the Company, rule through the name of the User in the schedule and reissue the User Identification Number to another User.

5.13 The Chief Executive Officer will arrange for periodic provision of updated diskettes containing User data from the Company's database, to any Participating Member which has formally requested it.

Clauses 5.14 to 5.22 inclusive are Confidential

CONFIDENTIALITY
GRANTED

CONFIDENTIALITY
GRANTED

The next page is 6.1

PART 6 DIRECT CREDIT SYSTEM

Persons Authorised to Approve Credit Users

6.1 Any User FI may approve a person as a Credit User.

User FI Approval

6.2 A User FI must ensure that a prospective Credit User makes application to the User FI by lodging Credit User documentation in accordance with these Procedures and such other documentation as the User FI requires. Upon receipt of such documentation and if the User FI approves of the application, the User FI must obtain for, or issue to, the prospective Credit User a User Identification Number in accordance with clause 5.12 and notify the details of the prospective Credit User (including the name of any Bureau) to the Chief Executive Officer in accordance with clause 5.3. The User FI is not obliged to approve any application by a prospective Credit User.

6.3 A User FI may approve a Credit User without reference to any Participating Members but before that approval it must:

Last amended effective 14/12/95

- (a) subject to clause 6.4, ensure the proper completion, execution, stamping (where relevant) and maintenance of legally binding Credit User documentation (including a Credit User Application) prior to the prospective Credit User being permitted to lodge Credit Items in BECS. Credit User documentation must be made available by the User FI (by way of certified copy) to the Company and any Participating Member upon request; and
- (b) if the User FI is not also the Lodgement FI, ensure the completion of a TNA prior to the prospective Credit User being permitted to lodge Credit Items in BECS.

6.4 The requirement set out in clause 6.3(a) may be waived or varied with the prior written consent of the Management Committee. The Management Committee will provide its consent where the User FI undertakes to the satisfaction of the Management Committee to fulfil the obligations of both a Credit User and a User FI whether or not a Credit User Application is or has been obtained from the Credit User. In these circumstances, the documentation which exists between the User FI and the Credit User is proprietary.

User FI Responsibilities

6.5 A User FI which approves a Credit User must:

- (a) ensure that the Credit User completes and executes in a legally authorised manner all Credit User documentation as required by the User FI;
- (b) maintain control over the Credit User's lodgement of Credit Items and be solely accountable for terminating the Credit User's right to lodge Credit Items as it sees fit;

ensure that:

Inserted effective 28/10/96

- (i) the Credit User has a correct Trace Record for each transaction on its File; and
- (ii) if the Trace Record Institution specified or to be specified in respect of the Credit User's Credit Items is not the User FI, that Trace Record Institution has consented in writing to be specified as the Trace Record Institution for that User's Credit Items.
- (c) If the User FI conducts the account nominated in the Trace Record, the User FI must accept every Returned Item which is sent to it electronically by the Ledger FI as a Record Type 2 in accordance with the Regulations and these Procedures (see in particular clauses 5.16A(g), 5.17, 5.18 and 8.1); Last amended effective 4/8/2006
- (d) except in relation to Government Payments, not exchange Credit User's Credit Items with a "Date to be Processed" in Record Type "0" other than on the date which is the date specified in that field (although future dated Credit Items may be exchanged with other financial institutions in accordance with bilateral arrangements); Last amended effective 1/04/02
- (e) accept Returned Items on behalf of the Credit User where such Items were incorrectly applied to a Ledger FI account by virtue of incorrect details being supplied by the Credit User;
- (f) notify the Company within the appropriate time frame prior to change of Credit User name, mergers and the like taking effect in accordance with clause 5.3; and
- (g) keep copies of all Credit User documentation while the Credit User remains a Credit User and for a period of seven years from the date that Credit User ceases to be a Credit User.
- 6.6 Each User FI agrees that upon exchange of Credit Items, each such Credit Item represents cleared funds and that Recalls and Returns of the Credit Items cannot be made without consent of the Ledger FI or its Representative. See clauses 5.14, 5.16 and 5.17. Each User FI also agrees that Reversals may only be made in accordance with the procedures set out in clause 5.16A. Last amended effective 1/9/1/02

Ledger FI Responsibilities

- 6.7 A Ledger FI must:
- (a) subject to Regulation 12.3 of the Regulations:
- (i) receive each Credit User's Credit Items sent by the Sending Member, apply funds to the relevant Customers' accounts as at a date no later than the PD Day (or the next business day after the PD Day if the PD Day is a public holiday in the relevant state) and effect settlement in accordance with the Regulations and these Procedures; Last amended effective 20/8/04
- (ii) unless otherwise agreed bilaterally between the User FI and the Ledger FI, Credit Items received by the Ledger FI must be posted to the Ledger FI's accounts dated as at PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State); Last amended effective 25/10/04
- (iii) make Credit Items which have been posted to the Ledger FI's accounts pursuant to clause 6.7(a)(ii), other than Government Payments, available to the Customer in the normal course of operations by 9.00 am local time on the next business day Last amended effective 25/10/04

after PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State); and

- (iv) with respect to Government Payments, use reasonable endeavours to make Credit Items which have been posted on the Ledger FI's accounts pursuant to clause 6.7(a)(ii) available to the Customer by 9.00 am on PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State); Last amended effective 25/10/04
- (b) return any Credit Users' Credit Items electronically which cannot or will not be applied, no later than the close of business on the next business day after the PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State); Last amended effective 25/10/04
- (c) assist its Customers with enquiries on Credit Items made to the Customers' accounts;
- (d) ensure that the name of remitter and, where present, the lodgement reference details from the Detail Record are printed on all Customer statements; Last amended effective 18/01/02
- (e) if it receives any Refused Item (Record Type 3) which it cannot accept, ascertain from the Detail Record for that Refused Item the identity of the relevant User FI and arrange on-forwarding of the Refused Item in accordance with that User FI's directions; and Last amended effective 18/01/02
- (f) nominate a Receiving Dataset for transmission of Government Files. Last amended effective 1/04/02

Lodgement FI Responsibilities

6.8 The Lodgement FI must ensure that:

- (a) each Credit User's Files and Items which are exchanged conform with the DE File User Item Specifications (see Appendix C1) prior to them being exchanged; and Last amended effective 18/01/02
- (b) when Government Files are exchanged, they are not transmitted with other Files except pursuant to a bilateral agreement (see clause 4.2 for exchange times). Last amended effective 1/04/02

Lodgement FIs processing and receiving transactions for a third party should agree with that third party as to who is to check Files received for correctness and who will create any necessary Return Files, Refusal Files and Reversal Files. Last amended effective 4/8/2000

The Lodgement FI must check that, if a TNA is required in accordance with Clause 6.9, a TNA is held for the relevant Credit User's File and that the total value of such File is within the amount authorised by the TNA.

Where the Lodgement FI is not the User FI and the Lodgement FI processes a File for a User where the total value of the File exceeds the amount authorised by the current TNA for that User, the File is processed at the risk of the Lodgement FI unless the excess is first approved by the User FI. The Lodgement FI should seek the User FI's approval in writing or by some other mutually agreed method through the TNA Contact Point of the User FI specified in Appendix B.

It is the Lodgement FI's responsibility to satisfy itself that any File received from a Bureau or User for processing under TNA drawings is genuine (ie that it has in fact been provided by the Bureau or User).

Transaction Negotiation Authority (TNA)

- 6.9 Establishment of a TNA by the User FI is mandatory whenever a Credit User's File (prepared either by the Credit User or a Bureau) is to be processed by a Lodgement FI which is other than the User FI. Each relevant TNA Issuer is to supply the necessary authority (see Appendix A8).

Last amended effective 14/12/95

For the avoidance of doubt, nothing in these Procedures requires a TNA to be obtained where the Lodgement FI is also the User FI but the funding account is held with another financial institution.

The TNA, which is to be prepared in accordance with the relevant TNA Issuer's internal requirements, authorises processing of a File up to the value of a specified processing limit, limit frequency and period and guarantees payment of the drawing for the total value of such File plus any charges levied by the Lodgement FI, as applicable.

Last amended effective 14/12/95

A TNA Issuer may temporarily increase the authorised amount of a TNA, in order to accommodate certain extraordinary payments (eg Christmas payroll), by issuing formal advices in writing to the Lodgement FI's TNA contact point (specified in Appendix B).

Last amended effective 14/12/95

A TNA or an advice of temporary increase in authorised amount, must be confirmed by a properly authorised officer of the relevant TNA Issuer. Following confirmation, the TNA or advice of temporary increase is to be forwarded to the Lodgement FI's TNA contact point applicable to the state nominated for lodgement of the File (see Appendix B).

Last amended effective 14/12/95

Each User FI's operational contact (specified in Appendix B) will, as appropriate from time to time, supply to each other User FI's operational contact, specimens of authorised signatures to be used for confirming TNAs. The operational contacts will distribute copies to their own TNA contact points (specified in Appendix B) as appropriate.

Subject to clause 6.10, where there is any change to the instructions contained in the original TNA, a replacement TNA must be prepared, authorised and forwarded to the Lodgement FI.

A TNA may only be terminated by the Lodgement FI or the relevant TNA Issuer. Advice of termination must be in writing to the other party's TNA contact point. Termination is effective upon receipt by the other party of the written termination advice, provided that a Lodgement FI may be unable to immediately act on advice of termination of a TNA which is received after commencement of processing of the User's File to which the TNA relates.

Last amended effective 14/12/95

Change of Lodgement FI by a User or Bureau

- 6.10 If a User or Bureau wishes to change its Lodgement FI, the relevant TNAs must be transferred or replaced at the relevant TNA Issuer's option prior to any Files being processed by the new Lodgement FI. If transfer is the preferred method the following procedures must be followed and a suitable start date arranged that allows for at least four weeks for the transfer process to be completed:

Last amended effective 14/12/95

- (a) the proposed Lodgement FI must ensure that the User or Bureau provides it with a letter requesting it to take over the existing Lodgement FI's processing role together with a list

of the existing TNAs held by the Bureau specifying:

- Credit User name
- Credit User Identification Number
- BSB Number
- account number
- processing limit
- frequency;

- (b) a separate listing in BSB Number order is to be provided for each TNA Issuer; Last amended effective 14/12/95
- (c) the proposed Lodgement FI must write to the existing Lodgement FI and request transfer of business and assignment of the benefit of the existing TNAs. A copy of the User/Bureau's request (referred to in paragraph (a) above) must be enclosed;
- (d) the existing Lodgement FI must reply by forwarding a letter to the proposed Lodgement FI, enclosing the originals of all existing TNAs. The existing Lodgement FI must retain a copy of the existing TNAs sent to the proposed Lodgement FI;
- (e) on receipt, the proposed Lodgement FI must check the TNAs received against the list provided by the User or Bureau, confirm any discrepancies and forward a letter to each TNA Issuer together with a schedule of TNAs showing details outlined above. A copy of the existing Lodgement FI's reply should be forwarded to each TNA Issuer; Last amended effective 14/12/95
- (f) the TNA Issuer must confirm each TNA to the proposed Lodgement FI; Last amended effective 14/12/95
- (g) the TNA Issuer must ensure that the Credit User is aware of the change if the change is initiated by the Bureau; Last amended effective 14/12/95
- (h) the proposed Lodgement FI must ensure that the Record Type 1 (Detail Record) field is amended as necessary; and Last amended effective 28/10/96
- (i) the TNA Issuer must notify the Chief Executive Officer of individual changes in accordance with clause 5.3. Last amended effective 14/12/95

Credit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc. Last amended effective 15/10/99

6.11 Where a prospective Credit User is a responsible entity/trustee/manager of a managed investment scheme, trust, superannuation fund or other fund, the User FI must, with the help of such legal expertise as appropriate, ascertain from the Memorandum and Articles of Association of the Credit User (if a corporate Credit User) and the trust deed/constitution (as appropriate) establishing the managed investment scheme, trust, superannuation fund or other fund whether the responsible entity/trustee/manager is empowered to give an indemnity under the Credit User Application. If it is not, the application cannot proceed. Last amended effective 15/10/99

Where the responsible entity/trustee/manager has the power to give but has insufficient assets of its own to support such an indemnity, or otherwise refuses personal liability under such an indemnity, the User FI must ascertain whether the responsible entity/trustee/manager is entitled under the trust deed/constitution (as appropriate) to recover from the assets of the managed investment scheme, trust, superannuation fund or other fund any amount which it may become liable to pay under the indemnity given under a Credit User Application. Last amended effective 15/10/99

If the responsible entity/trustee/manager has recourse to the assets of the managed investment scheme, trust, superannuation fund or other fund, the application may be supported by the balance sheet of the managed investment scheme, trust, superannuation fund or other fund and the following clause may be added to the Credit User application (without the need to obtain the consent of the Management Committee):

Last amended effective 15/10/99

"8. The indemnity contained in Clause 3 of this Credit User Application is given by the Credit User as responsible entity/trustee/manager of the (Managed Investment Scheme/Trust/Fund) and, except in the case of fraud, negligence, breach of trust or breach of duty by the Credit User, liability under that Clause 3 is limited to the value of the assets of the said (Managed Investment Scheme/Trust/Fund) under its administration from time to time."

Last amended effective 15/10/99

If the responsible entity/trustee/manager has no recourse to the assets of the managed investment scheme, trust, superannuation fund or other fund under the trust deed/constitution (as appropriate), this clause must not be included, the responsible entity/trustee/manager will be liable in its own right, and any Credit User Application must be supported by the responsible entity/trustee/manager's own balance sheet.

Last amended effective 15/10/99

Credit User Application - Stamp Duty

6.12 It is the responsibility of the User FI to appropriately stamp the Credit User Application in the relevant stamp duty jurisdiction. (In this regard note that at the date these Procedures come into effect all State and Territories of Australia apply their respective stamp duty laws to instruments signed in those States or Territories, and there are additional nexus provisions (which vary from State to State and Territory to Territory) which may apply if a Credit User Application signed in one State or Territory is physically held in another State or Territory or relates to a matter to be done in another State or Territory)."

Inserted effective 21/3/95

The next page is 7.1

PART 7 DIRECT DEBIT SYSTEM**Participating Members Authorised to Sponsor Debit Users**

- 7.1 Any Participating Member may sponsor a person as a Debit User. A Tier 2 Participating Member must, however, have the agreement of its Representative to sponsor a person as a Debit User. Where a Tier 2 Participating Member has the agreement of its Representative to sponsor a person as a Debit User, the Representative will be deemed to have given the indemnification set out in clause 7.7. The arrangements under which a Tier 2 Participating Member's Representative agrees to the Tier 2 Participating Member sponsoring a person as a Debit User are proprietary.

Sponsor Approval

- 7.2 A Sponsor may approve a person as a Debit User without reference to any other Participating Members, but before that approval it must carry out a credit risk assessment of the prospective Debit User and satisfy itself that the financial strength, integrity and reliability of the prospective Debit User qualify it as a suitable Debit User in BECS. A Sponsor is not obliged to approve any prospective Debit User.

Last amended effective 31/3/00

Documentation brought into effect between the Sponsor and a Debit User in connection with the Debit User's participation in BECS in that capacity and the Sponsor's obligation, as Sponsor, to ensure the Debit User meets certain obligations and responsibilities required of it under this Part 7 (see, for example, clauses 7.5, 7.10 and 7.11) is proprietary.

Inserted effective 31/3/00

(Note: Ledger FIs have recourse against a Sponsor for claims arising pursuant to the Debit User's participation in BECS: see clauses 7.5(b) and 7.6.)

Each Participating Member may use a logo approved by the Company in connection with direct debits in BECS on any of that Participating Member's proprietary documentation published in accordance with these Procedures and relating to the provision by it of direct debit services through BECS. Each Participating Member acknowledges and agrees for the benefit of the Company that its entitlement to use any such logo ceases immediately upon its ceasing to act in the capacity of a Participating Member in BECS, and that subsequent use of the logo by it will be taken to be an infringement of the Company's rights in that mark.

Inserted effective 31/3/00

- 7.3 If a Sponsor approves a person as a Debit User, the Sponsor must obtain for, or assign to, the prospective Debit User a User Identification Number in accordance with clause 5.12. The Sponsor must notify the details of the prospective Debit User and, in the case of a Sponsor which is a Tier 2 Participating Member, its Representative's agreement to the Tier 2 Participating Member sponsoring the prospective Debit User, to the Chief Executive Officer in accordance with clause 5.3.

Last amended effective 31/3/00

Direct Debit Requests

- 7.4 Subject to clause 7.4A, a Direct Debit Request must be given in writing by the relevant Customer to and in favour of a Debit User (or to a third party in its capacity as agent for that named Debit User), in such form as the relevant Sponsor may approve and, at a minimum must:

Inserted effective 31/3/00

Last amended effective 31/03/04

- (a) be identified as a Direct Debit Request;

Last amended effective 31/03/04

- (b) authorise and request a Debit User to debit a Customer's account through BECS;
- (c) identify (by name and BSB Number) the Ledger FI to which the relevant debit payment instructions are to be given. Provision of domicile (ie. physical address) is optional; Last amended effective 30/06/03
- (d) identify (by name and account number) the Customer's account to be debited;
- (e) identify (by name and User Identification Number) the Debit User in favour of which the Customer's authority is given; and
- (f) be dated and contain the Customer's signature.

(Note: 1. Clause 7.14 sets out further requirements in relation to the printing/ publication of Direct Debit Requests and use of the Company logo. Last amended effective 31/03/04

2. A DDR may be obtained electronically – see clauses 1.2 (e) and (f) and 7.10 (a) (i) and (ii).)

Transitional Inserted effective 31/3/00

7.4A A Sponsor may approve a Debit User's use, in the DDR Transitional Period, of Forms PD-C in a format previously approved by the Sponsor under these Procedures, in lieu of Direct Debit Requests in the form required by clause 7.4. Inserted effective 31/3/00

Any Form PD-C so approved for use in the DDR Transitional Period will be treated in all respects for the purposes of these Procedures as if it were a Direct Debit Request EXCEPT THAT the Sponsor must require the Debit User to deliver each such Form PD-C to the Ledger FI to which it is addressed, and retain a copy for the Debit User's records. Inserted effective 31/3/00

Each Ledger FI which receives a Form PD-C completed by a Customer during the DDR Transitional Period must retain it for a period of not less than 7 years from the date of the last debit effected under it. Inserted effective 31/3/00

On and from the DDR Compliance Date, each Sponsor must ensure that its Debit Users do not permit Customers to enter into direct debit arrangements in BECS using Forms PD-C. Inserted effective 31/3/00

Sponsor Responsibilities

7.5 A Sponsor which approves a Debit User must:

- (a) ensure that the Debit User complies with its responsibilities as set out in these Procedures;
- (b) indemnify each Ledger FI against claims arising from the Debit User issuing Debit Items through BECS, in the terms set out in clause 7.6; Last amended effective 31/3/00
- (c) ensure that: Inserted effective 28/06/96
 - (i) the Debit User has a correct Trace Record for each transaction on its File; and
 - (ii) if the Trace Record Institution specified or to be specified in respect of the Debit User's Debit Items is not the Sponsor, that Trace Record Institution has consented in writing to be specified as the Trace Record Institution for that Debit User's Debit Items.

If the Sponsor conducts the account nominated in the Trace Record, the Sponsor must accept every Returned Item which is sent to it electronically as a Record Type 2 in accordance with the Regulations and these Procedures (*see in particular clauses 5.16A(g), 5.17, 5.18 and 8.1*). The Sponsor must inform the Debit User promptly of each such Returned Item referable to that Debit User;

Last amended
effective 4/8/2006

- (d) manage the on-going conduct of the Debit User by ensuring that the Debit User's lodgements are consistent with the Debit User's normal business practice or needs and install a "User Profile" to monitor File lodgements and manage unusual variations to lodgement patterns on an on-going basis. In monitoring File lodgements by its Debit Users, a Sponsor must have regard to:

Last amended
effective 28/10/96

- (i) the total value of Debit Items contained in any one File being in excess of the agreed figure or in excess of the normal pattern;
- (ii) the frequency of lodgements; and
- (iii) any other relevant matters;

- (e) be satisfied as to the Debit User's continued financial stability and continued suitability for access to BECS and, where required, undertake reviews to the extent necessary;

Last amended
effective 31/3/00

- (f) be solely accountable for terminating the Debit User's right to lodge Debit Items as it sees fit;

Last amended
effective 28/10/96

- (g) immediately review a Debit User's suitability if the Sponsor becomes aware of any material change in the Debit User's circumstances. If, as a result of the review, the Sponsor cancels the Debit User's access to BECS as a Debit User, the Sponsor must notify the Company and the Debit User immediately of such cancellation (and the Debit User should also be notified of the withdrawal of its entitlement and access to any logo of the Company relating to direct debits). The Company will then issue a cancellation advice to the Participating Members according to the urgency of the request. A change to a Debit User's circumstances may include, without limitation, reduced financial standing, integrity or reliability;

Last amended
effective 2/04/04

- (h) notify the Company within the appropriate time-frame prior to change of Debit User name, mergers, and the like taking effect in accordance with clause 5.3;

Last amended
effective 28/7/2001

- (i) notify the Company not less than 14 days before making any change to its claims contact or claims account details as published in Appendix B, nominating an effective date for the change, to enable the Company to publish any amended details to Participating Members before they take effect; and

Last amended
effective 20/7/2001

- (j) promptly forward to the Debit User a Cancellation Request received from a Ledger FI (as referred to in paragraph 7.12(h)).

Inserted
effective 20/7/2001

Sponsor Indemnification

- 7.6 A Sponsor which approves a Debit User indemnifies all Participating Members on behalf of themselves and on behalf of each Non-member Appointor for which that Participating Member is a Representative in respect of all claims, liabilities, expenses and losses suffered or incurred by the Participating Member and each Non-member Appointor in respect of all Valid Claims in accordance with this clause.

In this clause, a "Valid Claim" is a claim, supported by full particulars, made in writing by a Participating Member, addressed to the Sponsor in relation to the Participating Member's Customer or its Non-member Appointor's Customer to whose account a Debit Item is debited, that:

Last amended effective 31/3/00

- (a) the account of any such Customer has been debited with, and payment made to the Debit User of, amounts not at the time authorised by a Direct Debit Request from that Customer, or to which the Debit User was not at the time legally entitled;
- (b) the account of any such Customer has been debited with, and payment made otherwise than in accordance with a Direct Debit Request in force at that time from that Customer; or
- (c) payment has failed to be made in accordance with a Direct Debit Request in force at that time from that Customer,

Last amended effective 31/3/00

Inserted effective 31/3/00

Inserted effective 31/3/00

and includes any claim:

- (d) that the Sponsor has accepted as meeting all conditions under this clause; or
- (e) that the Sponsor has accepted liability for irrespective of the circumstances; or
- (f) where any relevant industry ombudsman or a court makes a decision or an order that the Sponsor make a payment in respect of the claim.

Last amended effective 31/3/00

Last amended effective 31/3/00

Last amended effective 31/3/00

The indemnification contained in this clause 7.6 shall apply to each Debit User which has or should have been advised to be a Debit User by the Sponsor to the Company in accordance with these Procedures whether such advice was given on or before the commencement of BECS. In the case of a Debit User which was not using the direct entry system operating immediately prior to the commencement of BECS this indemnification commences to apply to that Debit User upon the Debit User lodging Files in accordance with these Procedures.

Representative Indemnification

- 7.7 A Representative which has agreed to allow a Tier 2 Participating Member to sponsor a person as a Debit User indemnifies all Participating Members (other than the Tier 2 Participating Member), on behalf of themselves and on behalf of each Non-member Appointor for which that Participating Member is a Representative, in respect of any loss caused by or arising from the Tier 2 Participating Member's failure to comply with the indemnity which it has given under clause 7.6 as a Sponsor and its failure to comply with any other aspect of Sponsor obligations in clause 7.

Claim Procedures under Sponsor Indemnification and Representative Indemnification

- 7.8 The procedures for Ledger FIs to claim under the Sponsor's indemnification as set out in clause 7.6 and the Representative's indemnification as set out in clause 7.7 are as follows: Last amended effective 1/3/2002
- [Previous sub-paragraph (a) deleted.] Deleted effective 1/3/2002
- (a) when a Customer approaches a Ledger FI to make a claim the Ledger FI must:
- (i) make reasonable enquiries as to the circumstances of the claim;
 - (ii) determine whether, in its reasonable opinion, the claim appears to be a Valid Claim;
- (Note: as far as practicable, Ledger FIs are encouraged to include a check of their own PD-C files (ie. pre-DDR Compliance Date) as part of this determination.)* Inserted effective 31/3/00
- (iii) if it determines that the claim appears to be a Valid Claim, obtain from the Customer a completed Customer Claim which must: Last amended effective 31/3/00
- (A) be identified on its face as a "Direct Debit Customer Claim"; Inserted effective 31/3/00
 - (B) identify (by name and address) the Customer; Inserted effective 31/3/00
 - (C) identify the Debit User or, if different, remitter named on the Customer's account statement; Inserted effective 31/3/00
 - (D) identify (by date, amount, BSB Number and account number) the disputed debit transaction and include the lodgement reference details printed on the Customer's account statement; Inserted effective 31/3/00
 - (E) set out the basis on which the Customer disputes the Debit User's authority to debit; and Inserted effective 31/3/00
 - (F) be dated and contain the Customer's signature, and Inserted effective 31/3/00
- (iv) advise the Customer that the claim may be disputed;
- (b) after receiving a completed Customer Claim, if the Ledger FI decides to make a claim under clause 7.6 and/or clause 7.7, the Ledger FI's claims contact specified in Appendix B must, before close of business on the business day (in the State where that claims contact is located) which next follows the date of the Customer Claim: Last amended effective 31/3/00
- (i) forward by facsimile or by e-mail (as a rich text format attachment) to the Sponsor's claims contact specified in Appendix B, the completed Customer Claim (or alternatively full particulars of the claim in another form, provided such form includes the information referred to in clause 7.8(b)(iii)(B)-(E) inclusive, and the date of the claim), together with a completed Claim Request, demanding payment by the Sponsor, under the indemnity given by the Sponsor pursuant to clause 7.6, of the amount of the claim; and at the same time, Last amended effective 23/09/02

- (ii) if the Sponsor is a Tier 2 Participating Member, also send to the Sponsor's Representative full particulars of the claim with a demand for payment by the Representative, under the indemnity which the Representative has given under clause 7.7, of the amount of the claim in the event that payment is not received by the Ledger FI from the Sponsor under the Sponsor's indemnity; Inserted effective 31/3/00
- (c) the Sponsor's claims contact must: Inserted effective 31/3/00
- (i) forward the claim to the Debit User as soon as practicable and require it to produce evidence of its authority to effect the disputed debit transaction; and Inserted effective 31/3/00
- (ii) respond in writing to the Ledger FI's claims contact (with a copy to the Sponsor's Representative, if any) as to whether the claim is accepted or refused (and if it is refused, written reasons for that, together with evidence of the Debit User's authority to effect the disputed debit): Inserted effective 31/3/00
- (A) in the case of disputed debits made no earlier than 12 months before the date of the Customer Claim, by no later than close of business on the fifth business day (in the State where the Sponsor's claims contact is located) after its receipt of the claim; and Inserted Effective 31/3/00
- (B) in the case of all other disputed debits, within one month of its receipt of the claim; Inserted effective 31/3/00
- (Note: the intention is to allow the Sponsor's claims contact 5 clear business days to process a claim under (A) above. Ledger FIs must ensure, in calculating the date by which a response is required from the Sponsor, that they exclude public holidays in the State where the Sponsor's claims contact is located.)* Inserted effective 31/3/00
- (d) the Ledger FI must inform the Customer of the Sponsor's response no later than the morning of the next business day (being a business day in each of the States (if different) where the Ledger FI and the Ledger FI's claims contact are located) following the expiry of the period allowed for the Sponsor's response under clause 7.8(d)(ii)(A) or (B); Inserted effective 31/3/00
- (e) if the Sponsor accepts any claim or if it fails to respond to the Ledger FI's claims contact within the specified period under clause 7.8(d)(ii)(A) or (B), the Ledger FI may: Inserted effective 31/3/00
- (i) refund to the Customer the amount of the claim; and Inserted effective 31/3/00
- (ii) draw on the Sponsor's (or if applicable, Sponsor's Representative's) claims account nominated for that purpose in Appendix B, for an equivalent amount, Inserted effective 31/3/00
- at the time it notifies the Customer under clause 7.8(e). The Ledger FI must confirm its drawing by facsimile to the Sponsor's claims contact on the same business day that it effects the drawing, providing in that facsimile adequate information to enable the Sponsor to identify the claim which is the basis of that drawing. On and from the DDR Compliance Date all drawings pursuant to clause 7.8(f)(ii) must be made electronically in accordance with the specifications set out in Appendix C4; Inserted effective 31/3/00
- (f) if in relation to any claim, the Sponsor's claims contact notifies the Ledger FI's claims contact in writing within the required period pursuant to clause 7.8(d)(ii) that the claim is refused, it must at that time produce to the Ledger FI's claims contact evidence of the authority of the Debit User to have made the disputed debit, and; Last amended effective 31/3/00

- (i) the Customer wants to contest refusal of the claim; and
- (ii) the Ledger FI determines, in its reasonable opinion, that the claim is still appropriate, then

the Ledger FI must give written notice that rejection of the claim is disputed to the Sponsor, and if the Sponsor is a Tier 2 Participating Member, copied to the Sponsor's Representative;

Last amended effective 31/3/00

- (g) upon receipt by the Sponsor and, if applicable, its Representative of notice under clause 7.8(g), the Sponsor and the Ledger FI and, if applicable, the Representative must use reasonable endeavours to resolve the dispute;
- (h) if a disputed claim is not resolved under clause 7.8(h) within 30 days from the date on which the Sponsor (or if applicable, the later of the respective dates on which the Sponsor and its Representative) received notice of the dispute under clause 7.8(g), the disputed claim may be referred to the Management Committee, pursuant to Regulation 13, by the Ledger FI or the Sponsor or, if applicable, the Sponsor's Representative.

Last amended effective 31/3/00

For the avoidance of doubt, nothing in the preceding provisions of this clause 7.8 will be taken to prevent a Ledger FI, having determined that in its opinion a claim is a Valid Claim, from refunding, from its own funds, to the Customer the amount of the disputed Debit Item *before* making its claim on the Sponsor in accordance with clause 7.8(c). In that case, once the Ledger FI makes a claim on the Sponsor under clause 7.8(c), clauses 7.8(d)-(i) inclusive will then apply in accordance with their terms EXCEPT THAT risk as to whether the claim will be accepted by the Sponsor (or, if disputed, as to whether it will ultimately be determined to be a Valid Claim) rests solely with the Ledger FI and any funds subsequently refunded to the Ledger FI pursuant to this clause 7.8 will be taken to be received or drawn by it for its own benefit.

Inserted effective 31/3/00

If the Customer commences legal action against the Ledger FI, the Ledger FI must keep the Sponsor and, if applicable, the Sponsor Representative reasonably informed about that legal action. Each Sponsor consents to being joined as a party to any such action if the Ledger FI so requires, with each party to be responsible in the first instance for its own costs. It may also be that the Sponsor and/or the Sponsor's Representative will wish to become involved in the legal action to defend its involvement in processing the transaction.

Last amended effective 31/3/00

Cancellation of Sponsor Indemnification and Representative Indemnification

Last amended effective 31/3/00

- 7.9 Upon notification to the Company of the cancellation of a Debit User's right of access to BECS as a Debit User, the Sponsor indemnification given under clause 7.6 and, if applicable, the Representative indemnification under clause 7.7 shall cease to apply in respect of that Debit User in relation to Items of that Debit User exchanged by it after that notification, but without prejudice to any right or liability arising under the Sponsor indemnification given under clause 7.6 in relation to that Debit User prior to such cancellation or in relation to any other Debit Users lodging for whom that Sponsor is responsible and, if applicable, the Representative indemnification given under clause 7.7.

Last amended effective 31/3/00

Debit User Responsibilities

7.10 A Sponsor must not approve a prospective Debit User unless the Debit User agrees to comply with all the conditions, accountabilities and responsibilities required of a Debit User in these Procedures. Therefore, a Sponsor must ensure that its Debit Users:

- (a) in respect of each new Customer on or after the DDR Implementation Date: Last amended effective 31/3/00
- (i) obtain a valid and binding Direct Debit Request either in hardcopy or electronic form (if the DDR is obtained in electronic form the requirements specified in clause 1.2(e) and (f) must be satisfied); Last amended effective 31/03/04
- (ii) enter into, and provide to that Customer a DDR Service Agreement either in hardcopy or electronic form (if the DDR Service Agreement is entered into and/or provided to the Customer in electronic form the requirements specified in clause 1.2(e) and (f) must be satisfied); and Last amended effective 31/03/04
- (iii) with respect to Direct Debit Requests obtained electronically, use its best endeavours to comply with the Guidelines for Establishing Direct Debit Requests over the Internet to the extent to which such guidelines are applicable. Inserted effective 31/03/04
- (b) in respect of each existing Customer as at the DDR Implementation Date who has not received a DDR Service Agreement: Last amended effective 31/3/00
- (i) agree to apply, for the benefit of those Customers, the procedures and policies set out in the Debit User's standard DDR Service Agreement applicable at the relevant time; and Inserted effective 31/3/00
- (ii) agree, on inquiry by any such Customer, to make available general descriptive information on those procedures and policies; Inserted effective 31/3/00
- (c) issue Debit Items strictly in accordance with the Direct Debit Request provided by the Customer to the Debit User, honour the spirit of the commitment made to the Customer under the Debit User's applicable DDR Service Agreement and do not exceed the conditions (if any) specified in the Direct Debit Request provided by the Customer; Last amended effective 25/03/05
- (d) inform Customers of any change in the terms of the debit arrangements agreed between them (in the case of new Customers on and from the DDR Implementation Date, as set out in the Debit User's DDR Service Agreement and Direct Debit Request and includes, without limitation, any change to the Debit User's details as set out in the Direct Debit Request), at least 14 days before the change is implemented; Last amended effective 25/03/05
- (e) inform the Sponsor (within any notification period specified by the Sponsor) of any significant changes in arrangements made in relation to the issue of Debit Items including changes to File values and/or frequency; Last amended effective 31/3/00
- (f) inform the Sponsor of any proposed change to Debit User name, mergers, and the like in accordance with any notification period specified by the Sponsor;

(Note: such a notification period may be necessary to enable the Sponsor to evaluate the nature of the proposed change and to determine whether or not to agree to it and, in the event that it agrees, to act in accordance with clauses 5.3 and 5.9.) Inserted effective 31/3/00

-
- (g) act promptly in accordance with any instruction given by a Customer to it directly or received from the Customer via the Ledger FI and the Sponsor to cancel or suspend a Direct Debit Request or to stop or defer individual Debit Items from time to time; Last amended effective 20/7/2001
- (h) investigate and deal promptly and in good faith with any query, claim or complaint relating to alleged incorrect or wrongful debits that is received from a Sponsor, assist the Sponsor to deal with all such queries, claims or complaints and respond to the Sponsor within any period specified by the Sponsor, by either Inserted effective 31/3/04
- (i) accepting the claim and paying the disputed amount to the Sponsor in any manner agreed between them; or
- (ii) disputing the claim and providing the Sponsor with full particulars of reasons for disputing the claim, which must include evidence of its authority to debit; Last amended effective 31/3/04
- (i) are made aware of: Inserted effective 31/3/00
- (i) the Debit User's responsibility to ensure that correct account information appears on any Direct Debit Request given to it; and
- (ii) the Sponsor's potential liability under its indemnity in clause 7.6 (and the implications in terms of any liability of the Debit User to that Sponsor under their proprietary documentation) in circumstances where the Debit User has initiated debits in reliance on incorrect account information provided by a Customer in a Direct Debit Request;
- (j) ensure the correct User Identification Number for the Debit User appears on each Direct Debit Request, and all correspondence to the Customer which the Debit User initiates; Inserted effective 31/3/00
- (k) retain all Direct Debit Requests given to the Debit User on or after the DDR Implementation Date (including copies of all Forms PD-C which are required to be delivered to the Ledger FI (*see clause 7.4A*)) for a period of not less than 7 years from the date of the last debit made under the relevant Direct Debit Request, and produce these on request by the Sponsor or the Ledger FI for verification of the Debit User's authority to debit; Last amended effective 20/7/2001
- (l) acknowledge and agree, for the benefit of the Company, that the Debit User's entitlement to use a logo approved by the Company on its form of Direct Debit Request and related material (in each case as approved by the Sponsor), is contingent on the Debit User's continuing to act in the capacity of a Debit User in BECS and to comply fully with its obligations in that capacity, such that if: Inserted effective 31/3/00
- (i) the Debit User's access to BECS is withdrawn by the Sponsor; or
- (ii) the Debit User otherwise ceases to be a Debit User in BECS,
- the Debit User's entitlement to use that logo will cease immediately and any further use of the logo by the Debit User will be taken to be an infringement of the Company's rights in that mark; and Last amended effective 20/7/2001
-

- (m) acknowledge and agree that Customers are entitled to cancel or suspend Direct Debit Requests addressed by those Customers to those Debit Users by notice to the Ledger FIs in accordance with sub-paragraph 7.12(h).

Inserted
effective 20/7/2001**DDR Service Agreement**Inserted
effective 31/3/00

7.11 Each DDR Service Agreement must:

Inserted
effective 31/3/00

- (a) be identified as a DDR Service Agreement;
- (b) set out reasonable details (or, if such details are contained in the DDR, refer the Customer to it) of the terms of the debit arrangements to apply between the Debit User and the Customer including, if applicable, the basis on which the Debit User will issue billing advices to the Customer;
- (c) provide for not less than 14 days' notice to the Customer if the Debit User proposes to vary any of the terms of those debit arrangements;
- (d) set out in reasonable detail the procedure available to the Customer to request deferment of, or alteration to, any of those arrangements;
- (e) set out in reasonable detail the procedure available to the Customer to stop any Debit Item or cancel a Direct Debit Request with the Debit User, and advise the Customer that all requests for such stops or cancellations may be directed to the Debit User or the Ledger FI;
- (f) set out in reasonable detail the procedure available to the Customer to dispute any Debit Item with the Debit User and the dispute resolution process to apply between them, and advise the Customer that claims may also be directed to the Ledger FI;
- (g) indicate:
- (i) that direct debiting through BECS may not be available on all accounts; and
- (ii) that the Customer is advised to check account details against a recent statement from the Ledger FI,

Last amended
effective 31/03/04Inserted
effective 31/3/00Inserted
effective 31/3/00Inserted
effective 31/3/00Last amended
effective 19/2/04Last amended
effective 19/2/04Inserted
effective 31/3/00

and direct the Customer, if uncertain, to check with the Ledger FI before completing the DDR;

Inserted
effective 31/3/00

- (h) state that it is the responsibility of the Customer to have sufficient clear funds available in the relevant account by the due date to permit the payment of Debit Items initiated in accordance with the relevant Direct Debit Request;
- (i) state its policy when the due date for payment falls on a day which is not a Business Day in the place of lodgement, and indicate that if the Customer is uncertain as to when the debit will be processed to the Customer's account, he or she should enquire direct of the Ledger FI;
- (j) state its policy when Debit Items are returned unpaid by the Ledger FI, including the application by the Debit User of any related fees; and

Inserted
effective 31/3/00Inserted
effective 31/3/00Inserted
effective 31/3/00

- (k) state its policy on the privacy to be accorded to the Customer's records and account details, while noting that the Sponsor may require such information to be provided in connection with a claim made on it relating to an alleged incorrect or wrongful debit.

Inserted
effective 31/3/00

(Note: A DDR Service Agreement may be entered into and/or provided to the Customer concerned electronically – see clauses 1.2(e) and (f) and 7.10(a) (i) and (ii).)

Inserted
effective 31/03/04

Ledger FI's Responsibilities

7.12 A Ledger FI must:

- (a) receive Debit Users' Debit Items from a Sending Member, draw funds from the relevant Customers' accounts as at a date no later than PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State) and effect settlement in accordance with the Regulations and these Procedures. Unless otherwise agreed bilaterally between the User FI and Ledger FI, Debit Items received by the Ledger FI must be posted to the Customer's account as at PD Day (or the next business day after PD Day if the PD Day is a public holiday in the relevant State).
- (b) return any Debit Items which cannot or will not be paid, no later than the close of business on the next business day after the PD Day (or the second business day after PD Day if the PD Day is a public holiday in the relevant State) in accordance with clause 7.15;
- (c) assist its Customers with enquiries on Debit Items made to the Customers' accounts;
- (d) process claims on behalf of Customers to the relevant Sponsors and, if applicable, Representatives of Sponsors which are Tier 2 Participating Members, in each case through the relevant claims contact listed in Appendix B and otherwise in accordance with these Procedures;
- (e) ensure that the name of remitter and, where present, the lodgement reference details from the Detail Record are printed on all Customer statements;
- (f) if it receives any Refused Item (Record Type 3) which it cannot accept, ascertain from the Detail Record for that Refused Item the identity of the relevant Sponsor and arrange on-forwarding of that Refused Item in accordance with that Sponsor's directions;
- (g) notify the Company not less than 14 days before making any change to its claims contact or claims account details as published in Appendix B, nominating an effective date for the change, to enable the Company to publish any amended details to Participating Members before they take effect;
- (h) accept a written instruction, or an instruction in such other form as it determines, that it receives from a Customer to cancel a Direct Debit Request addressed by that Customer to a Debit User and act on that instruction by promptly forwarding to the Sponsor's Claims Contact specified in Appendix B7 a Cancellation Request and ensuring, as far as practicable (having regard to the fact that some Debit Items may already have been exchanged and/or partly processed), that no further Debit Items under the Direct Debit Request which is the subject of the Customer's instruction to cancel are posted to the Customer's account,

Last amended
effective 25/10/04Last amended
effective 25/10/04Last amended
effective 31/3/00Last amended
effective 31/3/00Last amended
effective 31/3/00Last amended
effective 31/3/00Inserted
effective 31/3/00Inserted
effective 20/7/2001

But nothing in this Part 7 is to be taken to require a Ledger FI to accept and post Debit Items to a

Inserted
effective 31/3/00

Customer's account where to do so would be contrary to the Customer's formal instructions to it.

[Previous note to paragraph deleted.]

Deleted
effective 20/7/2001

Debit Users who are Responsible Entities/Trustees/Managers of Trusts, Superannuation Funds etc.

Deleted
effective 31/3/00

[Previous clause 7.12 deleted.]

Debit User Indemnity - Stamp Duty

Deleted
effective 31/3/00

[Previous clause 7.13 deleted.]

Lodgement FI's responsibilities

Inserted
effective 31/3/00

7.13 A Lodgement FI must ensure that:

Inserted
effective 31/3/00

- (a) each Debit User's Files and Items which are exchanged conform with the DE File User Item Specifications (see Appendix C1) prior to their being exchanged;
- (b) if it is not itself the Sponsor, approval in writing has been obtained from the Sponsor prior to lodging the Debit Files on behalf of the User;
- (c) the Debit User has a correct Trace Record for each transaction on the Debit Files lodged by the Lodgement FI ;
- (d) if the Trace Record Institution specified or to be specified in respect of the Debit User's Debit Items is not the Sponsor, that Trace Record Institution has consented in writing to be specified as the Trace Record Institution for that Debit User's Debit Items; and
- (e) the Debit User's lodgements are consistent with the Debit User's normal business practice or needs and systems are in place to monitor File lodgements and manage unusual variations to lodgement patterns on an on-going basis.

If the Lodgement FI is not itself the Sponsor and lodges Debit Files for a User without having obtained prior approval from the Sponsor of that User for the time being, the Lodgement FI is held liable in respect of all Debit Items lodged by it, for all purposes under these Procedures as if it were the Sponsor, that is, for all responsibilities as prescribed in clause 7.5 of the Procedures (including without limitation the Sponsor's indemnity referred to in clause 7.5(b)). For this purpose, any such Lodgement FI must ensure its claims contact and claims account details are published in Appendix B and that it notifies the Company not less than 14 days before making any change to those details, nominating an effective date for the change, to enable the Company to publish any amended details to Participating Members before they take effect.

Form PD-C [deleted]

Deleted
effective 31/3/00

Printing/Publication of Direct Debit Request

Inserted
effective 31/3/00

7.14 A Sponsor must notify a prospective Debit User and, where relevant, an existing Debit User :

Last amended
effective 31/3/00

- (a) that the Sponsor must check and approve the format, content and medium proposed for a Direct Debit Request and any information which these Procedures require a Sponsor to ensure is given to Customers in connection with the Direct Debit Request (including without limitation the DDR Service Agreement) **BEFORE** printing or other formal means of

publication to Customers is undertaken by the Debit User;

- (b) that the Debit User may include its logo on the Direct Debit Request or other related material approved by the Sponsor for the purposes of, and in accordance with, these Procedures;
- (c) that the Debit User may include a logo approved by the Company for use in connection with the provision of direct debit services in BECS (as notified by the Sponsor) on the Direct Debit Request and other related material approved by the Sponsor for the purposes of, and in accordance with, these Procedures **BUT ONLY** for as long as the Debit User continues to comply fully with its obligations as a Debit User.

The Sponsor, on behalf of the Company, must ensure that the Debit User uses any logo of the Company strictly as required by clause 7.14(c) and ceases to use any such logo immediately upon its access to BECS as a Debit User being withdrawn by the Sponsor or otherwise ceasing.

Unpaid Direct Debits

7.15 Every Debit Item received by a Participating Member must be:

Law amended effective 28/10/96

- (a) paid; or
- (b) returned electronically to the Trace Record Institution by the close of business on the next business day after the PD Day.

The next page is 8.1
Part 8 is Confidential

Australian Payments Clearing Association
Bulk Electronic Clearing System (BECS)

Annexure A

Procedures

Part 8 File/Item rejection

Confidentiality Granted

PART 9 SETTLEMENT**Date of Settlement**

9.1 Subject to clause 9.1A, settlement between Tier 1 Participating Members must be effected by 9.00am Sydney time on the business day after the relevant Items are exchanged unless otherwise agreed bilaterally, with an interest adjustment on balances owing being passed between Tier 1 Participating Members at such times and in such manner and at such rates and in respect of such type or types of Items as may be determined from time to time by the Management Committee.

Last amended effective 18/01/02

Subject to Regulation 12.8 and the regulations and procedures or manual governing any other Clearing System, Tier 1 Participating Members may also incorporate into an Exchange Summary produced pursuant to this Part 9 with respect to value settlement for Items exchanged in BECS, value settlement amounts which relate to payment instructions which are exchanged between Participating Members but which payment instructions are not Items exchanged in BECS.

Inserted effective 20/08/04

If such value settlement amounts for payment instructions which are exchanged between Participating Members but which are not Items are incorporated into an Exchange Summary with respect to value settlement for Items exchanged in BECS, then settlement of such amounts must be performed in accordance with the provisions of the Regulations and these Procedures (including without limitation the Failure to Match Rules and any provisions applicable where an FTS Event occurs) as though those payment instructions are Items exchanged in BECS.

Inserted effective 20/08/04

9.1A Settlement in respect of Government Payments is effected by posting to Tier 1 Participating Members' Exchange Settlement Accounts or equivalent accounts in the Morning Settlement Session on the PD Day, in accordance with the procedures advised by the Reserve Bank of Australia from time to time.

Last amended effective 1/04/02

Method of Settlement

9.2 The procedures detailed in this clause 9.2 do not apply to settlements of the type referred to in clause 9.1A.

Inserted effective 16/4/99

Subject to clause 9.3, settlement must be effected in Sydney by 9.00am Sydney time for the net amount owing between each Tier 1 Participating Member and all other Tier 1 Participating Members in Exchange Settlement Account funds.

From 12 December 1995, each Tier 1 Participating Member is responsible for separately identifying the amounts which are payable or receivable in respect of all Items exchanged by it or on its behalf, and for notifying the relevant settlement figures to the Collator in the manner provided for in this Clause 9.2.

Last amended effective 20/08/04

Tier 1 Participating Members must transcribe inward/outward credits/debits values and net balances as set out in the File Exchange Summaries to net positions on an Exchange Summary and agree settlement figures. The agreed settlement figures must be sent to the Collator by 11.00pm Sydney eastern standard time or 12.00 midnight Sydney eastern summer time on the day of exchange.

Last amended effective 20/08/04

Any Tier 1 Participating Member may at any time before 11.00pm Sydney eastern standard time or 12.00 midnight Sydney eastern summer time call for a provisional advice showing all the figures for its counterparties up to the time of preparation. In such a case, the Tier 1 Participating Member must immediately verify that the figures provided by it to the Collator have been reflected in the advice and notify the Collator of any error. This process may also be used for adjustments of clearing errors between Tier 1 Participating Members. After 11.00pm or 12.00 midnight (as the case may be), the Collator will send a provisional advice to each Tier 1 Participating Member showing figures for all counterparties received by the cut-off time. If that advice reflects an input error, the Tier 1 Participating Member must immediately notify the Collator, but may not at that time make any further adjustments of clearing errors.

Last amended
effective 29/08/04

If the counterparty figures do not agree, the Collator will apply the Failure to Match Rules. The Collator will then calculate for each Tier 1 Participating Member a final national settlement amount to be payable to or receivable by that Tier 1 Participating Member (if applicable derived from the application of the Failure to Match Rules) and after computing and making adjustments for (on a multilateral net basis) the cross Clearing System national settlement position for that Tier 1 Participating Member as a consequence of its participation in the Bulk Electronic Clearing System (CS2) and any other Clearing System operating on a deferred net settlement basis (including but not limited to the High Value Clearing System (CS4) if that system is settling on a deferred net basis in fall back mode because settlements cannot occur in real time as a result of some contingency) notify that Tier 1 Participating Member of its final net allocated cross Clearing System settlement figure. The Tier 1 Participating Member must then immediately confirm this figure to the Collator following which the Collator will immediately advise the Reserve Bank of the allocated cross Clearing System final settlement figure. On the day of notification the Tier 1 Participating Member must settle its final net allocated cross Clearing System settlement figure.

Last amended
effective 29/08/04

The Failure to Match Rules are as follows:

- (a) if the amount that one Tier 1 Participating Member claims is owed to it by another Tier 1 Participating member is larger than the amount admitted by that other Tier 1 Participating Member, the lesser amount will be accepted as the final settlement figure;
- (b) in particular, if one Tier 1 Participating Member does not admit that any amount is owing, or fails to provide settlement figures by the latest time allowed, the final settlement figure in that instance will be zero;
- (c) similarly, if each of two Tier 1 Participating Members claims that the balance between them is in its favour, or if each of two Tier 1 Participating Members claims that the balance between them is in favour of the other, the final settlement figure in that instance will be zero.

The Reserve Bank of Australia will directly apply to the Exchange Settlement Accounts of Tier 1 Participating Members entries in accordance with the final settlement figures provided to it by the Collator.

Last amended
effective 29/08/04

Variations to Normal Settlement

- 9.3 On any day which is a holiday in both Sydney and Melbourne, settlement will be deferred to the next day which is a business day in Sydney or Melbourne or both.

Last amended
effective 28/10/04

Interest Adjustment

9.4 Where settlement in respect of any exchange of any Item is (for whatever reason) effected on a day other than the day on which that Item is exchanged for value, an adjustment of interest will be made between the creditor and debtor Tier 1 Participating Members 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 of Exchange Settlement Accounts held with the Reserve Bank of Australia.

Unamended
clause 13(9)(a)

The Collator will record the net balance owing to or by each Tier 1 Participating Member for each day on which it despatched settlement figures and calculate the interest on the net balance owing for the number of days elapsed until the day of settlement using the ESR applicable to each of those days during that period.

Unamended
clause 24(9)(a)

The Collator will notify each Tier 1 Participating Member of the net amount due to or by it on account of such interest up to the end of each calendar month and will cause entries to be made to the Exchange Settlement Account of each Tier 1 Participating Member for the amount of interest owing to or by it on the day of the seventh Settlement Session in each calendar month in conjunction with the entries for settlement due to be effected on that day.

Unamended
clause 24(9)(a)

Clause 9.5 is Confidential

CONFIDENTIALITY
GRANTED

The next page is 10.1

PART 10 CONTINGENCY PROCEDURES**Responsibilities**

- 10.1 Participating Members have a responsibility to each other and to BECS as a whole, to co-operate in resolving any processing difficulties including during Contingencies.

To the extent that such co-operation does not adversely affect its own processing environment, a Participating Member receiving a request for assistance may not unreasonably withhold such assistance.

All Tier 1 Participating Members must include the use of email as a minimum contingency exchange arrangement.

Inserted effective 30/06/03

Options

- 10.2 Where processing difficulties occur, depending upon the circumstances, remedial action could include:

Last amended effective 30/06/03

- (a) agreeing to delay transmission pending resolution of the problem;
- (b) invoking bilaterally agreed arrangements which are in place and recorded in Appendix L;
- (c) invoking the contingency procedures (as set out in Appendix I); or
- (d) invoking use of bilaterally agreed physical medium for contingency exchanges where the use of electronic communications for primary and contingency exchange arrangements are rendered unusable.

Last amended effective 30/06/03

Last amended effective 30/06/03

Last amended effective 30/06/03

Inserted effective 23/09/02

If bilaterally agreed contingency exchange arrangements are invoked, the sending or Disabled Tier 1 Participating Member must complete and forward a Contingency File Exchange Form (as set out in Appendix M1) to the receiving Tier 1 Participating Member.

Inserted effective 30/06/03

All Tier 1 Participating Members are required to record all agreed primary exchange arrangements in the BECS Procedures Appendix K and immediately notify the Company of any changes to these arrangements.

Last amended effective 30/06/03

All Tier 1 Participating Members are required to record all bilaterally agreed contingency exchange arrangements in the BECS Procedures Appendix L and immediately notify the Company of any changes to these arrangements.

Last amended effective 30/06/03

- 10.3 [Magnetic Tape Handling – Deleted]

Deleted effective 23/09/02

Physical Medium Exchange Standards

Last amended effective 23/09/02

- 10.4 Full identifying information relating to ownership of the physical medium and the details of contents must be marked on each piece of physical medium exchanged. Such information is to include the following:

Last amended effective 23/09/02

- creation date;
- Item number 'n' of Total Items (eg. cartridge 1 of 3);

Last amended effective 23/09/02

- date to be processed; and
- Sending or Disabled Tier 1 Participating Member's full name and return address.

Last amended effective 30/06/03

Last amended effective 23/09/02

Read/Write Format Standards for Physical Medium

10.5 The industry standard for physical medium is compact disc. The following read/write format standards apply unless other formatting is bilaterally agreed between exchanging parties:

Last amended effective 30/06/03

CD-ROM CD-ROM, 600 Megabyte (MB)

Other forms of physical medium used must be bilaterally agreed between exchanging parties.

Structure of File

- 10.6 File header - unspecified
 Descriptive record (one per User)
 Detail records
 File total record (one per User)
 Trailer labels - unspecified

Last amended effective 23/09/02

Example of File formats:

Multi User

Descriptive	(0)
Detail	(1)
File Total	(7)

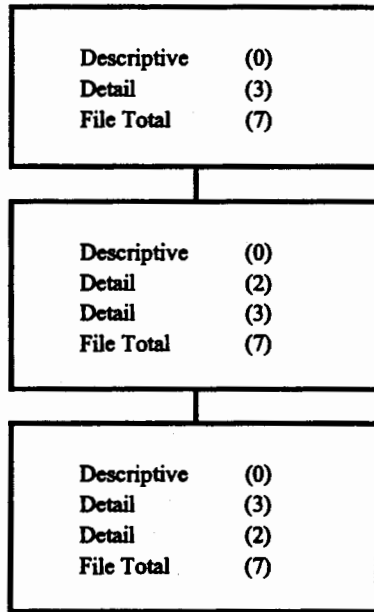
Descriptive	(0)
Detail	(1)
File Total	(7)

Single User

Descriptive	(0)
Detail	(1)
File Total	(7)

Return/Refusal Files

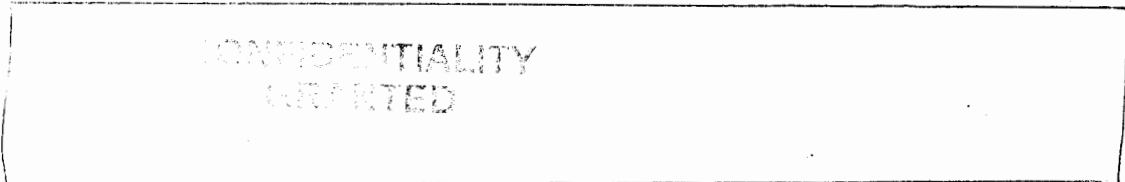
Descriptive	(0)
Detail	(2)
File Total	(7)



10.7 [Blocking Factor - Deleted]

Deleted effective 23/09/02

Clause 10.8 is Confidential



Contingency Exchange Arrangements

Issued effective 23/09/02

10.9 Tier 1 Participating Members who experience partial or total loss of primary exchange arrangements, resulting in a Disabling Event (see Appendix I, Clause 5.2), may be required to invoke contingency exchange arrangements with other Tier 1 Participating Members. The industry standard for these arrangements is bilaterally agreed alternate electronic communications.

Bilateral Testing of Contingency Exchange Arrangements

Issued effective 23/09/02

10.10 A Tier 1 Participating Member is required to bilaterally test each contingency exchange arrangement with each other Tier 1 Participating Member on the following frequency:

- (a) Participating Members using alternate electronic communications are required to complete a successful test of each bilateral link at least once a year; and
- (b) Participating Members using a secondary source of contingency exchange arrangements are encouraged to complete a successful test of each bilateral arrangement on a regular basis.

Participating Members using physical medium for contingency exchange arrangements are required to complete a successful test of each bilateral arrangement at least once every six months until replaced with alternate electronic communications.

Annual Signing of Contingency Procedures Testing Certificate

Inserted effective
23/09/02

- 10.11 All Tier 1 Participating Members are required to annually sign a Contingency Procedures Testing Certificate which certifies the Participating Member has successfully tested all bilateral contingency exchange arrangements with each other Tier 1 Participating Members.

The Company will annually issue all Tier 1 Participating Members with a memorandum and Contingency Procedures Testing Certificate requesting Participating Members to finalise all bilateral testing and sign the Certificate. The Certificate must be returned to the Company in the time frames specified.

The Management Committee will be advised of all outcomes including any Tier 1 Participating Member who fails to provide a signed Certificate. The Management Committee will determine the course of action required.

Standards For Email File Exchange and Security

Inserted effective
10/06/02

- 10.12 Each sending Tier 1 Participating Member must comply with the following minimum standards for the exchange of files:

- (a) the email must be flagged as “High Priority” or “High Importance”;
- (b) the maximum file size which can be attached to the email must not exceed 5 Megabytes (MB);
- (c) the email security package must, at a minimum, include the following encryption features:
 - (i) the ability to prevent viewing of email and its attachments by outside parties other than the intended recipient;
 - (ii) the ability to prevent the email and its attachments being read by unauthorised persons within your organisation;
 - (iii) the ability to securely send the email and its attachments ‘locked’ with a public key;
 - (iv) the ability of the recipient to open the email and its attachments by ‘unlocking’ the transmission with a securely generated private key;
 - (v) the ability of the sender to digitally sign the email transmission; and

- (d) the naming conventions for the email are as follows:

Inserted effective
22/09/03

- (i) The format of the file name is:

DE_F_xx_SSS_RRR_CCC

- (ii) F = the file type as follows:
 - T = Direct Entry transaction file
 - S = Direct Entry summary file
- (iii) xx = file number 01-99. For each Disabling Event the file number commences at 01 and increases by 1 for each file (irrespective of file type), until processing returns to normal, even if the Disabling Event spans several days. This ensures that each file has a unique file number.
- (iv) SSS = 3 character Sending Member mnemonic. A Member sending Files on behalf of another Member must, with respect to those files, use the mnemonic belonging to the Member on whose behalf it is sending those Files.
- (v) RRR = 3 character Receiving Member mnemonic. A Member receiving Files on behalf of another Member must, with respect to those Files, use the mnemonic belonging to the Member on whose behalf it is receiving those Files.
- (vi) CCC = 3 character financial institution mnemonic of the courier, if applicable.
- (vii) The email subject line must include the file name.
- (viii) Each email must contain one file only. Members can agree to include more than one File by bilateral agreement and in this case the File names in the subject line must be separated by a slash (“/”).
- (ix) The Sending Member must send the email to the nominated email address provided by the Receiving Member on the email file exchange contacts database managed by the Company. The email address should preferably be a generic address (eg. operations@FI.com.au) rather than an individual’s address (eg. Mike@FI.com.au).
- (x) Members can agree to exchange zipped files by bilateral agreement. The file name will have an extension of ‘.zip’.

Email File Exchange Contacts Database

Inserted effective
10/06/01

- 10.13 Where a Tier 1 Participating Member uses an email security package which requires the exchange of public keys to securely send and read emails, the Tier 1 Participating Member must have lodged any of its public keys in the email file exchange contacts database maintained by the Company.

The email file exchange contacts database is managed by the Company and Tier 1 Participating Members are required to nominate an authorised contact to access the database for lodgement and downloading of public keys and provide the following details:

- the Tier 1 Participating Member's:
 - clearing system;
 - full name;
 - ACN/ARBN/ABN;
 - mnemonic;
 - public key;
 - authorised contact name and title;
 - authorised contact email and telephone details;
 - target email address for file transmissions;
 - contact name and telephone number to confirm receipt of email; and
- the date the Tier 1 Participating Member's details were added/updated on the database.

All Tier 1 Participating Members must complete and lodge an online Email File Exchange Contacts Lodgement Form (as set out in Appendix M2) including attachment of the public keys for use by other Tier 1 Participating Members. The lodgement form is available on the Company's extranet.

When a Tier 1 Participating Member makes changes to its public keys or contact details, the Email File Exchange Contacts Lodgement Form must be completed and lodged noting the changes to contact details and/or attaching new public keys. Tier 1 Participating Members will be advised of changes to the database by CS2 operational memorandum.

The Email File Exchange Contacts Lodgement Form (as set out in Appendix M2) is used for lodging or amending public keys or contact details which effect only Tier 1 Participating Members.

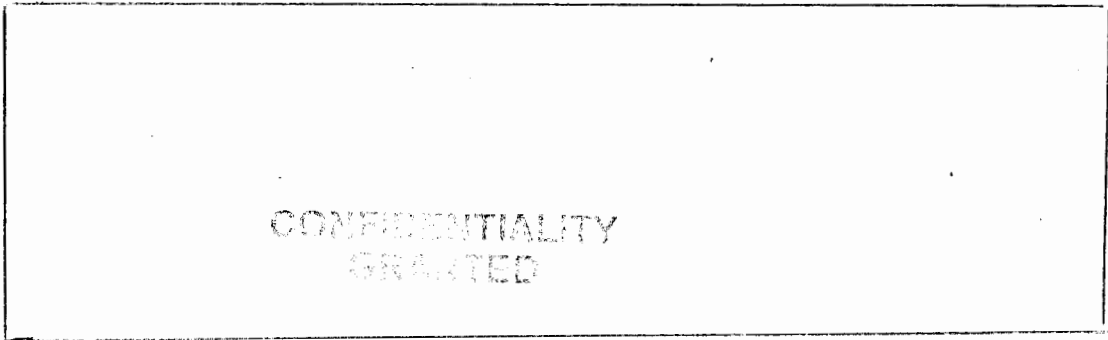
The next page is 11.1

PART 11 LIABILITY OF PARTICIPATING MEMBERS IN THE EVENT OF FRAUD

Fraudulent Items

- 11.1 Tier 1 Participating Members must ensure that their systems and procedures give adequate protection in regard to fraud in connection with Items. Tier 1 Participating Members may return an Item or resort to the dispute resolution process specified in Regulation 13 to resolve any situation with regard to a fraudulent Item.

Clause 11.2 is Confidential



The next page is 12.1

PART 12 DE FILE SPECIFICATIONS**Overview**

- 12.1 The DE File Specifications cover the format for electronic exchanges of Files (including Files containing Record Type 1 Items issued by Users, Return Files, Refusal Files and Reversal Files) between Participating Members. All Files exchanged between Participating Members must conform with these specifications. Last amended effective 4/9/2000

The DE File User Item Specifications cover the normal electronic exchange of Users' Record Type 1 Credit Items and Debit Items (detailed in Appendix C1), electronic Return of those Users' Items (detailed in Appendix C2), electronic Refusal of Returned Items (detailed in Appendix C3) and electronic Reversal of duplicated Items (detailed in Appendix C5). The format is the same regardless of whether the Sending Member uses normal electronic transmission or, if exchanges are done under Contingency Procedures. Last amended effective 23/09/02

Items and Files not conforming with the applicable DE File Specifications may be rejected by Receiving Members in accordance with clauses 8.1 and 8.2.

Nothing in this clause 12.1 prevents a Sending Member accepting non-standard data (which does not conform with the applicable DE File Specifications) from a User or Bureau or a Lodgement FI, and converting it to the required format for exchange.

- 12.2 (a) Descriptive Record (Record Type 0) : Except for minor variations in some Field Descriptions, this record type is common to all Files (including Files containing Record Type 1 Items issued by Users, Return Files, Refusal Files and Reversal Files). Last amended effective 4/9/2000
- (b) Detail Record Type 1 : this Record Type is used for both Credit Items and Debit Items issued by a User and credit and debit Reversing Items and contains the required details to enable posting to Customers' accounts at the Ledger FI. Last amended effective 4/9/2000
- (c) Detail Record Type 2 : this Record Type is used by the Ledger FI to electronically Return a User's (Record Type 1) Item to the Trace Record Institution if that Item cannot be applied.
- (d) Detail Record Type 3 : this Record Type is used when the financial institution holding the Trace Record account is not prepared to accept a Returned Item and sends it back electronically to the Ledger FI.
- (e) File Total Record (Record Type 7) is common to all Files (including Files containing Record Type 1 Items issued by Users, Return Files, Refusal Files and Reversal Files) and shows the respective totals of Record Type 1, 2 or 3 Items, as applicable, and the net difference between Credit Items and Debit Items and the totals of each as well as the total number of these Records on the File. Last amended effective 4/9/2000

Character Bit Structure

- 12.3 Full EBCDIC Character Bit Structure is valid.

Structure of File

12.4 Descriptive Record (one per User)

Detail Records

File Total Record (one per User)

Example of File formats:

Multi User

Descriptive	(0)
Detail	(1)
File Total	(7)

Descriptive	(0)
Detail	(1)
File Total	(7)

Single User

Descriptive	(0)
Detail	(1)
File Total	(7)

Return/Refusal Files

Descriptive	(0)
Detail	(2)
File Total	(7)

Descriptive	(0)
Detail	(3)
File Total	(7)

Descriptive	(0)
Detail	(2)
Detail	(3)
File Total	(7)

Descriptive	(0)
Detail	(3)
Detail	(2)
File Total	(7)

Record Format

12.5 Commonly used terms associated with File formatting, and their meanings, are as follows:

- left justified start input in the first character position of that field.
- right justified end input in the last character position of that field.
- blank filled fills the unused portion of that field with blank spaces.
- zero filled fills the unused portion of that field with zeros.
- unsigned used in amount field. Amount will not be specified as debit or credit.

Record Type "0" - Descriptive Record,

Record Type "1" - Detail Record,

Record Type "2" - Return Record;

Record Type "3" - Refusal Record; and

Record Type "7" - File Total Record

Are set out in Appendix C.

Publication of DE User Item File Specifications

12.6 Participating Members may publish and disseminate the DE User Item File Specifications to third parties provided that the column headed "Validation Standard (financial institution use only)" and the information contained in that column are not included in any such publication.

The next page is 13.1

Part 13 is Confidential

Australian Payments Clearing Association
Bulk Electronic Clearing System (BECS)

Annexure A

Procedures

Part 13
User Records

Confidentiality Granted

Appendix A is located separately

The next page is B1.1

Australian Payments Clearing Association
Bulk Electronic Clearing System (BECS)

Appendix B

Contact Points

Confidentiality Granted

Australian Payments Clearing Association
Bulk Electronic Clearing System (BECS)

Appendix C

De file specifications

Confidentiality Granted

APPENDIX D

Deleted
effective 28/10/96

[deleted]

APPENDIX E

Appendix E:
Deleted
Effective 28/10/96

[deleted]

APPENDIX F

APPENDIX F IS LOCATED SEPARATELY

The next page is G1.1
Appendix G1 is confidential

Australian Payments Clearing Association
Bulk Electronic Clearing System (BECS)

Appendix G1 & G2

Financial institution identification numbers

Confidentiality Granted