NPC INSTANT CREDIT TRANSFER (NCT INST) SCHEME RULEBOOK

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Annex III SCHEME MANAGEMENT INTERNAL RULES
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0. Document Information

0.1 References

This section lists documents referred to in the Rulebook. The convention used throughout is to provide the reference number only, in square brackets. Use of square brackets throughout is exclusively for this purpose.

	Document Number	Title	Issued by:
[1]	NPC012-01	NPC Instant Credit Transfer Scheme Interbank Implementation Guidelines	NPC
[2]	ISO 13616	Financial services - International bank account number (IBAN) -- Part 1: Structure of the IBAN	ISO
[3]	EPC265-03	EPC Resolution on Receiver Capability	EPC
[4]	ISO 3166	Country Codes	ISO
[5]	ISO 4217	Currency Code List	ISO
[6]	ISO 9362	Business Identifier Codes (BIC)	ISO
[7]	ISO 20022	Financial services – Universal Financial Industry message scheme	ISO
[8]	NPC013-01	NPC Instant Credit Transfer Scheme Customer to Bank Implementation Guidelines	NPC
[9]	ISBN 92-9197-133-2	A Glossary of Terms Used in Payments and Settlement Systems	Bank for International Settlements
[10]	ISO 11649	Structured creditor references to remittance information	ISO
[11]	EPC409-09	EPC List of SEPA Scheme Countries	EPC
[12]	NPC100-01	NPC Scheme Currencies – currencies covered by the Scheme	NPC
[13]	EACT website[1]	EACT Unstructured Remittance Standard	EACT
[14]	NPC014-01	Maximum Amount for Instructions under the NCT Inst Scheme Rulebook	NPC
[15]	TBD	Additional rules (Proxy rules, plus national rules, legal requirements etc)	NPC
[16]	NPC004-01	NPC Credit Transfer Scheme Bank to Customer Implementation Guidelines	NPC

[1]https://eact.eu/Core/Documents/Wordpress_Old/docs/EACT_Standard_for_Remittance_Info.pdf

0.1.1 Defined Terms

This Rulebook makes reference to various defined terms which have a specific meaning in the context of this Rulebook. In this Rulebook, a defined term is indicated with a capital letter. A full list of defined terms can be found in Section 7 of this Rulebook. The Rulebook may make reference to terms that are also used in the Payment Services Directive (PSD). The terms used in this Rulebook may not in all cases correspond in meaning to the same or similar terms used in the PSD.

0.2 Change History

Issue number	Dated	Reason for revision
0.94	2019-03-06	Final version from P27-project handed over to the NPC
0.95	2019-03-21	Updated version by the NPC with changes to terminology and nomenclature for the NPC.
0.96	2019-05-17	Updated after NPC WG meeting 2019-04-01 and 2019-05-08 and NPC Bank WG meeting 2019-04-03 and comments from NPC Legal Support Group at several meetings.
0.99	2019-06-07	First version for open consultation decided by the NPC Board.

0.3 Purpose of Document

The NPC Instant Credit Transfer Scheme is a set of rules, practices and standards to achieve interoperability for the provision and operation of an instant credit transfer agreed at interbank level for the currencies covered by the Scheme ("Scheme Currencies") defined in reference [12].

The objectives of the Rulebook are:

- To be the primary source for the definition of the rules and obligations of the Scheme
- To provide authoritative information to Participants and other relevant parties as to how the Scheme functions
- To provide involved parties such as Participants, Clearing and Settlement Mechanisms ("CSMs"), and technology suppliers with relevant information to support development and operational activities

0.4 About the NPC

The purpose of the Nordic Payments Council ("NPC") is to decide on, own and manage the NPC payment schemes based upon, but not limited to, the Single Euro Payments Area ("SEPA") payment schemes as well as to develop and manage additional schemes and rules in close dialogue with the Participants, and the national communities. This should be done to contribute to safe, efficient, economically balanced and sustainable, convenient domestic and cross border multicurrency payments in communities using the Schemes. The NPC shall ensure competitiveness and innovation as well as meet the users' needs.

0.5 Other Related Documents

The Rulebook is primarily focused on stating the business requirements and interbank rules for the operation of the Scheme. In addition to the Rulebook there are a number of key documents which support the Scheme operationally:

0.5.1 NPC Instant Credit Transfer (NCT Inst) Scheme Implementation Guidelines

The complete data requirements for the operation of the Scheme are classifiable according to the following data model layers:

- The business process layer in which the business rules and requirements are defined and the related data elements specified
- The logical data layer which specifies the detailed datasets and attributes and their inter-relationships
- The physical data layer which specifies the representation of data in electronic document formats and messages

This Rulebook focuses on the business process layer and appropriate elements of the logical layer.

The NCT Inst Scheme Implementation Guidelines are available as three complementary documents:

- the guidelines regarding the interbank messages (NCT Inst Scheme Interbank Implementation Guidelines (reference [1]))
- the guidelines regarding the Customer-to-Bank messages (NCT Inst Scheme Customer-to-Bank Implementation Guidelines (reference [8])) which each Participant is obliged to support at the request of the Originator.
- The guidelines regarding the Bank-to-Customer messages (NCT Inst Scheme Bank-to-Customer Implementation Guidelines (reference [16])) which each Participant is recommended to support at the request of the Originator or the Beneficiary

The NCT Inst Scheme Interbank Implementation Guidelines (reference [1] and the NCT Inst Scheme Customer-to-Bank Implementation Guidelines which set out the rules for implementing the credit transfer ISO 20022 XML standards, constitute **binding** supplements to the Rulebook.

Important specification to reference [8]: only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank NCT Inst Instructions, the Originator Bank is obliged to accept at least but not exclusively Customer-to-Bank NCT Instant Credit Transfer Instructions which follow the specifications defined in [8] at the request of the Originator.

It is also **recommended** that the Bank-to-Customer Implementation Guidelines (reference [21]) is implemented by the Beneficiary bank in the same way as the two Implementation Guidelines mentioned above.

0.5.2 NCT Inst Adherence Agreement

The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is available in Annex I. The Rulebook and the Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the NPC. The rules and procedures for applying to join the Scheme are set out in Scheme Management Internal Rules (the "**Internal Rules**") (see Annex III).

1. VISION & OBJECTIVES

This chapter provides an introduction to the Scheme, setting out the background to the Scheme as well as its aims and objectives.

1.1 Vision

The Scheme provides a set of interbank rules, practices and standards to be complied with by Participants who adhere to the Scheme with minimum conditions required in the Customer-to-Bank space. It allows payment services providers to offer a instant credit transfer product in the Scheme Currencies to Customers. For executing EUR, the SCT Credit Transfer Instant Rulebook shall apply.

The Scheme moves Participants and their Customers towards open standards, which are expected to improve financial integration and act as a catalyst for a richer set of products and services.

1.2 Objectives

- Ensure that all Participants as a minimum are reachable domestically in one of the currencies covered by the NPC Instant Credit Transfer Scheme with the option of accepting cross border transfers;
- The processing of NCT Instant Payments will be automated, based on the use of open standards and the best practices of straight through processing ("STP") without manual intervention;
- Ensure that the format and message standards for NPC Instant Credit Transfer Scheme follow as close as possible the SEPA standards;
- Support transactions in Scheme Currencies (currency conversion is not covered in the rulebook);
- Incorporate the option of embedding data related to local services (e.g. reference payments) without violating the ISO20022 syntax;
- To provide a framework for the harmonisation of standards and practices and the removal of inhibitors;
- To support the achievement of high standards of security, low risk and cost efficiency for all actors in the payments process;
- To allow the further development of a healthy and competitive market for payment services and to create conditions for the improvement of services provided to Customers.

1.3 Commercial Context for Users and Providers of Payment Services

This section provides the general context and background in which the interbank Scheme exists and has been written from an end-to-end point of view.

- The demand for payment services using an NCT Inst arises from an Originator, who wishes to transfer[2] Funds Instantly for whatever reason to a Beneficiary. Whilst the payment service is provided by a PSP, the underlying demand and its reason are outside the control and responsibility of the PSP industry or any individual PSP;
- For this requirement to transfer Funds Instantly to be satisfied, the PSP holding the Payment Account of the Originator (the Originator Bank) must have the means necessary to remit the

[2] The credit transfer can be initiated directly (by the Originator) or indirectly (by a 'payment initiation service provider' at the request of the Originator) in compliance with the Payment Services Directive.

Funds Instantly to the PSP holding the Payment Account of the Beneficiary (the Beneficiary Bank) and in the process be provided with the necessary information to accomplish the transfer;

- Provided that the Originator has sufficient Funds or sufficient credit with which to execute the NCT Inst, provided that the Originator is acting within its authority and provided that the NCT Inst does not break any applicable legal, regulatory, or other requirements, including requirements established by the Originator Bank, then the Originator Bank will process the payment and advise the Originator accordingly;
- The means for making the NCT Inst will exist if the Beneficiary Bank has agreed both the method and the rules for receiving the payment information as well as the method and the rules for receiving the payment value
- Based on these means of transfer the Beneficiary Bank will use the information received to Immediately Making Funds Available to the Beneficiary for its use.

1.4 Conceptual work flow of an NCT Inst

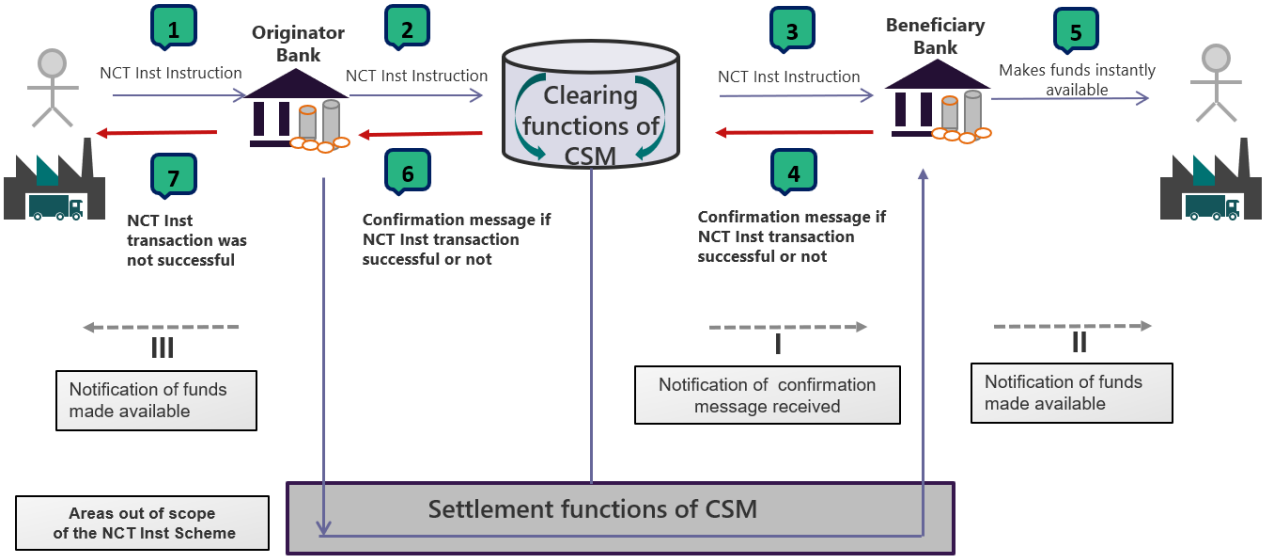


Figure 1: NCT Inst Overview

Note: Figure 1 displays the distinction between the Clearing function and the Settlement function of a CSM. The term 'CSM' (see sections 3 and 3.3) will be used to cover both functions in all sections of the Rulebook.

Work flow steps:

- **Step 1:** the Originator Bank receives an NCT Inst Instruction from the Originator[3].

  The Originator Bank then Instantly executes all processing conditions and Funds availability checks. When these validation checks are successful, the Originator Bank Instantly makes a Reservation[4] of the Amount on the Originator's Payment Account with this information Instantly accessible to the Originator, Instantly prepares an NCT Inst Transaction based on the NCT Inst Instruction and puts the Time Stamp in the created NCT Inst Transaction.

[3] Directly or indirectly initiated in compliance with the Payment Services Directive 2 (PSD2)
[4] See Chapter 7 for the definition of 'Reservation of the Amount'

- **Step 2:** the Originator Bank Instantly sends the NCT Inst Transaction message to the CSM of the Originator Bank.

  Via this message, the Originator Bank gives the authorization to the CSM of the Originator Bank to reserve Funds on its account as cover for the NCT Inst Transaction. This provides upfront settlement certainty.

- **Clearing function of CSM: out of scope of the Scheme:** the CSM of the Originator Bank Instantly reserves Funds from the Originator Bank as settlement cover for the NCT Inst Transaction. The CSM of the Originator Bank Instantly sends the NCT Inst Transaction to the CSM of the Beneficiary Bank.

- **Step 3:** the CSM of the Beneficiary Bank Instantly sends the NCT Inst Transaction message to the Beneficiary Bank.

  For the Beneficiary Bank, this message under step 3 implies that the Beneficiary Bank has settlement certainty for this NCT Inst Transaction in case the Beneficiary Bank accepts the transaction for further processing.

  The Beneficiary Bank: Instantly verifies if it can apply the NCT Inst Transaction to the Beneficiary's Payment Account and executes various validation checks.

- **Step 4:** the Beneficiary Bank sends the confirmation message to the CSM of the Beneficiary Bank indicating that the Beneficiary Bank

  - has received the NCT Inst Transaction and
  - is able to Instantly process the NCT Inst Transaction *(positive confirmation)* or not *(negative confirmation with an immediate Reject)*

  The CSM of the Beneficiary Bank gives a certainty of receipt for the confirmation message that the Beneficiary Bank has sent.

- **Clearing function of CSM: out of scope of the Scheme:** based on the message received in step 4:

- In case of a negative confirmation: the CSM of the Beneficiary Bank passes on this confirmation message to the CSM of the Originator Bank. The CSM of the Originator Bank releases the reservation of Funds for the cover done between steps 2 and 3.

- in case of a positive confirmation:

  - **Step I: Out of scope of the Scheme:** based on upfront technical arrangements (e.g., a technical acknowledgement, a special designed message) the CSM of the Beneficiary Bank notifies to the Beneficiary Bank that the message in step 4 has been successfully received.
  - The CSM of the Beneficiary Bank initiates the final settlement processing for this specific NCT Inst Transaction with the CSM of the Originator Bank

- **Step 5:** only when the Beneficiary Bank has sent a positive confirmation via the message in step 4 and the Beneficiary Bank has the certainty that the message under step 4 has been successfully delivered to the CSM of the Beneficiary Bank, it Instantly Makes the Funds Available to the Beneficiary. The Beneficiary Bank relies on the settlement certainty covered by the message in step 3.

  The information about the new available Funds is Instantly accessible to the Beneficiary.

  This action means that the Beneficiary has immediate use of the Funds subject to the Terms and Conditions governing the use of the Payment Account of the Beneficiary.

- **Step II: out of scope of the Scheme:** if agreed with the Beneficiary, the Beneficiary Bank may inform the Beneficiary about the Funds Made Available to the Beneficiary. The information itself and the execution time for such information are not within the scope of the Scheme.
- **Step 6:** the CSM of the Originator Bank Instantly reports to the Originator Bank if the NCT Inst Transaction had been successful (or not).

  The basis for this report is the contents of the confirmation message in step 4 which the CSM of the Originator Bank had received via the CSM of the Beneficiary Bank.
- **Step 7:** in case the Originator Bank receives a negative confirmation about the NCT Inst Transaction which indicates that the Funds had **not** been Made Available to the Beneficiary, the Originator Bank is **obliged** to **Immediately** inform the Originator. The Originator Bank lifts the Reservation of the Amount made in step 1.
- **Step III: Out of scope of the Scheme:** in case the Originator Bank receives a positive confirmation about the NCT Inst Transaction, it formally debits the Payment Account of the Originator.

  If agreed with the Originator, the Originator Bank informs the Originator about the Funds Made Available to the Beneficiary. The information itself and the execution time for such information are not within the scope of the Scheme.
- **Settlement function of a CSM: out of scope of the Scheme:** when a positive confirmation is received, the amount of the NCT Inst Transaction is included in the Settlement procedure between the Originator Bank and the Beneficiary Bank, and as such credited by the CSM to the Beneficiary Bank during the settlement process.

1.5 Binding Nature of the Rulebook

Becoming a Participant in the Scheme involves signing the Adherence Agreement. A membership of the NPC is needed in order to adhere to any NPC Scheme. By signing the Adherence Agreement, Participants agree to respect the rules described in the Rulebook. The Rulebook describes the liabilities and responsibilities of each Participant in the Scheme.

Participants are free to choose between operating processes themselves, or using intermediaries or outsourcing (partially or completely) to third parties. However, outsourcing or the use of intermediaries does not relieve Participants of the responsibilities defined in the Rulebook.

The Rulebook covers in depth the main aspects of the interbank relationships linked to the Scheme. For the relationships between a Participant and its Customer, the Rulebook specifies the minimum requirements imposed by the Scheme. For the relationships between an **Originator** and a **Beneficiary**, the Rulebook also specifies the minimum requirements of the Scheme.

1.6 Separation of the Scheme from Infrastructure

It is a key feature of the Scheme that it provides a single set of rules, practices and standards which are then operated by individual Participants and potentially multiple infrastructure providers. Infrastructure providers include clearing and settlement mechanisms (CSMs[5]) of various types and the technology platforms and networks that support them. Infrastructure is an area where market forces operate based on the decisions of Participants.

The result is that the NCT Inst based on a single set of rules, practices and standards is operated on a fully consistent basis by CSMs chosen by individual Participants as the most appropriate for their needs.

[5] A CSM may also conduct the settlement function.

1.7 Other Features of the Scheme

- Participants which have adhered to the Scheme may participate only through an EEA-licensed branch unless they participate through their SEPA head office (which may be located in a SEPA country or territory outside the EEA) according to the EPC List of SEPA Scheme Countries [11];
- The rights and obligations of Participants, and as appropriate their Customers, are clear and unambiguous;
- Payment messages use open, industry recognised standards;
- Compliance with the Scheme ensures interoperability between Participants;
- The rules ensure that responsibility for risk management is allocated to where the risk lies and that liability falls where the fault lies;
- Individual Participants are free to innovate and satisfy Customers' needs in a competitive market place, as long as these innovations do not conflict with the Rulebook.

1.8 The Business Benefits of the Scheme

The Scheme provides many Customer benefits in terms of cost efficiency, ease of use and immediate availability of Funds. It also allows Participants to meet their own mutually beneficial needs in terms of service and innovation for Customers.

The key expected benefits are summarised as follows:

For Originators and Beneficiaries as users:

- The services based on the Scheme are available 24 hours a day and on all Calendar Days of the year;
- Payments are certain for the Originator and the Beneficiary;
- Payments are made for the full Original Amount;
- The Originator and Beneficiary are responsible for their own charges;
- Beneficiary Payment Accounts for the Scheme Currencies chosen by the Participants are reachable with the option of accepting Cross-border Payments;
- A target maximum execution time of 10 seconds to process an NCT Inst Transaction with the Beneficiary Bank reporting to the Originator Bank either the Funds being Made Available to the Beneficiary or the Reject of the NCT Inst Transaction;
- The use of accepted standards and data elements facilitates payment initiation and reconciliation on an STP basis;
- Rejects are handled Immediately in an automated way;
- The Scheme delivers the end-to-end carrying of Customer remittance data on either a structured or an unstructured basis.

For Participants:

- Efficient and effective end-to-end processing of NCT Inst on an STP basis using open and common standards;
- Reachability between Participants in NPC for the Scheme Currencies chosen by the Participants;

- Enabling a single process across the Scheme Currencies including Rejects, and Recalls;
- Participants can choose the most efficient and cost-effective routing of transactions;
- Establishment of an agreed maximum processing Time Cycle;
- Sound Scheme governance and legal structure;
- Ability to offer Additional Optional Services ("AOS") on top of the core Scheme elements;
- Satisfies the expectations of stakeholders.

For CSMs:

The separation of scheme from infrastructure permits the operation of the Scheme by multiple CSMs.

The CSMs may add features and services to the benefit of choice and competition, provided that the rules, practices and standards of the Scheme are fully met.

1.9 Common Legal Framework

It is a prerequisite for the use of the Scheme that the Payment Services Directive (PSD) (or provisions or binding practice substantially equivalent to those set out in Titles III and IV of the PSD) is implemented or otherwise in force in the national law of SEPA countries.

The further details as to the requirements for a common legal framework for this Scheme are spelled out in Chapter 5 of this Rulebook.

2. SCOPE OF THE SCHEME

2.1 Application to NPC Instant

The Scheme is applicable in the countries listed in the EPC List of SEPA Scheme Countries [11].

2.2 Description of Scope of the Scheme

An NCT Inst is a payment message for the execution of credit transfers in the Scheme Currencies between Participants.

- within 10 seconds with the Beneficiary Bank reporting to the Originator Bank either the Funds being Made Available to the Beneficiary or the Reject of the NCT Inst Transaction;
- between Customer Payment Accounts located in SEPA.

The NCT Inst is executed on behalf of an Originator holding a Payment Account with an Originator Bank in favour of a Beneficiary holding a Payment Account at a Beneficiary Bank.

The following key elements are included within the scope of the Scheme:

- The services based on the Scheme are available 24 hours a day and on all Calendar Days of the year;
- Ensure that all NPC Participants as a minimum are reachable domestically in one of the currencies covered by the NPC Instant Credit Transfer Scheme defined in reference [12] Scheme Currencies, with the option of accepting cross border transfers;
- A set of interbank rules, practices and standards for the execution of NPC Inst in Scheme Currencies within the countries listed in the EPC List of SEPA Scheme Countries [11] by Participants in the Scheme. For executing EUR the SCT Credit Transfer Instant Rulebook shall apply;
- Adherents to the Scheme are Participants who have agreed to subscribe to the Scheme and its rules;
- The Scheme provides the basis for NCT Inst products provided by Participants to their Customers. Such products provide a straightforward payment message, with the necessary reliability and reach to support a competitive marketplace. Participants remain responsible for the products and services provided to their Customers;
- The Scheme specifies a minimum set of data elements to be provided by the Originator;
- The Scheme specifies a target maximum execution time of 10 seconds to process an NCT Inst Transaction with the Beneficiary Bank reporting to the Originator Bank either the Funds being Made Available to the Beneficiary or the Reject of the NCT Inst Transaction;
- The Beneficiary Bank needs settlement certainty of the Funds it will Make Available to the Beneficiary. Therefore, the Scheme obliges the Originator Bank to settle a successfully completed NCT Inst Transaction and to provide settlement certainty through a CSM;
- The Scheme specifies a set of positive and negative messages in the interbank area to confirm to the Originator Bank Immediately if an NCT Inst Transaction has been successfully processed or has been rejected by one of the interbank parties involved.

2.3 Additional Optional Services

The Scheme recognises that individual Participants and communities of Participants can provide complementary services based on the Scheme to meet further specific Customer expectations. These are described as Additional Optional Services ("AOS").

The following two types of AOS are identified:

1. Additional Optional Services provided by banks to their Customers as value-added services which are nevertheless based on the core payment schemes. These AOS are purely a matter for banks and their Customers in the competitive space;
2. Additional Optional Services provided by local, national and communities of banks, such as the use of additional data elements in the ISO 20022 XML standards. Any community usage rules for the use of the NPC core mandatory subset of the ISO 20022 XML standards should also be mentioned in this context, although they are not *per se* AOS. Other AOS may be defined, for example relating to community provided delivery channels for Customers.

Participants may only offer AOS in accordance with the following principles:

1. All AOS must not compromise interoperability of the Scheme nor create barriers to competition. NPC Secretariat function for Compliance and Adherence should deal with any complaints or issues concerning these requirements brought to its attention in relation to compliance with the Rulebook as part of its normal procedures, as set out in the Internal Rules.
2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, NPC may incorporate commonly used AOS features into the Scheme through the change management processes set out in the Internal Rules.
3. There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 XML payment standards (including any community usage rules for the NPC core mandatory subset) should be disclosed on a publicly available website (in both local language(s) and English).

These AOS are not further described in the Rulebook as they are to be generally considered as competitive offerings provided by both individual Participants and communities of Participants and are therefore out of scope.

2.4 Currency

The currencies, Scheme Currencies covered by this Scheme to be used in all process stages for transactions are defined in the reference [12]. The currency sent by the Originator Bank will be the currency to be cleared and settled, and to be received by Beneficiary's Bank.

The Payment Accounts of the Originator and of the Beneficiary may be in one of the Scheme Currencies or any other currency. Any currency conversion is executed in the Originator Bank or Beneficiary Bank and is not governed by this Scheme.

All Participants need as a minimum to be reachable domestically in one of the Scheme Currencies defined in reference [12] covered by this Scheme.

The Beneficiary Bank may reject the transaction if the payment amount is in a different currency then that the currency of the Beneficiary's account.

Exception handling, i.e. Rejects and Recalls, shall be executed in the original currency of the transaction sent from Originator Bank.

2.5 Value Limits

The maximum amount per NCT Inst Instruction is the amount that all Participants are obliged to receive from any other Participant in the Scheme. The maximum amount is per currency defined in document reference [14]. This amount can be revised in or outside the regular Rulebook release management cycle as defined in the Management Internal Rules.
The NCT Inst Instruction will then be converted into an NCT Inst Transaction by the Originator Bank for further processing by the Interbank Space and the Beneficiary Bank.

Beneficiary Banks, who are Participants of the Scheme, are obliged to accept and process NCT Inst Transactions up to and including this maximum amount

Any NCT Inst Instruction or Transaction having an amount higher than the maximum amount defined in the Scheme can be rejected by the Participants unless otherwise agreed between individual Participants or communities of Participants.

A lower value limit for NCT Inst Instructions may be applied by the Originator Bank to its products and services offered to its Customers that are founded on the Scheme according to its own risk management analysis and controls and based on the channels used to issue an NCT Inst Instruction by its Customers.

Other value limitations, as higher or unlimited amount, can be agreed on in bilateral agreements between Participants or communities of Participants, based e.g. on currency, country- or bank specific requirements or regulations.

To support bi-lateral or community based higher limits, the CSMs should not impose any value limits of their own on NCT Inst Instructions they process on behalf of Participants. The responsibility for imposing limits should rest with a combination of the originating banks controls which are visible to the originating banks customers, or the Beneficiary Bank.

2.6 Reachability

Participants commit to participate in the Scheme in the role of at least Beneficiary Bank, or in the role of both Originator Bank and Beneficiary Bank. When they participate they must commit to process the NCT Inst Transactions according to the rules of the Scheme.

All Participants need as a minimum to be reachable domestically in one of the Scheme Currencies covered by this Scheme (reference [12]) with the option of accepting cross border transfers in the currencies they have adhered to.

Reachability is a major assumption on which the Scheme is based and is therefore a key success factor for the Scheme.

2.7 Remittance Data

The credit transfer dataset provides for a remittance data field, which may be used as follows:

- to carry structured remittance data of up to a max of 140 characters

OR

- to carry unstructured remittance data of up to 140 characters

This remittance field therefore enables automated reconciliation between receivables and payments by the Beneficiary. It is recommended that Beneficiaries adopt the ISO Standard (reference [11]) for a ‘structured creditor reference to the remittance information’ (identified in the Rulebook as ‘structured creditor reference’) as the preferred remittance data convention for identifying payment referring to a single invoice.

The remittance data supplied by the Originator in the NCT Inst Instruction must be forwarded in full and without alteration by the Originator Bank and any intermediary institution and CSM to the Beneficiary Bank. When the Originator provides a Structured Creditor Reference with an NCT Inst Instruction, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.

The Beneficiary Bank must also deliver received remittance data in full and without alteration to the Beneficiary.

Any instant information that the Beneficiary Bank may provide to the Beneficiary does not fall under this obligation on remittance data.

Communities of banks serving Customers within SEPA are able to implant data conventions for structured remittance data and /or longer remittance data references.

3. ROLES OF THE SCHEME ACTORS

This chapter describes the roles of the actors in the Scheme.

3.1 Actors

The execution of an NCT Inst involves four main actors:

- **The Originator:** is the Customer who initiates directly or indirectly[6] the NCT Inst by providing the Originator Bank with an instruction. The Funds for such an NCT Inst are reserved from a specified Payment Account of which the Originator is account holder;
- **The Originator Bank**: is the Participant that receives the NCT Inst Instruction from the Originator and acts on the payment instruction by processing Instantly the payment to the Beneficiary Bank in favour of the Beneficiary's Payment Account according to the information provided in the instruction and in accordance with the provisions of the Scheme. The Originator Bank is also obliged to inform Immediately the Originator in case the Funds have not been Made Available to the Beneficiary;
- **The Beneficiary Bank**: is the Participant that receives the NCT Inst Transaction from the Originator Bank and Immediately Makes the Funds Available to the Beneficiary, according to the information provided in the transaction and in accordance with the provisions of the Scheme. The Beneficiary Bank is also obliged to send a confirmation message (positive or negative) Immediately through the same CSM to the Originator Bank to confirm whether the NCT Inst Transaction has been accepted and Funds have been Made Available Immediately to the Beneficiary (positive confirmation) or not (negative confirmation);
- The Originator Bank and Beneficiary Bank may be one and the same Participant;
- **The Beneficiary:** is the Customer identified in the NCT Inst Instruction whom the Funds are sent to.

Originator Banks and Beneficiary Banks are responsible for meeting their obligations under the Rulebook. This responsibility is irrespective of either the means or the parties by which Originator Banks or Beneficiary Banks choose to discharge those obligations and for which they remain responsible under the Scheme.

The operation of the Scheme also involves other parties indirectly:

- **CSMs**: Such mechanisms could include the services of a Clearing and Settlement provider such as an automated clearing house or other mechanisms such as intra-bank and intra-group arrangements and bilateral or multilateral agreements between Participants. The term CSM does not necessarily denote one entity, for example, it is possible that the Clearing function and the Settlement function are conducted by separate actors;
- **Intermediary Banks**: PSPs offering intermediary services to Originator and/or Beneficiary Banks, for example in cases where Originator and/or Beneficiary Banks are not themselves direct participants in a CSM;
- **Payment initiation service providers (PISP):** Originators may make use of a PISP to initiate an NCT Inst Instruction.

[6] In compliance with the Payment Services Directive effective 13 January 2018

3.2 The Four Corner Model

The following diagram gives an overview of the contractual relationships and interaction between the main actors.

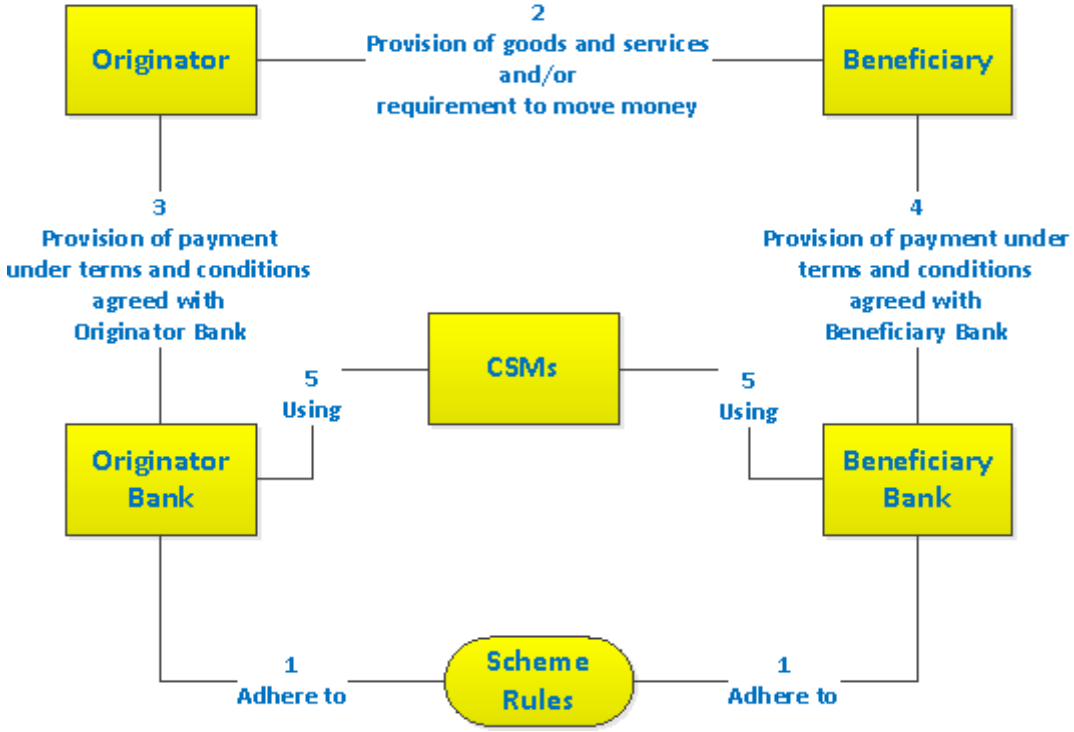


Figure 2: 4-Corner Model – Illustrative

The actors are bound together by a number of relationships, identified on the diagram by numbers:

1. The contractual relationships underlying the Scheme to which all Participants are bound;
2. Between the Originator and the Beneficiary regarding the provision of goods and services and/or the requirement to make a payment. This may or may not be reflected in a formal legal contract. This relationship does not form part of the operation of the Scheme;
3. Between the Originator and the Originator Bank concerning the payment and cash management products and services to be provided and their related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the initiation and execution of an NCT Inst Instruction as required by the Scheme;
4. Between the Beneficiary and the Beneficiary Bank concerning the products and services to be provided and the related Terms and Conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the receipt of an NCT Inst Transaction as required by the Scheme;
5. As applicable, between the Originator Bank and the Beneficiary Bank and the selected CSM or CSMs concerning the Terms and Conditions of the services delivered. Provisions for these relationships are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of an NCT Inst Transaction;
6. As applicable, between the Originator Bank and/ or the Beneficiary Bank and any other bank acting in an intermediary capacity. Provisions for these relationships and their functioning are not governed by the Scheme. This relationship is not illustrated above.

3.3 Clearing and Settlement Mechanisms (CSMs)

CSMs are responsible to the Originator Banks and Beneficiary Banks that use their services. As a matter of normal practice, these mechanisms:

- Receive transactions for Clearing from the Originator Bank who participates in the relevant CSM;
- Clear and forward them to the Beneficiary Bank who participates in the relevant CSM, ensuring that all data intended by the Originator and the Originator Bank to reach the Beneficiary Bank and the Beneficiary is forwarded in full and without alteration;
- Handle exceptions such as Rejects and Recalls;
- Make arrangements such that settlement certainty shall be achieved as required by the Originator Bank and Beneficiary Bank
- Collect and send the payments for settlement to the respective connected local central banks in their local currency at agreed intervals;
- Provide any required risk management procedures and other related services

This description about the role and responsibilities of CSMs is only for information purposes.

3.4 Intermediary Banks

If any actor uses the services of an Intermediary Bank to perform any function in relation to an NCT Inst Transaction, this should:

- Be transparent to the Scheme and in no way affect or modify the obligations of the Participants or alter the Time Stamp defined in section 4.2.3;.
- Be the subject of separate bilateral arrangements between the intermediary and its Customer (i.e. the Originator Banks or Beneficiary Banks).

3.5 Governing laws

The governing laws of the agreements in the four-corner model are as follows:

- The Rulebook is governed by Swedish law;
- The Adherence Agreement is governed by Swedish law

3.6 Relationship with Customers

In accordance with Chapter 5 Participants must ensure that the Terms and Conditions are effective so as to enable Participants to comply with their obligations under the Scheme.

4. BUSINESS AND OPERATIONAL RULES

This chapter describes the business and operational rules of the Scheme, which must be observed by Participants and by other actors as necessary such that the Scheme can function properly. It also describes the datasets used in the Scheme, and the specific data attributes within these datasets. Datasets and attributes will be represented and transmitted using generally accepted, open, interoperable standards wherever accepted by the NPC (see Section 0.5).

4.1 Naming Conventions

This section describes the naming conventions used in this chapter.

The descriptions are based on the concepts of Process, Process-step, Attribute and Dataset.

For facilitating the reading and the use of this Rulebook, structured identification-numbers are used as follows:

Process-steps:	CT-xx-yy, where xx-yy is the unique sequence number in this Rulebook
Datasets:	DS-xx, where xx represents the unique sequence number in this Rulebook
Attributes:	AT-xx, where xx represents the unique sequence number in this Rulebook

4.2 Overview of the NPC Inst Process & Time Cycle

This section describes the terms used to define the execution Time Cycle.

Section 4.3 below provides a more detailed explanation of the process.

4.2.1 Commencement of the NCT Inst Execution Time Cycle (Day “D”)

The execution time for an NCT Inst Transaction shall commence when the Originator Bank has determined that the NCT Inst Instruction meets all mandatory attributes for interbank processing and the processing conditions of the Originator Bank. This means that the Originator Bank has received the NCT Inst Instruction and has applied Instantly all necessary checks to execute the NCT Inst Instruction (e.g., Originator authentication and authorisation, and availability of Funds).

When all necessary checks on the NCT Inst Instruction have been applied with success, the Originator Bank Instantly makes a Reservation of the Amount on the Originator’s Payment Account and Instantly prepares an NCT Inst Transaction based on the NCT Inst Instruction. The Originator Bank completes this process by putting a Time Stamp in the NCT Inst Transaction. The Time Stamp (see section 4.2.3 A) marks the starting point in time of the Execution Time Cycle of the NCT Inst Transaction.

The Originator Bank has the option to offer the Originator the possibility to submit an NCT Inst Instruction with a "Requested Execution Date" corresponding to a future date for commencing the execution of the NCT Inst Instruction. The Originator will submit the NCT Inst Instruction to the Originator Bank in accordance with its Terms and Conditions with the Originator Bank.

The Originator Bank may allow the Originator to cancel the NCT Inst Instruction at any time prior to the Requested Execution Date.

The Requested Execution Date will be deemed to be the relevant date for commencing the execution of the NCT Inst Instruction. This provision is to be construed in accordance with Article 78 (2) of the Payment Services Directive effective as of 13 January 2018. The Originator Bank shall only send the NCT Inst Instruction as an NCT Inst Transaction on the Requested Execution Date to the Beneficiary Bank.

The execution of the NCT Inst Instruction may be stopped due to regulatory requirements.

4.2.2 Cut-off Times

The services based on the Scheme are available 24 hours a day and on all Calendar Days of the year. Consequently, there is no Cut-Off Time for an NPC Inst Transaction.

4.2.3 Maximum Execution Time

A. Time Stamp

To allow an accurate control of the maximum execution time by all parties involved in the NCT Inst Transaction, the Originator Bank has to add a Time Stamp in the NCT Inst Transaction (refer to attribute AT-50) marking the start of the Execution Time Cycle.

B. Target maximum execution time

Latest at **10 seconds** after the Originator Bank has **put the Time Stamp in accordance with section 4.1** to the NCT Inst Transaction and Instantly sent the NCT Inst Transaction to the Beneficiary Bank, the Originator Bank must have **received** either the message that the Funds have been Made Available to the Beneficiary by the Beneficiary Bank (positive confirmation message), or the message that the NCT Inst Transaction has been rejected (negative confirmation message with the appropriate reason code).

If agreed with the Beneficiary, the Beneficiary Bank informs the Beneficiary about the Funds Made Available to the Beneficiary. Such information is not within the scope of the Scheme.

If agreed with the Originator, the Originator Bank informs the Originator about the Funds Made Available to the Beneficiary. Such information is not within the scope of the Scheme.

If the Originator Bank receives a negative confirmation message, it has to inform **Immediately** the Originator about the rejected NCT Inst Instruction. The only exception to such an immediate response is when an NCT Inst Instruction is rejected based on regulatory requirements.

The Beneficiary Bank can only proceed with Instantly Making the Funds Available to the Beneficiary if it has the **certainty** that the CSM of the Beneficiary Bank operating in the Interbank Space has **received** the positive confirmation message from the Beneficiary Bank.

This certainty is obtained by receiving a technical acknowledgement from the CSM of the Beneficiary Bank or through other technical arrangements between the Beneficiary Bank and its CSM (e.g., a special designed message).

This action means that the Beneficiary has immediate use of the Funds subject to the Terms and Conditions governing the use of the Payment Account of the Beneficiary.

Participants are free to agree on a bilateral or multilateral basis with other Participants on a target maximum execution time of less than 10 seconds. This lower target maximum execution time only applies to those Participants that have concluded such agreement.

The Figure 3 below shows the process flow of an NCT Inst Transaction within the target maximum execution time.

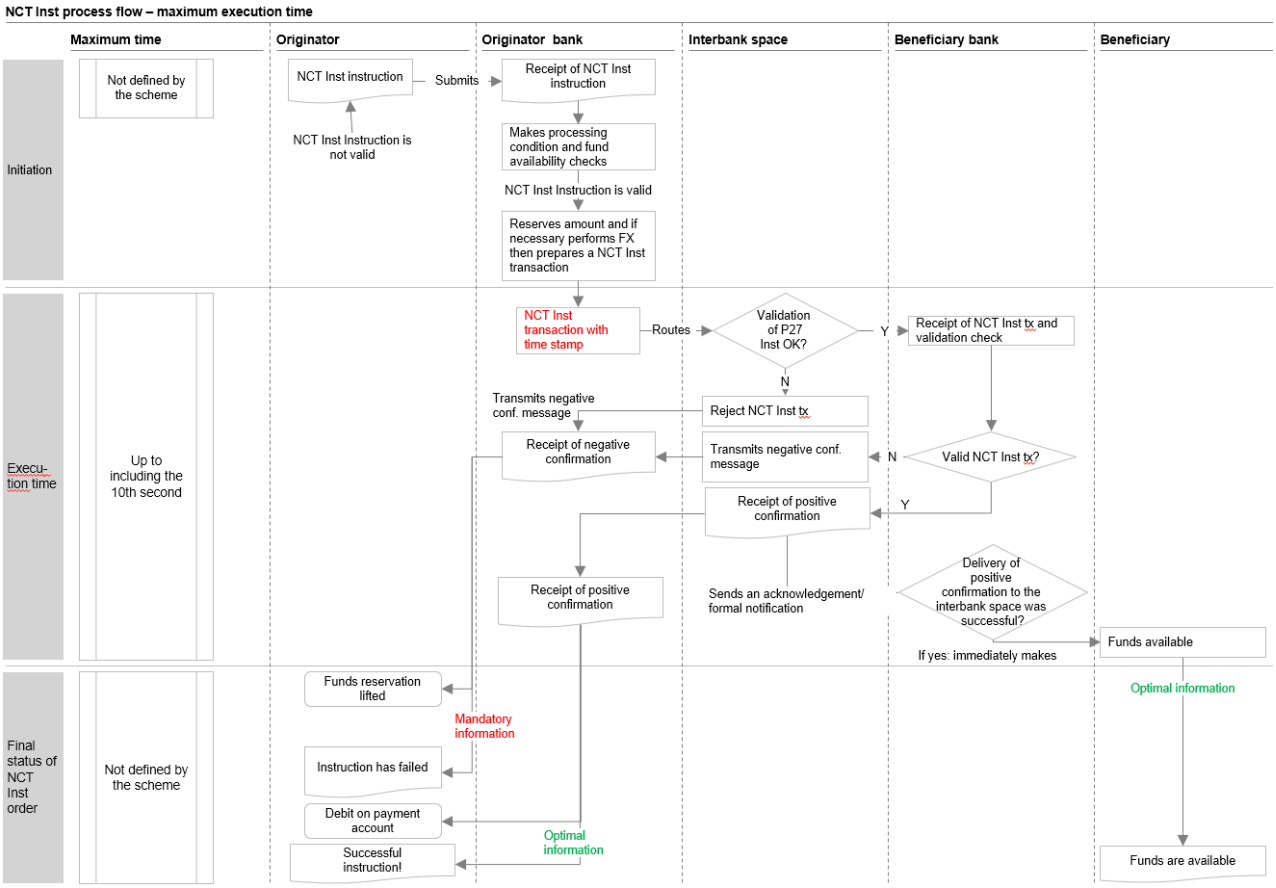


Figure 3 Work Flow Target Maximum Execution Time

C. Time-out deadline

The Scheme nevertheless foresees a **hard time-out deadline** to cover exceptional processing situations. Within **20 seconds** after the Originator Bank has put the Time Stamp in accordance with section 4.1, the **CSM of the Beneficiary Bank** operating in the Interbank Space must have received either a positive or a negative confirmation message about the NCT Inst Transaction from the Beneficiary Bank.

Participants are free to agree on a bilateral or multilateral basis with other Participants on a hard time-out deadline of less than 20 seconds. This shorter time-out deadline only applies to those Participants that have concluded such agreement.

The time-out deadline based on which the NCT Inst Transaction is rejected, applies only to the parties below in the following specific cases:

- In the direction from the Originator Bank to the Beneficiary Bank: any party in the Interbank Space or the Beneficiary Bank has received the initial NCT Inst Transaction after the time-out deadline or cannot reach the next party within the time-out deadline;

  The concerned party has to reject Instantly the NCT Inst Transaction and Instantly send back a negative confirmation message with the reason 'Time-out';

- The Beneficiary Bank: when it has the certainty that its confirmation message **cannot reach or has not reached** the CSM of the Beneficiary Bank within the 20 seconds after the Time Stamp, the Beneficiary Bank shall not Make Funds Available to the Beneficiary and Instantly sends a negative confirmation message with the appropriate reason code to its CSM;

- The CSM of the Beneficiary Bank: when it has not received any confirmation message from the Beneficiary Bank within the 20 seconds after the Time Stamp. This CSM Instantly rejects the NCT Inst Transaction by sending Instantly a negative confirmation message (via the dataset DS-03) with the reason 'Time-out' to the (CSM of the) Originator Bank and to the Beneficiary Bank.

The CSM of the Originator Bank or the Originator Bank **cannot** unilaterally reject the NCT Inst Transaction **after the time-out deadline**. They need to wait for a confirmation message from the CSM of the Beneficiary Bank or from the Beneficiary Bank. At all times, The Originator Bank has to maintain the settlement certainty of the initial NCT Inst Transaction unless it receives a negative confirmation message.

After the time-out deadline, the positive or negative confirmation message received or generated by the CSM of the Beneficiary Bank then has to **reach** the Originator Bank within **5 seconds**, i.e. latest on the 25th second after the Originator Bank has put the Time Stamp in accordance with section 4.1.

The Figure 4 below shows the process flow of an NCT Inst Transaction including the time-out deadline:

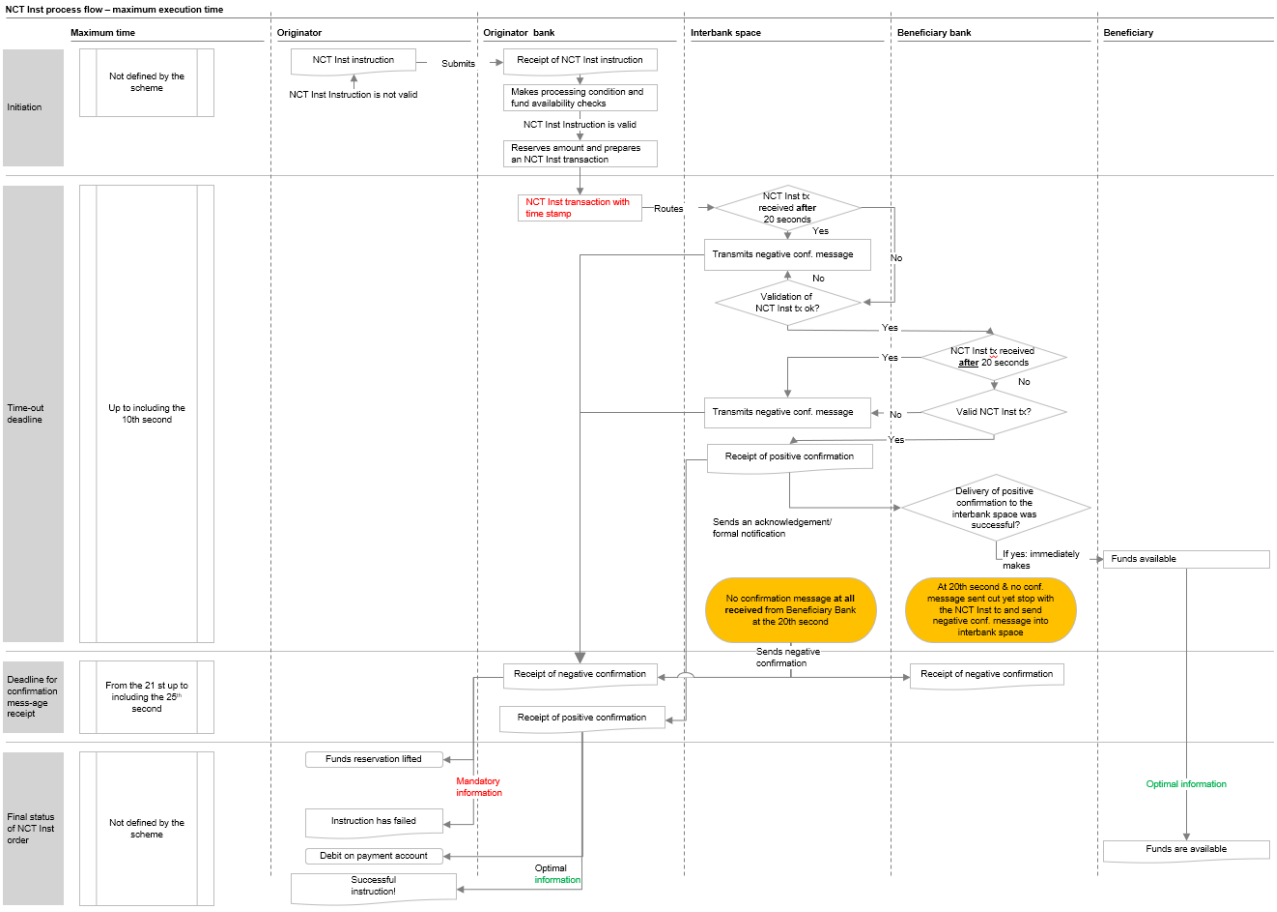


Figure 4 Work Flow Time-Out Deadline

D. No confirmation message after time-out deadline

The Originator Bank may be confronted with the exceptional situation that it still has not received a confirmation message after the time-out deadline described in point C of section 4.2.3.

The Originator Bank relies on the input from the CSMs of the Originator Bank and of the Beneficiary Bank about the final status of the NCT Inst Transaction.

If the Originator Bank has not received a confirmation message at all about the initial NCT Inst Transaction after 25 seconds of the time marked by the Time Stamp, the Originator Bank can

- start the investigation procedure as defined in the Rulebook right after the 25th second; or
- use other communication channels available to get clarity on the status of the NCT Inst transaction; or
- wait for the confirmation message to arrive.

Until the moment the Originator Bank receives a confirmation message about the initial NCT Inst Transaction, it has to maintain the Reservation of the Amount of the NCT Inst Instruction on the specified Payment Account of the Originator and has to maintain settlement certainty for this NCT Inst Transaction to the Beneficiary Bank.

The Originator Bank cannot consider that the processing of the NCT Inst Transaction has failed until it has received a confirmation message reporting the failure of the NCT Inst Transaction.

Section 4.4 provides the Originator Bank with an option to start an investigation procedure in case the Originator Bank wishes to inquire about the actual status of the initial NCT Inst Transaction. The Scheme obliges the Beneficiary Bank and the parties in the Interbank Space to **Instantly** process the investigation and to respond as soon as possible to this investigation (via the dataset DS-03).

If the Originator Bank receives as a response a negative confirmation message regarding the NCT Inst Transaction, the Originator Bank rejects the NCT Inst Instruction and revokes the Reservation of the Amount on the Payment Account of the Originator. It is obliged to report Immediately the NCT Inst Transaction failure to the Originator with a reason.

4.2.4 Charging Principles

Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are entirely a matter for individual Participants and their Customers.

4.3 NCT Inst Processing Flows

The Scheme applies the following principles which are to be respected by all Participants:

1. As soon as the CSM of the Beneficiary Bank sends the NCT Inst Transaction to the Beneficiary Bank, the Beneficiary Bank has the settlement certainty from the Originator Bank. This certainty is already arranged through the CSM of the Originator Bank.

   When sending an NCT Inst Transaction to its CSM, the Originator Bank authorises this CSM to reserve Funds on its account as cover for the amount of the NCT Inst Transaction.

   The CSM of the Originator Bank Instantly reserves Funds from the Originator Bank as settlement cover for the NCT Inst Transaction. This provides upfront settlement certainty.

2. The Beneficiary Bank has the obligation to confirm to the Originator Bank that it had accepted or not the NCT Inst Transaction.

3. The Originator Bank honours its obligation to settle the NCT Inst Transaction **only** when it has received a **positive** confirmation message.

4.3.1 NCT Inst Processing Flow (PR-01)

The following diagram identifies a number of process steps, which are described below.

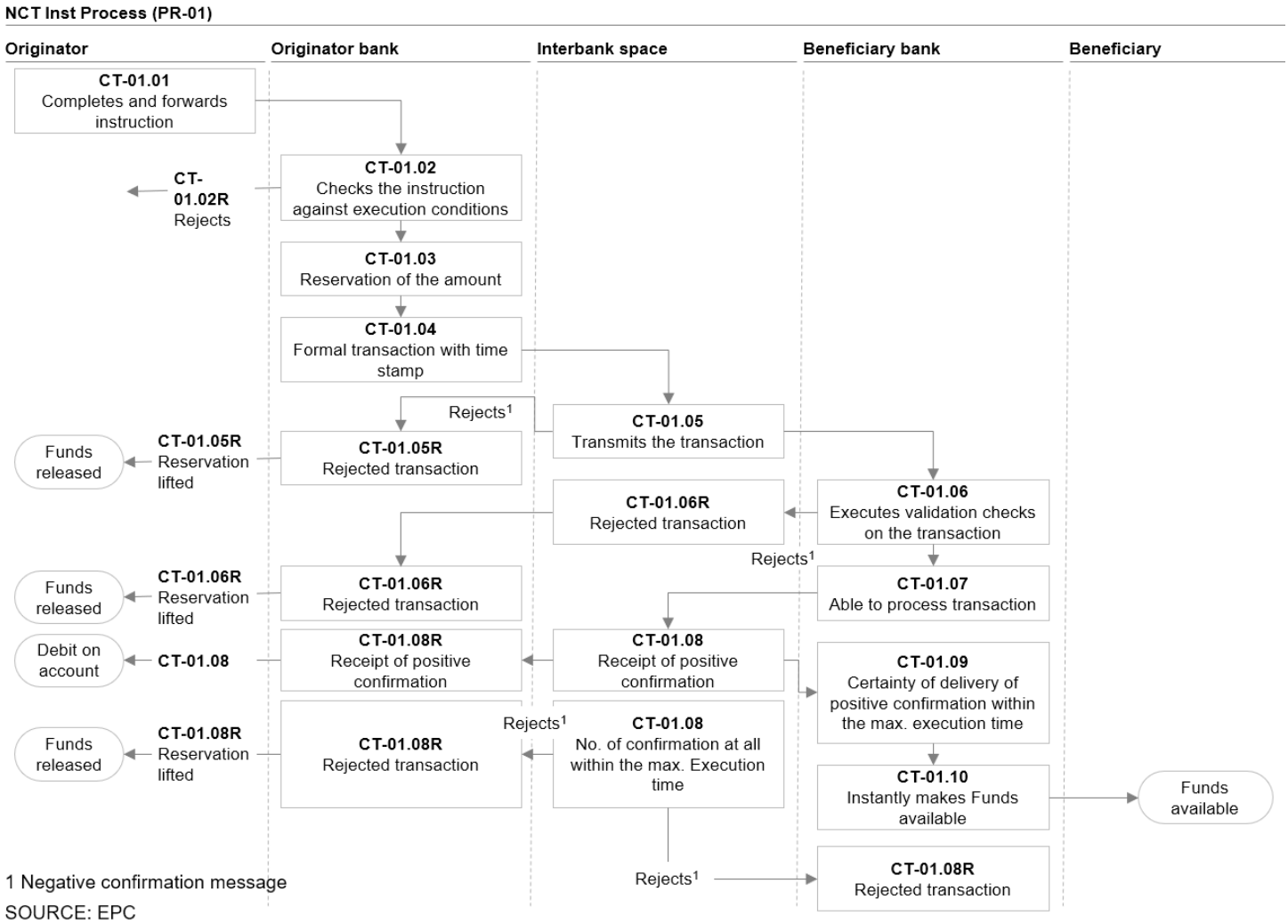


Figure 5: NCT Inst Process (PR-01)

CT-01.01 The Originator completes and forwards the NCT Inst Instruction. The Instruction will be submitted by any means agreed between the Originator and the Originator Bank. The data elements to be provided are defined in dataset DS-01 in section 4.5.

CT-01.02 The Originator Bank receives the NCT Inst Instruction. It Instantly checks if the Instruction fulfils the execution conditions required by its procedures including the authenticity of the Instruction, the availability of Funds and the checking of the format and the plausibility of the IBAN or Alias and if requested, of the BIC.

Rejected NCT Inst Instructions in this step are covered by procedures described in section 4.3.2.

CT-01.03 When these execution conditions are successful, the Originator Bank Instantly makes a Reservation of the Amount on the Originator's Payment Account with this information Instantly accessible to the Originator

CT-01.04 The Originator Bank Instantly prepares an NCT Inst Transaction based on the NCT Inst Instruction and puts the Time Stamp in the created NCT Inst Transaction. The Time Stamp marks the start of the Execution Time Cycle of the NCT Inst Transaction.

CT-01.05 The Originator Bank Immediately sends the NCT Inst Transaction message to its CSM in the Interbank Space to ensure the Beneficiary Bank receives the NCT Inst Transaction in accordance with the rules of the Scheme within the maximum execution time defined in section 4.2.3. The data elements to be provided are defined in dataset DS-02 in section 4.5.

Rejected NCT Inst Transactions *(negative confirmations)* in this step are covered by procedures described in section 4.3.2.

CT-01.06 The Beneficiary Bank receives the NCT Inst Transaction from its CSM in the Interbank Space, Instantly verifies if it can apply the NCT Inst Transaction to the Beneficiary's Payment Account and executes various validation checks.

Rejected NCT Inst Transactions *(negative confirmations)* in this step are covered by procedures described in section 4.3.2.

CT-01.07 The Beneficiary Bank Instantly sends the confirmation message back to its CSM in the Interbank Space within the maximum execution time defined in section 4.2.3 following the same path as the initial NCT Inst Transaction confirming that the Beneficiary Bank

- has received the NCT Inst Transaction and
- is able to process the NCT Inst Transaction *(positive confirmation)*

CT-01.08 The CSM of the Beneficiary Bank in the Interbank Space receives the positive confirmation message within the maximum execution time defined in section 4.2.3 and Instantly passes on the positive confirmation message to the Originator Bank. Based on this positive confirmation message, the Originator Bank debits as soon as possible the Payment Account of the Originator.

Rejected NCT Inst Transactions *(negative confirmations)* in this step are covered by procedures described in section 4.3.2.

CT-01.09 The Beneficiary Bank has received the certainty that its positive confirmation message has been successfully delivered to the CSM of the Beneficiary Bank in the Interbank Space within the maximum execution time defined in section 4.2.3.

CT-01.10 The Beneficiary Bank Instantly Makes the Funds Available to the Beneficiary. The Beneficiary Bank will make the information of DS-04 available to the Beneficiary on the basis agreed between the Beneficiary and his Beneficiary Bank.

This action means that the Beneficiary has immediate use of the Funds subject to the Terms and Conditions governing the use of the Payment Account of the Beneficiary.

4.3.2 Exception Processing Flow

NCT Inst Transactions are handled according to the time frame described in section 4.2.3. If the NCT Inst Transaction cannot be processed under the Scheme, it will be Immediately rejected and the process of exception handling starts. The messages resulting from these situations are all handled in a standardised way, at process level as well as at dataset level.

4.3.2.1 Reject processing

A 'Reject' occurs when an NCT Inst Transaction is not accepted for normal execution under the Scheme. If the rejection is at the point at which the Originator instructs the Originator Bank i.e. being an NCT Inst Instruction, for the purposes of the Scheme, the Originator Bank need only inform the Originator of the reason.

If it occurs in the Interbank Space the Reject must be instant and sent as specified in DS-03 in section 4.5.

The main characteristics of a Reject (DS-03) are:

- the amount will be the Original Amount in the original currency of the NCT Inst Transaction;
- the Reject message is routed through the same path taken by the original NCT Inst Transaction with no alteration of the data contained in the initial NCT Inst Transaction;
- a record of the relevant data relating to the initial NCT Inst Transaction, sufficient to provide an audit trail, is included;
- the initial NCT Inst Transaction is identified by the original reference of the Originator Bank;
- Reject messages contain a reason code (attribute AT-R3).

Reject messages should be transmitted within the maximum execution time defined in section 4.2.3.

The step-by-step process flow for Rejects is as follows:

CT-01.02R	The Originator Bank must inform Immediately the Originator and make the appropriate details available to the Originator.
CT-01.05R	The concerned party in the Interbank Space must send the Reject message being a negative confirmation message, to the Originator Bank within the maximum execution time defined in section 4.2.3. The Originator Bank must inform the Originator Immediately that its NCT Inst Instruction has been rejected. The Originator Bank Immediately cancels the Reservation of the Amount on the Originator's Payment Account and makes the appropriate details available to the Originator based on the information received in the dataset DS-03.
CT-01.06R	The Beneficiary Bank must send the Reject message being a negative confirmation message, to the Originator Bank within the maximum execution time defined in section 4.2.3. The Originator Bank must inform the Originator Immediately that its NCT Inst Instruction has been rejected. The Originator Bank cancels the Reservation of the Amount on the Originator's Payment Account and makes the appropriate details available to the Originator based on the information received in the dataset DS-03.
CT-01.08R	The CSM of the Beneficiary Bank in the Interbank Space has not received any confirmation message at all from the Beneficiary Bank within the time-out deadline defined in section 4.2.3. The CSM of the Beneficiary Bank must send the Reject message being a negative confirmation message, to the Originator Bank within the specific number of seconds after the time-out deadline as defined in section 4.2.3 and to the Beneficiary Bank. The Originator Bank must inform the Originator Immediately that its NCT Inst Instruction has been rejected. The Originator Bank cancels the Reservation of the Amount on the Originator's Payment Account and makes the appropriate details available to the Originator based on the information received in the dataset DS-03.

4.3.2.2 NCT Inst Recall processing (PR-02)

An NCT Inst Recall occurs when the Originator Bank requests to cancel an NCT Inst Transaction. The Recall procedure can be initiated only by the Originator Bank which may do it on behalf of the Originator.

Before initiating the Recall procedure, the Originator Bank has to check if the NCT Inst Transaction is subject to one of the following reasons only:

- Duplicate sending;
- Technical problems resulting in erroneous NCT Inst Transaction(s);
- Fraudulent originated NCT Inst Instruction.

The step-by-step process flow for a Recall (PR-02) is given below.

The main characteristics of a Recall and the answer to a Recall (DS-05 and DS-06 in section 4.5) are:

- The Originator Bank must send out the NCT Inst Recall within 10 Banking Business Days after the execution date of the initial NCT Inst Transaction;
- The amount transferred back can differ from the Original Amount of the NCT Inst Transaction. The Beneficiary Bank may decide to charge a fee to the Originator Bank;
- The currency sent back to the Originator Bank must be the same as the Original Currency received;
- The NCT Inst Recall message is routed through the same path taken by the initial NCT Inst Transaction, with no alteration of the data contained in the initial NCT Inst Transaction;
- A record of the relevant data relating to the initial NCT Inst Transaction, sufficient to provide an audit trail, is included;
- Recall messages contain a reason code (attribute AT-48);
- The Beneficiary Bank must provide the Originator Bank with an answer to the NCT Inst Recall within 15 Banking Business Days following the receipt of the NCT Inst Recall from the Originator Bank.

  The Beneficiary Bank is in breach with the Rulebook if it has not responded to the NCT Inst Recall by the Originator Bank within this period of 15 Banking Business Days. If the Beneficiary Bank has received no response from the Beneficiary to this NCT Inst Recall within these 15 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason “No response from the Beneficiary” to the Originator Bank;
- In case the Beneficiary Bank can report a positive answer to a NCT Inst Recall, the Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the amount through a separate NCT Inst Transaction message.
- Each party in the Interbank Space receiving the NCT Inst Recall from the Originator Bank or receiving the answer to the NCT Inst Recall from the Beneficiary Bank, has to send the concerned NCT Inst Recall and the answer to the NCT Inst Recall **Immediately** to the following party in the Interbank Space, the Beneficiary Bank or the Originator Bank.

It is the decision of the Beneficiary Bank if it wants to charge a fee to the Originator Bank. This practice is only allowed for a positive response to a NCT Inst Recall. For this purpose, a field is dedicated in the answer message.

The following diagram identifies a number of process steps, which are described below.

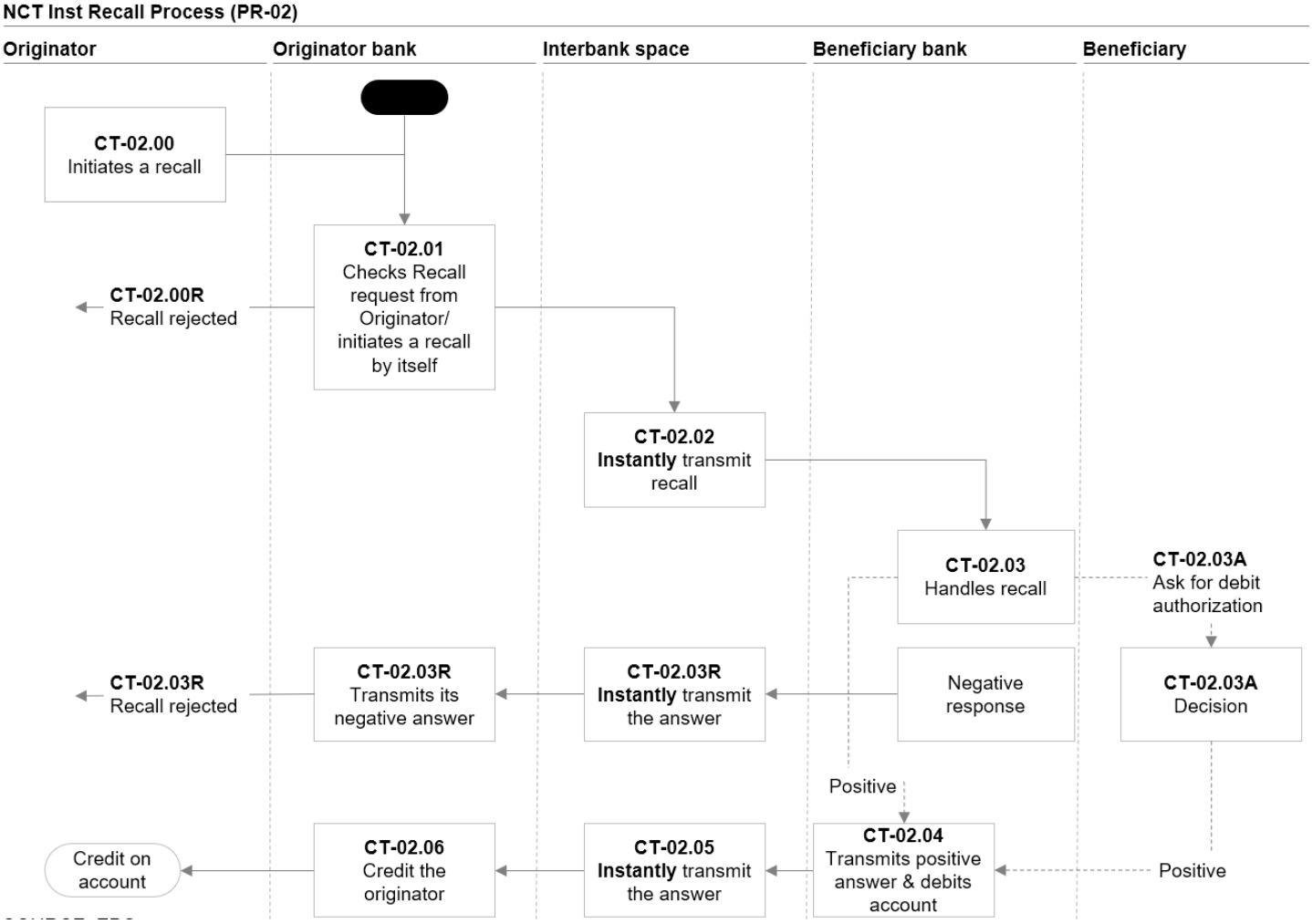


Figure 6: NCT Inst Recall Process (PR-02)

CT-02.01 The Originator Bank realises the need to recall an NCT Inst Transaction. It may also receive a Recall request from the Originator (see CT-02.00).

Before initiating the Recall procedure, the Originator Bank must check if the initial NCT Inst Transaction:

- Had an execution date of less than or equal to 10 Banking Business Days before the Recall;
- Had been wrongly executed for one of the reasons listed below:
  - Duplicate sending;
  - Technical problems resulting in an erroneous NCT Inst Transaction;
  - Fraudulent originated NCT Inst Instruction.

The path used for initiating the NCT Inst Recall should be identical to the one used for the initial NCT Inst Transaction.

The Originator Bank must send out the NCT Inst Recall within the period of 10 Banking Business Days following the execution date of the NCT Inst Transaction.

CT-02.01R The Originator Bank can reject the request of the Originator to make a Recall when it judges that the initial NCT Inst Transaction is not the subject of one of the foregoing reasons or if this request was submitted more than 10 Banking Business Days after the execution date of the initial NCT Inst Transaction.

CT-02.02 The parties in the Interbank Space transmit Instantly the NCT Inst Recall to the Beneficiary Bank

CT-02.03 The Beneficiary Bank must always handle the NCT Inst Recall and must provide a positive or negative answer within 15 Banking Business Days following the receipt of the NCT Inst Recall from the Originator Bank.

If there are sufficient Funds on the Payment Account and the Funds are not yet transferred back by the Beneficiary, the Beneficiary Bank may, depending on the legislation in its country and/or contractual agreement with the Beneficiary:

- The currency sent back to the originator must be the same as the original currency received from the Originator Bank;
- Generate an immediate positive answer by debiting the Payment Account;
- Decide whether it is necessary to ask the Beneficiary for debit authorisation;
- Be obliged to get the Beneficiary's authorization to debit its Payment Account.

CT-02.03A If needed: the Beneficiary is asked for his/her authorization to let the Beneficiary Bank debit its Payment Account for a NCT Inst Recall

CT-02.03R The Beneficiary Bank will generate a negative answer to the Originator Bank and give reason for it if:

- There are insufficient Funds on the Payment Account;

- The Payment Account is closed;
- There is a legal reason: to be explained in a clear text;
- Beneficiary's refusal;
- No response from the Beneficiary within the 15 Banking Business Days following the receipt of the NCT Inst Recall from the Originator Bank;
- Initial NCT Inst Transaction never received;
- The Funds of the initial NCT Inst Transaction already transferred back.

The parties in the Interbank Space transmit Instantly the negative answer to the NCT Inst Recall to the Originator Bank

CT-02-04 The Beneficiary Bank generates a positive answer to the Recall request. The Beneficiary Bank debits the Payment Account of the Beneficiary (if needed, after the Beneficiary Bank has received authorisation from the Beneficiary to debit his Payment Account).

CT-02.05 The parties in the Interbank Space transmit Instantly the positive answer to the NCT Inst Recall.

The CSM of the Originator Bank in the Interbank Space transmits the positive answer to the Recall from the Beneficiary Bank.

The CSMs of the Beneficiary Bank and of the Originator Bank make the necessary arrangements to establish a settlement position between the two Banks.

CT-02.06 The Originator Bank credits the Payment Account of the Originator with the amount of the positive answer to the Recall

CT-02.07 In the exceptional case of no response from the Beneficiary Bank within the deadline of 15 Banking Business Days following the receipt of the NCT Inst Recall from the Originator Bank, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

4.3.2.3 Request for Recall by the Originator

A **Request for Recall by the Originator** can be initiated by the Originator Bank after an Originator has requested the Originator Bank to get the reimbursement of a settled NCT Inst Transaction for a reason **other than** duplicate sending, technical problems resulting in erroneous NCT Inst Transactions or a fraudulently originated NCT Inst Instruction (see section 4.3.2.2).

The Originator Bank is obliged to inform the Originator that such Request for Recall does not guarantee that the Originator will effectively receive back the Funds of the initial NCT Inst Transaction. It will depend on the consent of the Beneficiary whether to turn back the Funds to the Originator.

The main characteristics of a Request for Recall by the Originator (see DS-08 in section 4.5) are:

- The message for a Request for Recall by the Originator is routed through the same path which was used for the initial NCT Inst Transaction;
- A record of the relevant data relating to the initial NCT Inst Transaction message, sufficient to provide an audit trail, is included with no alteration of the data contained in the initial NCT Inst Transaction;

- The message contains a reason code (attribute AT-52, see section4.6) highlighting the reason for the Request for Recall by the Originator;
- The Originator Bank has the choice to send out the Request for Recall by the Originator either Instantly or not;
- The Beneficiary Bank must send its answer to a Request for Recall by the Originator within 15 Banking Business Days following the receipt of the Request for Recall by the Originator from the Originator Bank:
- Each party in the Interbank Space receiving the Request for Recall by the Originator from the Originator Bank or receiving the answer to the Request for Recall by the Originator from the Beneficiary Bank, must send the concerned Request for Recall by the Originator and the answer to the Request for Recall by the Originator Immediately to the following party in the Interbank Space, the Beneficiary Bank and the Originator Bank.

Process steps for a Request for Recall by the Originator

Step 1 The Originator Bank receives the Request for Recall by the Originator. Before initiating the procedure for a Request for Recall by the Originator, the Originator Bank must check if

- The Originator has provided a reason for this request as this reason will be submitted to the Beneficiary for its consideration;
- The debit date of the original NCT Inst Transaction forming the subject of the Request for Recall by the Originator falls within the period of 13 months preceding the date at which the Request for Recall by the Originator has been received by the Originator Bank.

If these conditions are not met, the Originator Bank is allowed to reject the Request for Recall by the Originator.

The Originator Bank communicates to the Originator that the Request for Recall by the Originator is no guarantee that the Originator will effectively get back the Funds of the initial NCT Inst Transaction.

The path used for initiating the Request for Recall by the Originator must be identical to the one used for the initial NCT Inst Transaction.

Step 2 The parties in the Interbank Space transmit Instantly the Request for Recall by the Originator to the Beneficiary Bank

Step 3 The Beneficiary Bank will present the Request for Recall by the Originator with the reason to the Beneficiary for its consideration.

The Beneficiary Bank is in breach with the Rulebook if it has not responded to the Request for Recall by the Originator within this period of 15 Banking Business Days.

If the Beneficiary Bank has received no response from the Beneficiary to this Request for Recall by the Originator within these 15 Banking Business Days, the Beneficiary Bank must send a negative answer with the reason “No response from the Beneficiary” to the Originator Bank.

Step 4A Upon receipt of a positive response from the Beneficiary (see DS-09 in section 4.5): the Beneficiary Bank debits the Payment Account of the Beneficiary and transfers the Funds back via the parties in the Interbank Space. If needed, the Beneficiary Bank

waits until it has received authorisation from the Beneficiary to debit his Payment Account. The Beneficiary Bank needs to use the message prescribed in [1]. The Beneficiary Bank cannot transfer back the Funds through a separate NCT Inst Transaction message.

It is the decision of the Beneficiary Bank if it wants to charge a fee to the Originator Bank. This practice is only allowed for a **positive** response to a Request for Recall by the Originator. For this purpose, a field is dedicated in the response message DS-09.

Step 4B Upon receipt of a negative response from the Beneficiary (DS-09): the Beneficiary Bank will route the Beneficiary's refusal via the parties in the Interbank Space back to the Originator Bank. The Originator Bank communicates the refusal to the Request for Recall by the Originator to the Originator.

The communicated decision by the Beneficiary on the concerned initial NCT Inst Transaction finalises the fate of the initial NCT Inst Transaction from the perspective of both the Originator Bank and the Beneficiary Bank.

Step 4C In an exceptional case of no response from the Beneficiary Bank after 15 Banking Business Days after the receipt of the Request for Recall by the Originator, the Originator Bank may send a Request for Status Update to the Beneficiary Bank.

Step 5 The Originator Bank credits the Payment Account of the Originator with the amount reported in the positive response message.

4.3.2.4 Beneficiary wishing to transfer back the Funds

The Rulebook does not foresee any Exception Processing in case a Beneficiary wishes to send back the Funds of an NCT Inst Transaction. The Beneficiary has to contact the Beneficiary Bank on how the Beneficiary can transfer back the Funds (e.g., via another NPC Scheme or a new NCT Inst Transaction).

4.4 Optional NCT Inst Transaction status investigation procedure (PR-03)

The Scheme foresees an **optional** investigation procedure for the Originator Bank for exceptional situations whereby no confirmation message has reached the Originator Bank after the time-out deadline defined in section 4.2.3.

The Scheme obliges the Beneficiary Bank and the parties in the Interbank Space to **Instantly** process the investigation and to respond as soon as possible to this investigation procedure (via the dataset DS-03).

The following diagram identifies a number of process steps, which are described below.

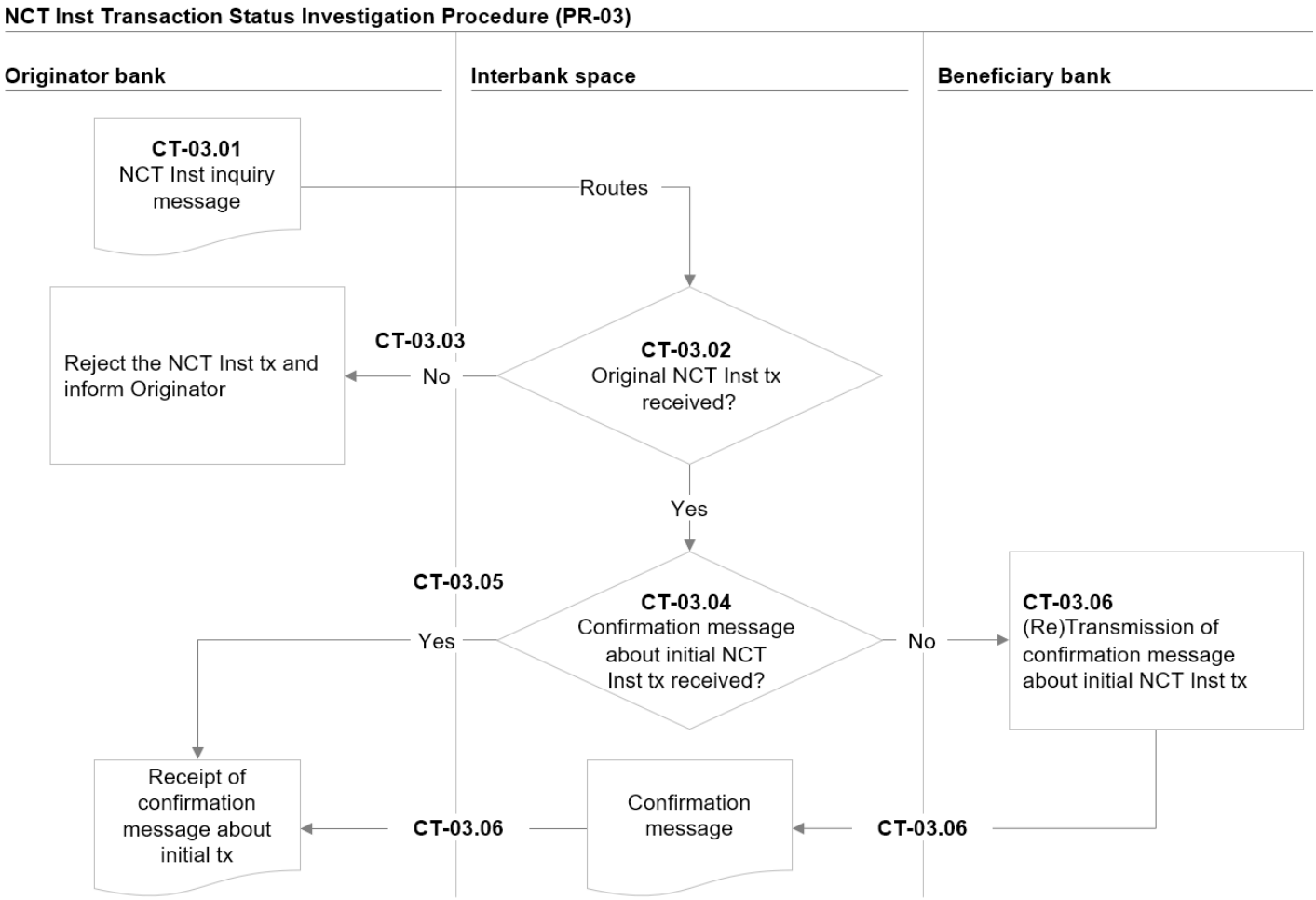


Figure 7 NCT Inst Transaction Status Investigation Procedure (PR-03)

CT-03.01 The Originator Bank sends a NCT Inst Transaction status investigation message to the Beneficiary Bank through the same path used for the transmission of the initial NCT Inst Transaction message to inquire about the actual status of the initial NCT Inst Transaction.

CT-03.02 Each party in the Interbank Space Instantly verifies if it actually received the initial NCT Inst Transaction from the Originator Bank.

CT-03.03 In case the initial NCT Inst Transaction had not been received by a party in the Interbank Space: this party Instantly reports the non-delivery of this initial transaction back to the Originator Bank who then Instantly rejects the transaction and Instantly informs the Originator.

CT-03.04 In case the initial NCT Inst Transaction had been received: based on the NCT Inst Transaction status investigation message, each party in the Interbank Space which was involved in the transmission of the initial NCT Inst Transaction message up to the Beneficiary Bank verifies Instantly whether it has received a confirmation message from the

Beneficiary Bank (or from another party in the Interbank Space) about the initial NCT Inst Transaction.

CT-03.05 If a party in the Interbank Space had received a confirmation message on the initial NCT Inst Transaction, this party is obliged to retransmit instantly this confirmation message (the dataset DS-03) to the Originator Bank.

CT-03.06 If the NCT Inst status inquiry message has to be addressed to the Beneficiary Bank, the Beneficiary Bank Instantly (re)transmits its confirmation message about the initial NCT Inst Transaction (the dataset DS-03) back to the Originator Bank following the same path that would have been used for the transmission of that initial confirmation message.

The Scheme does not define a maximum time limit by which the optional investigation procedure should be completed nor defines the number of repetitions the Originator Bank has to re-issue this investigation procedure in case no response has been received from the Interbank Space or from the Beneficiary Bank on the first NCT Inst Transaction status investigation message. The Scheme however formally obliges the Beneficiary Bank and the parties in the Interbank Space to act **Instantly** on the investigation procedure.

The Originator Bank can only formally confirm the (non-)execution of the NCT Inst Instruction to the Originator when it has received a formal confirmation message (positive or negative) from the Beneficiary Bank or from a party in the Interbank Space.

4.5 Business Requirements for Datasets

The datasets are the following:

DS-01 Customer-to-Bank Credit Transfer Information

DS-02 Interbank Payment Dataset

DS-03 Confirmation Message

DS-04 Bank to Customer Credit Transfer Information

DS-05 Recall of an NCT Inst Dataset

DS-06 Answer to Recall of an NCT Inst Dataset

DS-07 Dataset for the NCT Inst Transaction status investigation message sent by the Originator Bank

DS-08 Request for Recall by the Originator Dataset

DS-09 Response to the Request for Recall by the Originator Dataset

4.5.1 DS-01 Customer-to-Bank Credit Transfer Information

Identification	**DS-01**
Name	**Customer-to-Bank Credit Transfer Information**
Description	The following list of attributes represents the full range of data which may be provided by the Originator and transported under the Scheme rules via Dataset DS-02
Attributes contained	• 01 The IBAN of the account of the Originator • 02 The name of the Originator • 03 The address of the Originator • 04 The amount of the NCT Inst in the relevant Scheme Currency and the relevant currency code • 05 The Remittance Information sent by the Originator to the Beneficiary in the NCT Inst Instruction • 07 The Requested Execution Date of the NCT Inst Instruction • 08 The name of the Originator Reference Party • 09 The identification code of the Originator Reference Party • 10 The Originator identification code • 20 The IBAN of the account of the Beneficiary • 21 The name of the Beneficiary • 22 The address of the Beneficiary • 23 The BIC code of the Beneficiary Bank • 24 The Beneficiary identification code • 25 The Alias or Proxy of the Beneficiary's account (Optional) • 28 The name of the Beneficiary Reference Party • 29 The identification code of the Beneficiary Reference Party • 40 The identification code of the NCT Inst Scheme • 41 The Originator's reference of the NCT Inst Instruction • 44 The purpose of the NCT Inst Instruction • 45 The category purpose of the NCT Inst Instruction
Technical characteristics	None.
Rules applied	Only when the Originator Bank offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank NCT Inst Instructions, the Originator Bank is obliged to accept at least but not exclusively Customer-to-Bank NCT Inst Instruction messages which follow the specifications defined in the NCT Inst Scheme Customer-to-Bank Implementation Guidelines covered in section 0.5 at the request of the Originator. Where any of the above attributes (except for AT-45, see rules applied in DS-02) are provided by the Originator within a payment instruction, they must be transported by the Originator Bank to the Beneficiary Bank in accordance with DS-02 subject to any overriding legal/regulatory requirements Information relating to an Originator Reference Party and/or Beneficiary Reference Party is included only for the purpose of assisting the Originator and/or Beneficiary in managing their payments and is not required by the Originator Bank and/or Beneficiary Bank for the purpose of the execution of the payment to which the information relates

Identification	DS-01
Name	**Customer-to-Bank Credit Transfer Information**
Remarks	These attributes reflect business requirements and do not prescribe fields in the NCT Inst Scheme Customer-to-Bank Implementation Guidelines as defined in section 0.5. For this dataset, the attribute 23 'The BIC code of the Beneficiary Bank' only has to be provided when the Originator Bank is technically not able to derive the BIC from the IBAN of the account of the Beneficiary when held at a Beneficiary Bank in a non-EEA SEPA country or territory. This attribute remains mandatory in DS-02 (Interbank Payment) When the Beneficiary wishes to transfer back funds to the Originator related to an earlier executed NCT Inst Transaction but the Beneficiary does not have the IBAN of the account of the Originator (AT-01), the Beneficiary can provide in the NCT Inst Transaction an alternative identifier to this attribute to the Beneficiary Bank. Specific usage rules are provided in [8]. The Beneficiary can only provide such identifier to the Beneficiary Bank when the Beneficiary and the Beneficiary Bank have a bilateral agreement for such service.

4.5.2 DS-02 Interbank Payment Dataset

Identification	DS-02
Name	**The interbank payment dataset**
Description	This dataset describes the content of the interbank payment message (mandatory unless otherwise indicated).
Attributes contained	• 01 The IBAN of the account of the Originator • 02 The name of the Originator • 03 The address of the Originator (only mandatory when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country or territory) • 04 The amount of the NCT Inst in the relevant Scheme Currency with the relevant currency code • 05 The Remittance Information (Optional) • 06 The BIC code of the Originator Bank • 08 The name of the Originator Reference Party (Optional) • 09 The identification code of the Originator Reference Party (Optional) • 10 The Originator identification code (Optional) • 20 The IBAN of the account of the Beneficiary • 21 The name of the Beneficiary • 22 The address of the Beneficiary (Optional) • 23 The BIC code of the Beneficiary Bank • 24 The Beneficiary identification code (Optional) • 25 The Alias or Proxy of the Beneficiary's account (Optional) • 28 The name of the Beneficiary Reference Party (Optional) • 29 The identification code of the Beneficiary Reference Party (Optional) • 40 The identification code of the NCT Inst Scheme • 41 The Originator's reference of the NCT Inst Transaction • 42 The Settlement Date of the NCT Inst Transaction • 43 The Originator Bank's reference number of the NCT Inst Transaction message • 44 The purpose of the NCT Inst Instruction (Optional) • 45 The category purpose of the NCT Inst Instruction (Optional) • 50 Time Stamp of the NCT Inst Transaction
Technical characteristics	From a business perspective, interbank NCT Inst Transactions are always considered to be single payments, each containing one Originator Payment Account and one Beneficiary Payment Account.
Rules applied	Where an Originator has provided information in a specific payment instruction relating to an optional DS-02 field (with the exception of AT-45), this field will be populated in the interbank payment message, subject to any overriding legal/regulatory requirements. Regarding AT-45, when the agreement between Originator and Originator Bank only involves a specific processing at Originator Bank level, said Originator Bank is not obliged to send AT-45 to the Beneficiary Bank as part of DS-02.
Remarks	These attributes reflect business requirements and do not prescribe fields in the NCT Inst Scheme Interbank Implementation Guidelines as defined in section 0.5.

4.5.3 DS-03 Confirmation Message

Identification	DS-03
Name	Confirmation Message
Description	This dataset describes the content of a positive or a negative confirmation message on a NCT Inst Transaction message to be sent Instantly to the Originator Bank. This dataset is also used when the CSM of the Beneficiary Bank has to send Instantly a negative confirmation message to the Beneficiary Bank in case this CSM has not received any confirmation message from the Beneficiary Bank on the initial NCT Inst Transaction within the hard time-out deadline after the Time Stamp.
Attributes contained	**Negative confirmation message (RJCT code)** • 06 The BIC code of the Originator Bank • 41 The Originator's reference of the NCT Inst Instruction • 43 The Originator Bank's reference number of the NCT Inst Transaction message • R1 The type of "R" message • R2 The Identification of the type of party initiating the "R" message • R3 The reason code for non-acceptance of the NCT Inst Transaction • R4 The specific reference of the party initiating the Reject **Positive confirmation message (ACCP code)** • 06 The BIC code of the Originator Bank • 41 The Originator's reference of the NCT Inst Instruction • 43 The Originator Bank's reference number of the NCT Inst Transaction message • 51 The Beneficiary Bank's reference of the NCT Inst Transaction (status ID)

4.5.4 DS-04 Bank to Customer credit transfer information

Identification	DS-04
Name	**The Bank to Customer NCT Inst information dataset**
Description	Description of the minimum information that a Beneficiary Bank needs to make available to the Beneficiary
Attributes contained	• 02 The name of the Originator • 04 The amount of the NCT Inst in the Scheme Currency and the relevant currency code • 05 The Remittance Information • 08 The name of the Originator Reference Party (optional) • 09 The identification code of the Originator Reference Party (optional) • 10 The Originator identification code • 20 The IBAN of the account of the Beneficiary • 21 The name of the Beneficiary • 24 The Beneficiary identification code • 28 The name of the Beneficiary Reference Party (optional) • 29 The identification code of the Beneficiary Reference Party (optional) • 41 The Originator's reference of the NCT Inst Instruction • 42 The Settlement Date of the NCT Inst Transaction (optional) • 44 The purpose of the NCT Inst Instruction (optional)
Rules applied	Where any of the above attributes, optional or not, are present in an interbank payment message (DS-02) the contents must be made available in full by the Beneficiary Bank to the Beneficiary, subject to any prior agreement to the contrary. Where the Beneficiary and Beneficiary Bank have an explicit agreement regarding the deduction of charges then the amount of the charges will be made clear to the Beneficiary A Beneficiary Bank may drop received extended Reference Party information (attributes 08, 09, 28, 29 and 44) and not make it available to a Beneficiary who uses an interface which does not comply with the ISO 20022 XML standard.
Remarks	These attributes reflect business requirements This message should not be confused with the positive notification message that a Beneficiary Bank may send to the Beneficiary.

4.5.5 DS-05 Recall of an NCT Inst Dataset

Identification	DS-05
Name	**The Recall of an NCT Inst dataset**
Description	This dataset contains the messages for description of the minimum information that an Originator Bank needs to make available to the Beneficiary Bank
Attributes contained	Request for Recall of an NCT Inst: • An exact copy of the original Interbank payment dataset (DS-02) which is being recalled. • 04 The amount of the NCT Inst in the Scheme Currency and the relevant currency code • 48 The Recall reason code • R2 Identification of the type of party initiating the "R" message • R6 The specific reference of the bank initiating the Recall • 49 Additional Information to AT-48 The Recall reason code
Remarks	Except for AT-49, these attributes reflect business requirements and do not prescribe fields in the NCT Inst Scheme Interbank Implementation Guidelines as defined in section 0.5. In case the Request for Status Update is used, a clear reference to the original NCT Inst Recall needs to be provided beside the copy of DS-02.

4.5.6 DS-06 Answer to a Recall of an NCT Inst Dataset

Identification	DS-06
Name	**Answer to a Recall of an NCT Inst Dataset**
Description	This dataset contains the messages for the description for sending the answer to a Recall of an NCT Inst dataset
Attributes contained	Positive response for a Recall of an NCT Inst • An exact copy of the original interbank payment dataset (DS-02) which is being recalled. • 47 The fee for the positive answer to a Recall (optional) • 46 The returned amount of the positive answer to the Recall in the relevant Scheme Currency and the relevant currency code • R1 The type of "R" message • R2 The Identification of the type of party initiating the "R" message • R6 The specific reference of the bank initiating the Recall • R7 The Settlement Date for the positive answer to the Recall Negative response for a Recall of an NCT Inst • An exact copy of the original Interbank payment dataset (DS-02) which is being recalled. • R5 Reason code for non-acceptance of the Recall
Remarks	These attributes reflect business requirements and do not prescribe fields in the NCT Inst Scheme Interbank Implementation Guidelines as defined in section 0.5.

4.5.7 DS-07 Dataset for the NCT Inst Transaction status investigation message sent by the Originator Bank

Identification	DS-07
Name	**Dataset for the NCT Inst Transaction status investigation message sent by the Originator Bank**
Description	This dataset describes the content of the NCT Inst Transaction status investigation message that the Originator Bank may send in case no confirmation message has reached the Originator Bank within 5 seconds after the time-out deadline
Attributes contained	• 41 The Originator's reference of the NCT Inst Instruction • 43 The Originator Bank's reference number of the NCT Inst Transaction message • 50 Time Stamp of the NCT Inst Transaction

4.5.8 DS-08 Request for Recall by the Originator Dataset

Identification	DS-08
Name	**Request for Recall by the Originator Dataset**
Description	This dataset contains the attributes describing the minimum information that the Originator Bank needs to make available in a Request for Recall by the Originator
Attributes contained	• 52 Reason code for the Request for Recall by the Originator • 53 The specific reference of the Originator Bank for the Request for Recall by the Originator • 54 Additional Information to AT-52 Reason code for the Request for Recall by the Originator • An exact copy of the original Interbank payment dataset (DS-02) which the Request for Recall by the Originator relates to
Remarks	These attributes reflect business requirements and do not prescribe fields in the NCT Inst Scheme Interbank Implementation Guidelines as defined in section 0.5. In case the Request for Status Update is used, a clear reference to the original Request for Recall by the Originator needs to be provided beside the copy of DS-02.

4.5.9 DS-09 Response to the Request for Recall by the Originator Dataset

Identification	DS-09
Name	**Dataset for the response to the Request for Recall by the Originator**
Description	This dataset contains the attributes for describing the response from the Beneficiary Bank to a Request for Recall by the Originator
Attributes contained	Positive response • An exact copy of the original Interbank payment dataset (DS-02) which the Request for Recall by the Originator relates to • 53 The specific reference of the Originator Bank for the Request for Recall by the Originator • 55 The returned amount of the positive answer to the Request for Recall by the Originator in the relevant Scheme Currency and the relevant currency code • 56 The settlement date for the positive answer to the Request for Recall by the Originator • 58 Fee for the positive response to a Request for Recall by the Originator in the relevant Scheme Currency and the relevant currency code (optional) Negative response • An exact copy of the original Interbank payment dataset (DS-02) which the Request for Recall by the Originator relates to • 53 The specific reference of the Originator Bank for the Request for Recall by the Originator • 57 Reason code for non-acceptance of the Request for Recall by the Originator • 59 Provision of all information available to file a legal claim to recover the funds in case of reason code 'wrong unique identifier of the Beneficiary account' (optional)
Remarks	These attributes reflect business requirements and do not prescribe fields in the NCT Inst Scheme Interbank Implementation Guidelines as defined in section 0.5.

4.6 Business Requirements for Attributes

This section defines the business requirements for the attributes used by the Scheme. The attributes used in the NCT Inst datasets are described below. Attribute numbering is as follows:

- 01 – 19 for attributes pertaining to the Originator;
- 20 – 39 for attributes pertaining to the Beneficiary;
- 40 onwards for other attributes of a compliant NCT Inst Transaction;
- R01 onwards for attributes of Rejects/Recalls.

This numbering is only for cross referencing purposes within the Rulebook.

AT-01	The IBAN of the account of the Originator
AT-02	The name of the Originator
AT-03	The address of the Originator
AT-04	The amount of the NCT Inst in the relevant Scheme Currencies and the relevant currency code
AT-05	The Remittance Information sent by the Originator to the Beneficiary in the NCT Inst Instruction
AT-06	The BIC code of the Originator Bank
AT-07	The Requested Execution Date of the NCT Inst Instruction
AT-08	The name of the Originator Reference Party
AT-09	The identification code of the Originator Reference Party
AT-10	The Originator identification code
AT-20	The IBAN of the account of the Beneficiary
AT-21	The name of the Beneficiary
AT-22	The address of the Beneficiary
AT-23	The BIC code of the Beneficiary Bank
AT-24	The Beneficiary identification code
AT-25	The Alias or Proxy of the Beneficiary's account
AT-28	The name of the Beneficiary Reference Party
AT-29	The identification code of the Beneficiary Reference Party
AT-40	The identification code of the NCT Inst Scheme
AT-41	The Originator's reference of the NCT Inst Instruction
AT-42	The Settlement Date of the NCT Inst Transaction
AT-43	The Originator Bank's reference of the NCT Inst Transaction message
AT-44	The purpose of the NCT Inst Instruction

AT-45	The category purpose of the NCT Inst Instruction
AT-46	The returned amount of the positive answer to the Recall in euro
AT-47	The fee for the positive answer to the Recall in euro
AT-48	The Recall reason code
AT-49	Additional Information to AT-48 The Recall reason code
AT-50	Time Stamp of the NCT Inst Transaction
AT-51	The Beneficiary Bank's reference of the NCT Inst Transaction (status ID)
AT-52	Reason code for the Request for Recall by the Originator
AT-53	The specific reference of the Originator Bank for the Request for Recall by the Originator
AT-54	Additional Information to AT-52 Reason code for the Request for Recall by the Originator
AT-55	The returned amount of the positive answer to the Request for Recall by the Originator in the relevant Scheme Currency and the relevant currency code
AT-56	The Settlement Date for the positive answer to the Request for Recall by the Originator
AT-57	Reason code for non-acceptance of the Request for Recall by the Originator
AT-58	Fee for the positive response to a Request for Recall by the Originator in the relevant Scheme Currency and the relevant currency code
AT-59	Provision of all information available to file a legal claim to recover the funds in case of reason code 'wrong unique identifier of the Beneficiary account'
AT-R1	The type of "R" message
AT-R2	The identification of the type of party initiating the "R" message
AT-R3	The reason code for non-acceptance of the NCT Inst
AT-R4	The specific reference of the party initiating the Reject
AT-R5	The Reason code for non-acceptance of the Recall
AT-R6	The specific reference of the bank initiating the Recall
AT-R7	The Settlement Date for the positive Answer to the Recall

4.6.1 Attribute Details

Identification:	**AT-01**
Name:	**The IBAN of the account of the Originator**
Description:	The Payment Account number (only the IBAN) of the Originator to be debited for the NCT Inst Instruction.

Identification:	**AT-02**
Name:	**The name of the Originator**
Description:	The information should reflect the name of the Payment Account holder being debited.

Identification:	**AT-03**
Name:	**The address of the Originator**
Description:	The information should reflect the address of the Payment Account holder being debited. Applies for DS-02: This attribute is only mandatory when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country or territory.

Identification:	**AT-04**
Name:	**The amount of the NCT Inst in the relevant Scheme Currencies and the relevant currency code**
Description:	The list and specifications of the different Scheme Currencies is described in Attachment [12] Scheme Currencies.

Identification:	**AT-05**
Name:	**The Remittance Information sent by the Originator to the Beneficiary in the NCT Inst Instruction**
Description:	A maximum of 140 characters for structured or unstructured Remittance Information. The European Association of Corporate Treasurers (EACT) has developed a standard for formatting the contents of the unstructured Remittance Information. The standard specifies the elements enabling the automated payments processing between business partners. Further information on this standard can be found on the following website: https://eact.eu/Core/Documents/Word-press_Old/docs/EACT_Standard_for_Remittance_Info.pdf (reference [13]). The 140 characters unstructured Remittance Information should be used for storing the data elements described in the standard. OR structured Remittance Information of a maximum of 140 characters according to detailed rules to be defined NPC recommends beneficiaries to adopt the ISO standard (reference [11]) for a 'Structured creditor reference to the remittance information' identified in the rulebook as 'structured creditor reference') as the preferred remittance data convention for identifying payment referring to a single invoice, to be part of the structured Remittance Information. When the Originator provides an NCT Inst Instruction with a Structured Creditor Reference, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.

Identification:	AT-06
Name:	**The BIC code of the Originator Bank**
Description:	See Chapter 7.

Identification:	AT-07
Name:	**The Requested Execution Date of the NCT Inst Instruction**
Description:	This date corresponds with a date requested by an Originator for commencing the execution of the NCT Inst Instruction as described in section 4.1.

Identification:	AT-08
Name:	**The name of the Originator Reference Party**
Description:	The name of a person in relation to whom an Originator makes a payment The Originator Reference Party is a person on behalf of or in connection with whom the Originator purports to make a payment Reference in any payment instruction to an Originator Reference Party does not imply that such party is an Originator or otherwise a payer, or is contractually obliged or entitled in connection with any payment obligation.

Identification:	AT-09
Name:	**The identification code of the Originator Reference Party**
Description:	A code supplied by the Originator and to be delivered unaltered to the Beneficiary.

Identification:	AT-10
Name:	**The Originator identification code**
Description:	A code supplied by the Originator and to be delivered unaltered to the Beneficiary.

Identification:	AT-20
Name:	**The IBAN of the account of the Beneficiary**
Description:	The International Bank Account Number used to uniquely identify the Payment Account of a Customer at a financial institution The ISO standard 13616 applies.

Identification:	AT-21
Name:	**The name of the Beneficiary**
Description:	The name of the Beneficiary as supplied by the Originator.

Identification:	AT-22
Name:	**The address of the Beneficiary**
Description:	The address of the Beneficiary as supplied by the Originator.

Identification:	AT-23
Name:	**The BIC code of the Beneficiary Bank**

Description:	For the dataset DS-01, the BIC code of the Beneficiary Bank has to be provided only when the Originator Bank explicitly requests the BIC of the Beneficiary Bank whereby at least one of the two Banks is located in a non-EEA SEPA country or territory. See Chapter 7.

Identification:	**AT-24**
Name:	**The Beneficiary identification code**
Description:	A code supplied by the Originator.

Identification:	AT-25
Name:	**The Alias or Proxy of the Beneficiary's account**
Description:	The information supplied by the originator for the originator bank to identify beneficiary bank and beneficiaries IBAN. It is a requirement that the NPC ecosystem be able to support a number of existing alias scheme's such as Bankgiro, Plusgiro, BBAN, etc. It could also be used to support the transmission of Mobile Proxy information such as mobile phone numbers or identifiers used in the various Nordic mobile payment platforms. The reason for including this value in the interbank messaging is to allow the alias used by the originator to be used by the beneficiary bank to either validate the corresponding IBAN and/or use the proxy/alias supplied in beneficiary communication, if the alias scheme requires it. The transmission of the BBAN will also signal a shift of liability from the originator bank to the beneficiary bank in the correct processing of a transaction in the case where the originator supplied beneficiary IBAN is not associated with the originator supplied beneficiary BBAN. The beneficiary bank has the right to reject the payment if the IBAN is incorrect and not process the payment based on the BBAN alone. The identification code will consist of two elements – a scheme identifier and the alias/BBAN itself.
Value range:	Scheme Identifier Alias or BBAN

Identification:	AT-28
Name:	**The name of the Beneficiary Reference Party**
Description:	The name of a person in relation to whom a Beneficiary receives a payment The Beneficiary Reference Party is a person on behalf of or in connection with whom the Beneficiary receives a payment. Reference in any payment instruction to a Beneficiary Reference Party does not imply that such party is a Beneficiary or otherwise a payee, or is contractually obliged or entitled in connection with any payment obligation.

Identification:	AT-29
Name:	**The identification code of the Beneficiary Reference Party**
Description:	A code supplied by the Originator and to be delivered unaltered to the Beneficiary.

Identification:	AT-40
Name:	**The identification code of the NCT Inst Scheme**
Description:	To differentiate NCT Inst Transactions from those of any other scheme sharing common logical and physical models.

Identification:	AT-41
Name:	**The Originator's reference of the NCT Inst Instruction**
Description:	This reference identifies for a given Originator each NCT Inst Instruction presented to the Originator Bank, in a unique way. This number will be transmitted in the entire process of the handling of the NCT Inst Transaction from acceptance until the finality of the transaction. It must be returned in any exception handling process-step by any party involved. The Originator cannot request for any other referencing information to be returned to him, in order to identify an NCT Inst. The Originator must define the internal structure of this reference; it can only be expected to be meaningful to the Originator.
Value range:	If no reference is provided by the Originator, this attribute has default value "Not provided".

Identification:	AT-42
Name:	**The Settlement Date of the NCT Inst Transaction**
Description:	The date on which obligations with respect to a funds transfer between Originator Bank and Beneficiary Bank are discharged. In the message from Originator Bank, it contains the requested Settlement Date, whereas in the message delivered to the Beneficiary Bank, it contains the Settlement Date applied.

Identification:	AT-43
Name:	**The Originator Bank's reference of the NCT Inst Transaction message**
Description:	The reference of the NCT Inst Transaction given by the Originator Bank, which is to be delivered unaltered to the Beneficiary Bank.

Identification:	AT-44
Name:	**The purpose of the NCT Inst Instruction**
Description:	The purpose of the NCT Inst Instruction is the underlying reason for the NCT Inst Instruction, i.e. information on the nature of such transaction.
Value range:	All codes as a part of the ISO standard are accepted

Identification:	AT-45
Name:	**The category purpose of the NCT Inst Instruction**
Description:	The category purpose of the NCT Inst Instruction is information on the high level nature of the NCT Inst Instruction. It can have different goals: allow the Originator Bank to offer a specific processing agreed with the Originator, or allow the Beneficiary Bank to apply a specific processing.
Value range:	All codes part of the ISO standard is accepted

Identification:	AT-46
Name:	**The returned amount of the positive answer to the Recall in the relevant Scheme Currency and the currency code**
Description:	This amount may be the same as AT-04 if there is no AT-47. If a fee for the positive answer to the Recall is present in AT-47, this amount will be equal to the difference between AT-04 and AT-47. **The list of the different Scheme Currencies is described in Attachment [12] Scheme Currencies.**

Identification:	AT-47
Name:	**The fee for the positive answer to the Recall the relevant Scheme Currency and the currency code**
Description:	The fee deducted from the original amount sent to the Beneficiary Bank. The Recall will be in the original transaction currency and the Beneficiary Bank can also deduct any currency conversion loss as part of the Recall fee. **The list of different Scheme Currencies is described in Attachment [12].**

Identification:	AT-48
Name:	**The Recall reason code**
Description:	This code explains the reason for the Recall for a NCT Inst Transaction. It is defined by the Originator Bank who initiates the NCT Inst Recall. It can be used by the Beneficiary Bank to inform the Beneficiary about the reason for debit of the Payment Account of the Beneficiary.
Value range:	Codes are: • Duplicate sending • Technical problems resulting in an erroneous NCT Inst • Fraudulent originated NCT Inst • Request for status update

Identification:	AT-49
Name:	**Additional Information to AT-48 The Recall reason code**
Description:	When the reason for a Recall is “fraudulent originated NCT Inst”, the Originator Bank may use this attribute for including additional information on AT-48. The text shall be in a comprehensible language to the Beneficiary Bank. Beneficiary Banks are not obliged to act upon this information received.

Identification:	AT-50
Name:	**Time Stamp of the NCT Inst Transaction**
Description:	This Time Stamp defines the start of maximum execution time defined in section 4.2.3 and is inserted by the Originator Bank. The Time Stamp must be unambiguous and at least include seconds.

Identification:	AT-51
Name:	**The Beneficiary Bank’s reference of the NCT Inst Transaction**
Description:	The reference of the NCT Inst Transaction given by the Beneficiary Bank, which is to be delivered unaltered to the Originator Bank.

Identification:	AT-52
Name:	**Reason code for the Request for Recall by the Originator**
Description:	This code explains the reason for making a Request for Recall by the Originator. It is defined by the Originator Bank who initiates the Request for Recall by the Originator and is based on the input received from the Originator.
Value range:	Codes are: • Wrong unique identifier of the Beneficiary account • Wrong amount • By request of the Originator without any reason specified • Request for status update (Tracer)

Identification:	AT-53
Name:	**The specific reference of the Originator Bank for the Request for Recall by the Originator**
Description:	This reference is determined by the Originator Bank that initiates the Request for Recall by the Originator on the initial NCT Inst Transaction. It must be forwarded to the Beneficiary Bank.

Identification:	AT-54
Name:	**Additional Information to AT-52 Reason code for the Request for Recall by the Originator**
Description:	The Originator Bank may use this attribute for including additional information on AT-52. The text shall be in a comprehensible language to the Beneficiary Bank receiving the Request for Recall by the Originator who is obliged to act upon this information received.

Identification:	AT-55
Name:	**The returned amount of the positive answer to the Request for Recall by the Originator in the relevant Scheme Currency**
Description:	The list of the different Scheme Currencies is described in Attachment [12] Scheme Currencies.

Identification:	AT-56
Name:	The settlement date for the positive answer to the Request for Recall by the Originator
Description:	The date on which the returned amount is settled by the CSM.

Identification:	AT-57
Name:	**Reason code for non-acceptance of the Request for Recall by the Originator**
Description:	The codes define the reason for non-acceptance of the Request for Recall by the Originator
Value range	Codes are: • Beneficiary's refusal • Legal reasons • Account closed • Insufficient funds on the account • No response from Beneficiary • Initial NCT Inst Transaction never received • Already returned transaction

Identification:	AT-58
Name:	**Fee for the positive response to a Request for Recall by the Originator in the relevant Scheme Currency**
Description:	The fee deducted from the original amount sent to the Beneficiary Bank. The Recall will be in the original transaction currency and the Beneficiary Bank can also deduct any currency conversion loss as part of the Recall fee. The list of different Scheme Currencies is described in Attachment [12] Scheme Currencies.

Identification:	AT-59
Name:	**Provision of all information available to file a legal claim to recover the funds in case of reason code 'wrong unique identifier of the Beneficiary account'**
Description:	Subject to the data protection laws which apply to the Beneficiary Bank, the Beneficiary Bank provides all information available of the Beneficiary. This gives the Originator all information to file a legal claim. This is an optional attribute.

Identification:	AT-R1
Name:	**The type of "R" message**
Description:	This code allows to identify the type of "R" message in the handling of the NCT Inst Transaction.
Value range:	• Reject • Recall

Identification:	AT-R2
Name:	**The Identification of the type of party initiating the "R" message**
Description:	This attribute contains a code identifying the type of party initiating the Reject message or the Recall message.
Value range:	Values applying for Reject messages: • CSM • Beneficiary Bank Values applying for Recall messages: • Originator • Originator Bank

Identification:	**AT-R3**
Name:	**The reason code for non-acceptance of the NCT Inst**
Description:	This code identifies the reason for the non-acceptance of the NCT Inst
Value range:	The reasons for a Reject by the Originator Bank are as follows: • Account identifier incorrect (i.e. invalid IBAN) • Bank identifier incorrect (i.e. invalid BIC) • Duplicate payment • Amount exceeds the maximum authorised amount for NCT Inst • Operation/transaction code incorrect, invalid format • Regulatory reason • Reason not specified The reasons for a Reject by the CSM are as follows: • Account identifier incorrect (i.e. invalid IBAN) • Bank identifier incorrect (i.e. invalid BIC) • Duplicate payment • Time-out – maximum execution time has been exceeded • Amount exceeds the maximum authorised amount for NCT Inst • Operation/transaction code incorrect, invalid format • Regulatory reason • Reason not specified • Beneficiary Bank not registered under this BIC in the CSM • Originator Bank not registered under this BIC in the CSM • Settlement limit exceeded • Beneficiary bank not registered to process this currency • Transaction currency is invalid or missing (used when Beneficiary Bank is not reachable for cross border transactions) The reasons for a Reject by the Beneficiary Bank are as follows: • Time-out – maximum execution time has been exceeded • Amount exceeds the maximum authorised amount for NCT Inst • Account address invalid • Account blocked, reason not specified • Account closed • Account identifier invalid (i.e. invalid IBAN or account number does not exist) • Bank identifier incorrect (i.e. invalid BIC) • Beneficiary deceased • By order of the Beneficiary • Credit transfer forbidden on this type of account • Duplicate payment • Operation/transaction code incorrect, invalid format • Regulatory reason • Credit transfer currency not accepted for this account • Reason not specified

Identification:	**AT-R4**
Name:	**The specific reference of the party initiating the Reject**
Description:	This reference, determined by the party that initiates the Reject of the NCT Inst Transaction, must be forwarded in the handling of the Reject message to the Originator Bank and optionally to the Originator. It must be specified in any request by the Originator or the Originator Bank to the initiating party to obtain more information about the reasons for the Reject.

Identification:	**AT-R5**
Name:	**The Reason code for non-acceptance of the Recall**
Description:	The codes defines the reason for non-acceptance of the Recall.
Value range	Codes are: • Beneficiary's Refusal • Legal reasons • Account closed • Insufficient Funds on the account • No response from Beneficiary • Original Credit Transfer never received • Already returned transaction

Identification:	**AT-R6**
Name:	**The specific reference of the bank initiating the Recall**
Description:	This reference is determined by the bank that initiates the Recall of the NCT Inst Transaction. It must be forwarded in the handling of the Recall message to the Beneficiary Bank and optionally to the Beneficiary. It must be specified in any request by the Beneficiary or the Beneficiary Bank to the initiating party to obtain more information about the reasons for the Recall.

Identification:	**AT-R7**
Name:	**The Settlement Date for the positive answer to the Recall**
Description:	The date on which the returned amount is settled by the CSM.

5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS

5.1 The Scheme

Participation in the NCT Inst Scheme is on the basis of compliance with the following guiding principles:

- Participants from all countries in the EPC List of SEPA Scheme Countries [11] being able to process the Scheme Currencies participate on the basis that the level playing field principle is respected;
- All adhering Participants shall comply with the NCT Inst Scheme Rulebook on the same basis as all other Participants.
- Participants acknowledge that the Regulation on Information on the Payer accompanying Transfers of Funds and the provisions of Title III and Title IV of the Payment Services Directive affecting credit transfers enabled by the NCT Inst Scheme are effectively represented in law or substantially equivalent binding practice. For the avoidance of doubt, it is recognised that the compliance obligations for a Participant that is not subject to the Payment Services Directive under its national law and is operating outside the EEA shall not include the obligations resulting from Article 66 and related Articles of the Payment Services Directive as these Articles should only apply in combination with the authorisation framework within the EEA in accordance with Titles I and II of the Payment Services Directive.

5.2 Compliance with the Rulebook

A Participant shall comply with:

- The Rulebook, including amendments as and when they are made and properly communicated to Participants;
- NCT Inst Scheme Interbank Implementation Guidelines;
- NCT Inst Scheme Customer-to-Bank Implementation Guidelines when as Originator Bank it offers to its Originators the service of accepting and processing electronically bundled Customer-to-Bank NCT Inst Instructions;
- The Internal Rules, as set out in

- Annex III to this Rulebook;
- Any validly made order or notice issued as part of the NPC Instant Scheme Management processes under the Rulebook and the Internal Rules.

The Rulebook is a multilateral agreement comprising contracts between:

- the NPC and each Participant; and
- each Participant and every other Participant.

A Participant shall procure that its employees, its agents and the employees of its agents comply with all applicable obligations under the Rulebook.

5.3 Reachability

Each Participant shall offer services relating to the Scheme in the capacity of at least Beneficiary Bank by receiving payments under the Scheme and to processing them according to the rules of the Scheme.

There are several ways for Participants to send and receive NCT Inst Transactions to and from other Participants.

A Participant can use the operational services of a CSM to assist in the provision of its services to Beneficiaries and Originators.

A Participant can use the services of an Intermediary Bank to perform any functions in relation to an obligation arising under the Rulebook. The Participant shall ensure that its arrangements with such Intermediary Bank are consistent with, and do not detract from, the requirements of the Rulebook and the other documents listed at section 5.2.

Participants can choose any solution or a combination of solutions, as long as Reachability and compliance with the Scheme is effectively ensured. A Participant uses the services of a CSM or Intermediary Bank at its own risk.

It is recognized that a Participant may temporarily not be reachable in exceptional circumstances.

5.4 Eligibility for participation

In order to be eligible as a Participant, a Participant must at all times:

1. Be an NPC Scheme Member unless granted to be an NPC Non-Member Participant;
2. Be active in the business of providing banking and/or payment services to Customers;
3. Be active in the business of providing Payment Accounts used for the execution of payments, holding the Funds needed for the execution of payments or making the Funds received following the execution of payments available to Customers;
4. Be either incorporated and licensed in a SEPA country or territory, or licensed by an appropriate EEA regulatory body;
5. Be able to pay its debts as they fall due, and not be insolvent as defined in accordance with any insolvency law applicable to the Participant;
6. Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;
7. Be able to meet rating or other criteria set under the terms of the Scheme from time to time for the purpose of establishing the Participant's ability to meet its financial obligations;

8. Comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing;
9. Participate, or be eligible to participate, directly or indirectly in one or more CSMs for the purpose of providing access to the Scheme;
10. Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

Applicants which fall within one of the following categories shall be deemed automatically to be eligible under this section:

1. A credit institution which is authorised in accordance with Article 8 (1) of Directive 2013/36/EU by a state which is a member of the European Economic Area;
2. The institutions referred to in points (2) to (23) of Article 2 (5) of Directive (EU) 2013/36/EU;
3. A bank which is authorised in accordance with Article 3 of the Federal Law on Banks and Savings Banks of 8 November 1934 by the Swiss Financial Market Supervisory Authority (FINMA);
4. A bank which is authorised by the Central Bank of San Marino in accordance with Article 7, Part I, Title II, of the Sammarinese Law No. 165 (approved on November 17th 2005) and with Regulation No. 07 of 2007;
5. An undertaking incorporated in Jersey and registered with the Jersey Financial Services Commission to conduct deposit-taking business under the Banking Business (Jersey) Law 1991;
6. An undertaking incorporated in Guernsey and registered with the Guernsey Financial Services Commission to conduct deposit-taking business under the Banking Supervision (Bailiwick of Guernsey) Law 1994; or

An undertaking incorporated in the Isle of Man and licensed by the Isle of Man Financial Services Authority to conduct deposit-taking business under the Isle of Man Financial Services Act 2008.

An applicant which has been authorised as a payment institution under Article 11 of the Payment Services Directive, or any other payment service provider listed in Article 1.1 of the Payment Services Directive, shall be deemed automatically to have met the following eligibility criteria:

1. Be active in the business of providing banking and/or payment services to Customers;
2. Be either incorporated and licensed in a SEPA country or territory or licensed by an appropriate EEA regulatory body;
3. Maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject;
4. Comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing;
5. Develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

Furthermore, an applicant which is the treasury of a sovereign state shall not be required to establish:

1. That it is able to pay its debts as they fall due or that it is not insolvent; or
2. That it meets rating or other criteria set under the terms of the Scheme for the purpose of establishing its ability to meet its financial obligations;

unless there are exceptional circumstances or the applicant is not the treasury of an EEA member state or Switzerland.

However, the NPC Secretariat function for Compliance and Adherence may request such an applicant to demonstrate (in its legal opinion or otherwise) that it is the treasury of the state itself, and not the treasury of an organ or entity under the control of the state

A Participant shall notify the Secretariat immediately of any matter that is material to the Participant's eligibility as a Participant under this section 5.4. The Secretariat shall take reasonable steps to bring such notifications to the attention of all other Participants and the Scheme Management Committee ("SMC").

Any references in the Rulebook to a "bank" or "banks" shall be construed as including any undertaking or institution which is eligible under any of the categories listed above in this section.

5.5 Becoming a Participant

Any undertaking which is eligible under section 5.4 above may apply to become a Participant.

Applications shall be submitted to the NPC in accordance with its application procedures as set out in the Internal Rules.

To apply to become a Participant, an undertaking shall submit to the NPC an executed and original Adherence Agreement and submit Supporting Documentation to the NPC. A Participant may appoint an agent to complete an Adherence Agreement on its behalf. If the latter procedure is adopted the Participant undertakes all rights and obligations under the Rulebook and the documents specified in section 5.2 above as if it had completed the Adherence Agreement itself.

The NPC may require additional information from the applicant in support of its application.

An applicant becomes a Participant on an admission date specified by the NPC in accordance with the Internal Rules. Names of applicants which will become Participants at a future date may be pre-published, and a date designated and published when they will become Participants.

In consideration of the mutual obligations constituted by the Rulebook, an applicant agrees to be bound by, becomes subject to and shall enjoy the benefits of, the Rulebook upon becoming a Participant.

If the application to become a Participant is rejected, the applicant shall receive notice of such in writing and be provided with a statement of the reasons for such rejection.

Upon receipt of such a written rejection, the applicant may appeal against the decision in accordance with the Internal Rules.

5.6 List of NCT Inst Scheme Participants

The List of NCT Inst Scheme Participants is maintained in good and up-to-date order and is available to Participants when issued or updated.

Such list contains:

- Current contact details for each Participant for the purpose of enabling notices to be served on Participants in accordance with the Rulebook;
- The date on which each Participant attained Participant status;
- Details of undertakings which have been removed from the list, including the date of their removal; and

- Such other information as is considered appropriate in the interests of the effective management of the Scheme.

Any changes to operational, contacting or invoicing details will be provided by Participants in accordance with the Scheme management process as stipulated in the Scheme Management Internal Rules.

By submitting an application to become a Participant, an undertaking consents to publication of the details referred to in this section 5.6.

5.7 Obligations of an Originator Bank

In respect of each of its Originators, an Originator Bank shall:

1. Ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
2. Ensure that such Terms and Conditions are consistent with the Rulebook;
3. Ensure that such Terms and Conditions make adequate provision for the Originator Bank's succession (e.g. through merger or acquisition), in accordance with the Rulebook;
4. Be able to process NCT Inst Instructions and Transactions as defined in the Rulebook, 24 hours a day on all Calendar Days of the year. This includes all business continuity arrangements set up by the Originator Bank itself or on behalf of the Originator Bank to guarantee the processing of NCT Inst Instructions and Transactions;
5. Not restrict its Originators from obtaining similar services relating to the Scheme from any other Originator Bank;
6. Enter into a contract directly or indirectly with the NPC on the basis of terms that would enable it to deliver on its settlement obligations as defined in the Rulebook towards the Beneficiary Bank and other processing obligations described in the Rulebook;
7. Provide to the Beneficiary Bank the required payment information (as described in DS-02, in Chapter 4) and the payment value in sufficient time and manner to allow the Beneficiary Bank to comply with its obligations under the Rulebook;
8. Provide settlement certainty to the Beneficiary Bank for each NCT Inst Transaction;
9. Identify the payment to the Beneficiary Bank as a payment made under the terms of the Scheme;
10. Treat any NPC Inst Instruction not fulfilling the requirements of the Rulebook outside the Scheme or decline to process such instruction;
11. Provide to Originators the means of initiating NCT Inst Instructions and accepting the applicable data and format requirements;
12. Ensure the authenticity and validity of the Originator’s instructions;
13. Validate each NCT Inst Instruction, accept (subject to account status and the terms of its agreement with the Originator) each valid NCT Inst Instruction, and reject each invalid NCT Inst Instruction. For these purposes, validation includes checking the plausibility of the IBAN of the Beneficiary and when requested by the Originator Bank, the validity of the Beneficiary Bank’s BIC;
14. Verify if the Beneficiary Bank adheres to the currency of the NCT Inst Instruction and only if the Beneficiary Bank adheres forward the NCT Inst Transaction;

15. In case of Cross-border NCT Inst Instruction, verify if the Beneficiary Bank supports Cross-border Payments in that currency and only if the Beneficiary Bank supports Cross-border Payments in that currency forward the NCT Inst Transaction;
16. Accept NCT Inst Instruction messages at the request of the Originator that comply with the standards set out in the NCT Inst Scheme Customer-to-Bank Implementation Guidelines;
17. Provide an explanation to the Originator of the reason for rejecting any payment instruction in a manner and within a timeframe as may be agreed with the Originator;
18. Following acceptance of a NCT Inst Instruction, makes a Reservation of the Amount of the NCT Inst Instruction on the specified Payment Account of the Originator, route Immediately the NCT Inst Transaction to the specified Beneficiary Bank;
19. Provide an explanation to the Originator and/or the Beneficiary Bank as to how an NCT Inst Instruction and/or NCT Inst Transaction has been processed and provide to the Originator all reasonably requested information in the event of a dispute;
20. Ensure that all NCT Inst Transactions and Instructions comply with the standards set out in the NCT Inst Scheme Interbank Implementation Guidelines;
21. Effect Exception Processing in accordance with the Rulebook;
22. Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and Annex II;
23. Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;
24. Enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of know your customer;
25. Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;
26. Enter into legally binding agreements with their NPC Instant Credit Transfer service providers covering all functions performed by those providers in direct connection with the Scheme, ensure that such agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;
27. Require the CSM(s) to which it is connected to act in compliance with the Scheme rules;
28. Provide Originators with adequate information on their risks as well as the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank, where relevant, including those specified in the applicable legislation, in relation to the NPC Instant Credit Transfer as well as to the Scheme in question, and information about the service level offered and any charges that apply to the service being performed;
29. Provide the Bank-to-Customer Implementation Guidelines at the request of the Originator;
30. Immediately (without any further delay) report to the NPC Scheme Management entity about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;
31. Without delay report to the Scheme Management entity about issues or complaints related to NCT Inst Transactions that were raised by Originators or Beneficiaries and about internal or external audit findings, where such issues, complaints or findings are of scheme-wide importance.

It is a precondition to the Originator Bank's obligations in respect of an NCT Inst Instruction, that the Beneficiary has provided to the Originator the IBAN or an Alias accepted by the Originator Bank of the Beneficiary's Payment Account to be credited. (and the BIC of the Beneficiary Bank if the Originator Bank explicitly requests the BIC of the Beneficiary Bank whereby at least one of the two Banks is located in a non-EEA SEPA country or territory). Furthermore, the Originator Bank has no obligations to transmit data relating to the remittance unless this has been provided by the Originator.

An Originator Bank shall oblige each of its Originators, in relation to any NCT Inst Instruction which the Originator Bank accepts, in accordance with the relevant requirements set out in the Rulebook, to:

32. Provide the Originator Bank with sufficient information for the Originator Bank to make the NCT Inst in compliance with the Rulebook;
33. supply the required payment data accurately, consistently, and completely.

5.8 Obligations of a Beneficiary Bank

In respect of each of its Beneficiaries, a Beneficiary Bank shall:

1. Ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
2. Ensure that such Terms and Conditions are consistent with the Rulebook;
3. Ensure that such Terms and Conditions make adequate provision for the Beneficiary Bank's succession, in accordance with the Rulebook;
4. Be able to process NCT Inst Transactions as defined in the Rulebook, 24 hours a day on all Calendar Days of the year. This includes all business continuity arrangements set up by the Beneficiary Bank itself or on behalf of the Beneficiary Bank to guarantee the processing of NCT Inst Transactions;
5. Provide Beneficiaries with adequate information on the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank in relation to the Scheme, and information about the service level offered and any charges that apply to the service being performed;
6. Provide to the Beneficiary the IBAN and BIC relating to his Payment Account;
7. Enter into a contract directly or indirectly with a CSM on the basis of terms that would enable it to deliver on its settlement obligations as defined in the Rulebook towards the Originator Bank and other processing obligations described in the Rulebook;
8. Apply the standards set out in the NCT Inst Scheme Interbank Implementation Guidelines to the processing of its received payment transactions and to the provision of information to its Customers;
9. Effect Exception Processing in accordance with the Rulebook;
10. Receive the NCT Inst Transaction from the Originator Bank and Immediately Make the Funds Available to the Beneficiary identified by the IBAN in the NCT Inst Transaction as the unique identifier, provided that applicable regulations in relation to money laundering and terrorist financing have been complied with;
11. Validate the syntax of the NCT Inst Transaction, accept it if it is in accordance with the requirements of the Rulebook, and carry out Exception Processing in accordance with the Rulebook if it is invalid together with a reason code;

12. Make Funds Available to the Beneficiary with the full amount of the payment in accordance with the maximum execution time defined in section 4.2.3, or for a lesser amount subject to any agreement with the Beneficiary under which the Beneficiary Bank may deduct its own fees from the amount transferred before crediting the Beneficiary's Payment Account;
13. Sends a positive confirmation message or a negative confirmation message to the Originator Bank respecting maximum execution time defined in section 4.2.3 indicating either that Funds have been Made Available to the Beneficiary or the NCT Inst Transaction has been rejected;
14. In the event of a dispute, provide to the Originator Bank an explanation as to how an NCT Inst Transaction has been processed and any further information reasonably requested;
15. Comply with applicable provisions issued from time to time in relation to risk management as set out in the Rulebook and Annex II;
16. Ensure the ongoing compliance of its own rules, procedures and agreements with the laws, regulations and generic supervisory requirements applicable to them;
17. Enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of know your customer;
18. Ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable;
19. Enter into legally binding agreements with their NPC Instant Credit Transfer service providers covering all functions performed by those providers in direct connection with the Scheme, ensure that such agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them;
20. Require the CSM(s) to which it is connected to act in compliance with the Scheme rules;
21. Provide Beneficiaries with adequate information on their risks as well as the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank, where relevant, including those specified in the applicable legislation, in relation to the NPC Instant Credit Transfer as well as the Scheme in question, and information about the service level offered and any charges that apply to the service being performed;
22. Immediately (without any further delay) report to the NPC about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme;
23. Without delay report to the NPC about issues or complaints related to NCT Inst Transactions that were raised by Originators or Beneficiaries and about internal or external audit findings, where such issues, complaints or findings are of scheme-wide importance.

5.9 Limitation of Liability

5.9.1 Compensation for Breach of the Rulebook

A Participant who is party to an NCT Inst shall be liable to the other Participant who is also party to that NCT Inst for all foreseeable losses, damages and expenses (including reasonable legal fees), taxes and liabilities for any claims, demands or actions (each referred to as a "Loss"), where the Loss arises out of or in connection with:

1. Any breach of the Rulebook relating to the NCT Inst by the relevant Participant, its employees or agents or the employees of its agents;

2. Any negligent act or omission of the relevant Participant, its employees or agents relating to the NCT Inst insofar as relevant to the operation of the Scheme;
3. Any operational failure of the relevant Participant, its employees or agents relating to the NCT Inst insofar as relevant to the operation of the Scheme.

5.9.2 Limits on Liability

A Participant's liability under the Rulebook is limited as follows:

1. The maximum amount which may be claimed in respect of a Loss is the amount of the NCT Inst;
2. The cap on liability applies even if there has been gross negligence by the liable Participant, its employees or agents;
3. The cap on liability does not apply in the event of wilful intent by the liable Participant, or by the Participant's employees or agents;
4. The maximum amount which may be claimed in respect of a Loss is subject to proportionate reduction in the case of contributory negligence of the Participant making the claim, its employees or its agents;
5. A Loss which results from action taken to limit or manage risk shall not be claimed;
6. A Loss can be regarded as foreseeable only if it is regularly experienced by Participants active in making Cross-border Payments in the Scheme Currencies.

5.9.3 Force majeure

Further, a Participant shall not be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the Rulebook if such failure, hindrance or delay arises out of circumstances beyond its control. Such circumstances may include, but are not limited to, acts of God, criminal action, fire, flood and unavailability of energy supplies.

5.10 Liability of the NPC

The NPC, its agents, employees or the employees of its agents shall not be liable for anything done or omitted in the exercise of any discretion under the Rulebook unless it is shown that the act or omission was effected in bad faith.

The NPC, its agents, its employees and the employees of its agents shall not be liable for any losses which are not foreseeable.

5.11 Termination

A Participant may terminate its status as a Participant by giving no less than six months' prior written notice to the Secretariat, such notice to take effect on a designated day (for which purpose such a day will be designated at least one day for each month). As soon as reasonably practicable after receipt of such notice, it or a summary shall be published to all other Participants in an appropriate manner.

Notwithstanding the previous paragraph, upon receipt of the Participant’s notice of termination by the NPC Secretary function for Compliance and Adherence, the Participant and the NPC may mutually agree for the termination to take effect on any day prior to the relevant designated day.

A former Participant shall continue to be subject to the Rulebook in respect of all activities which were conducted prior to termination of its status as a Participant and which were subject to the Rulebook, until

the date on which all obligations to which it was subject under the Rulebook prior to termination have been satisfied.

Upon termination of its status as a Participant, an undertaking shall not incur any new obligations under the Rulebook. Further, upon such termination, the remaining Participants shall not incur any new obligations under the Rulebook in respect of such undertaking's prior status as a Participant. In particular, no new NCT Inst obligations may be incurred by the former Participant or in favour of the former Participant.

The effective date of termination of a Participant's status as a Participant is (where the Participant has given notice in accordance with the first paragraph of section 5.11) the effective date of such notice, or (in any other case) the date on which the Participant's name is deleted from the List of NCT Inst Scheme Participants, and as of that date the Participant's rights and obligations under the Rulebook shall cease to have effect except as stated in this section 5.11.

This section, sections 5.9, 5.10, 5.12 and

Annex III of the Rulebook shall continue to be enforceable against a Participant, notwithstanding termination of such Participant's status as a Participant.

5.12 Intellectual Property

The Participants acknowledge that any copyright in the Rulebook belongs to the NPC or the EPC. The Participants shall not assert contrary claims, or deal with the Rulebook in a manner that infringes or is likely to infringe the copyright held by the NPC or the EPC in the Rulebook.

5.13 Contractual provisions

The Rulebook contains legal obligations which are binding on the Participants and which are enforceable against a Participant by the NPC or another Participant. The whole Rulebook is intended to have legal effect. In the event of any inconsistency between the provisions of the Rulebook, the provisions of this Chapter 5 shall prevail. Subject to the prevalence of provisions in this Chapter 5, the provisions of Chapter 4 shall prevail over any other provision in the Rulebook.

In the event of an inconsistency between the provisions of the Rulebook and any other agreement or convention between the Participants and the NPC in relation to the subject matter of this Rulebook, the provisions of this Rulebook shall prevail.

The terms of each agreement governing the provision and use of services relating to the Scheme between respectively the Originator and Originator Bank and the Beneficiary and Beneficiary Bank shall continue for the benefit of the successors and permitted assignees of any relevant party.

Any reference in the Rulebook to statutes or statutory messages shall be to such statutes or statutory messages as amended or replaced from time to time.

Every document that is required to be provided under the Rulebook shall be provided in the English language.

Any reference in the Rulebook to a person or an undertaking (howsoever described) shall include its successors.

Headings in the Rulebook are used for ease of reference only.

The Rulebook is governed by, and shall be construed in accordance with, Belgian law.

The Rulebook is drawn up in the English language. If the Rulebook is translated into any other language, the English language text prevails.

5.14 Application of the EU legislation between Participants

Each Participant that is not subject to the Payment Services Directive under its national law shall vis-à-vis other Participants and vis-à-vis its Customers and to the extent permitted by the national law applicable to such Participant, comply with and perform obligations that are substantially equivalent to those provisions in Title III and IV of the Payment Services Directive which are relevant for NCT Inst.

Further, each Participant (whether or not subject to the Payment Services Directive) shall refrain, to the extent reasonably possible, from exercising any rights accorded to it under its national law vis-à-vis other Participants and vis-à-vis its Customers that either conflict or that could potentially conflict with the provisions in Title III and IV of the Payment Services Directive.

The obligations of each Participant (whether or not subject to the Payment Services Directive) under the Rulebook shall apply notwithstanding that the Payment Services Directive is limited in its geographical scope (art.2 Payment Service Directive). For the avoidance of doubt and notwithstanding the above paragraphs of this section, it is recognised that the compliance obligations for a Participant that is not

subject to the Payment Services Directive under its national law and is operating outside the EEA shall not include the obligations resulting from Article 66 and related Articles of the Payment Services Directive as these Articles should only apply in combination with the authorisation framework within the EEA in accordance with Titles I and II of the Payment Services Directive.

6. NPC SCHEME MANAGEMENT

The NPC acting in accordance with the NPC Bylaws.

NPC Scheme Management comprises two functions. The first function involves managing the development and evolution of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules. The detailed rules that describe the operation of these functions are set out in the Internal Rules of NPC Scheme Management at ANNEX II of the Rulebook.

6.1 Development and Evolution

The development and evolution function of NPC Scheme Management establishes formal change management procedures for the Scheme. The change management procedures aim to ensure that the Scheme is kept relevant for its users and up-to-date, with structured processes for initiating and implementing changes to the Scheme, the Rulebook and related documentation. An important component of change management is the innovation of ideas for enhancing the quality of the existing Scheme as well for developing new schemes, based always on sound business cases.

The development of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Participants, NPC service suppliers, end-users as well as other concerned groups.

The development and evolution function shall be performed by the SMC, supported by working and support groups established under the SMC. The Scheme Management Group shall perform the development and evolution function in accordance with the procedures set out in the Internal Rules.

6.2 Administration and Compliance

The administration and compliance function of NPC Scheme Management establishes rules and procedures for administering the adherence process for the Scheme, for addressing cases of claimed non-compliance by Participants with the rules of the Scheme and for addressing situations where Participants are unable to resolve their grievances through local, national dispute resolution methods.

In addition, the Internal Rules provide for an appeals process on decisions taken by the NPC Secretariat on adherence and complaints matters. The appeals function is delegated by the NPC Bylaws and the Internal Rules to the Secretariat.

The administration and compliance function aims to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebook and general principles of applicable law.

The administration and compliance function shall be performed by the RMC and the NPC Secretariat as set out in detail in the Internal Rules.

The roles, rights and powers of the SMC and the Secretariat are set out in detail in the Internal Rules and in the NPC Bylaws.

The SMC and the Secretariat are established by the NPC in accordance with the NPC Bylaws and the Internal Rules as organs of the NPC. In this Rulebook, references to the rights, obligations and entitlements of the SMC and the Secretariat may be read as references to the rights, obligations and entitlements of the NPC.

The Internal Rules form part of this Rulebook and may only be amended in accordance with the procedures set out in the Internal Rules.

The Internal Rules shall be binding on Participants in accordance with section 1.5 and 5.2 of the Rulebook.

7. DEFINED TERMS IN THE RULEBOOK

TERM	DEFINITION
Additional Optional Services	Complementary features and services based on the Scheme, as described in Chapter 2.3 of the Rulebook.
Adherence Agreement	The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found as Annex I of the Rulebook.
Alias	A pseudonym that allows to uniquely identify for instance the beneficiary account or the beneficiary. The conversion is done through a lookup in the directory used for that specific alias.
AOS	*See Additional Optional Services*
NPC Secretariat function for Appeals	NPC Secretariat function that performs the appeals function of the NPC Scheme Management as defined in the Internal Rules.
Banking Business Day	Banking Business Day means, in relation to a Participant, a day on which that Participant is open for business.
Beneficiary	See section 3
Beneficiary Bank	See section 3
Beneficiary Reference Party	See section 4.6 AT-28
BIC	See *Business Identifier Code*
Business Identifier Code (BIC)	An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions.
Calendar Day	A Calendar Day means any day of the year
Category purpose of the NCT Inst Instruction	See section 4.6
Clearing	The process of transmitting, reconciling and, in some cases, confirming payment orders prior to Settlement, possibly including the netting of instructions and the establishment of final positions for Settlement.
Compliance and Adherence	NPC Secretariat function for Compliance and Adherence that perform the compliance functions of the NPC Scheme Management.
Cross-border NCT Inst Instruction	Cross-border NCT Inst Instructions is a term referring to NCT Inst Instructions where the Originator Bank and the Beneficiary Bank are located in different countries.
Cross-border NCT Inst Transactions	Cross-border NCT Inst Transactions is a term referring to NCT Inst Transactions where the Originator Bank and the Beneficiary Bank are located in different countries.
Cross-border Payment	Cross-border Payment is a term referring to transactions where the Originator Bank and the Beneficiary Bank are located in different countries.
CSM	A Clearing and Settlement Mechanism. For more info see section 3.
Customer	Non-bank Originator or Beneficiary
Customer Account	The account held by a Customer in the books of a Participant
Cut-off Time	See section 4.2.2
D	Day - See section 4.1

EEA	European Economic Area
EPC	The European Payments Council
EU	European Union
Exception Processing	See section 4.3.2
Execution Time Cycle	This describes the time constraints of a process in terms of seconds per key process step.
Funds	In relation to a payment transaction shall mean cash, scriptural money and electronic money as defined in Directive 2000/46/EC
IBAN	International Bank Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616).
Immediate(ly)	Synonym for Instant(ly).
Instant(ly)	At once, without delay.
Interbank Space	Covers the space in which NPC Instant Credit Transfer service providers operate offering technical, clearing and/or settlement services to the Originator Bank and/or the Beneficiary Bank
Intermediary Bank	As described in clause 3.4, a bank which is neither that of the Originator nor that of the Beneficiary and which participates in the execution of an NCT Inst Transaction.
Internal Rules	The Scheme Management Internal Rules, as set out in Annex III of the Rulebook, and as amended from time to time.
Issues or Complaints of scheme-wide Importance	An issue or complaint of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme.
List of NCT Inst Scheme Participants	The list of Participants published by the NPC under Chapter 5 and the Internal Rules.
Loss	Shall have the meaning given in section 5.9 of the Rulebook.
Major Incidents	A major incident should be understood as “operational or security incident” in the case of “a singular event or a series of linked events unplanned by … the scheme’s governance authority which has or will probably have an adverse impact on the integrity, availability, confidentiality, authenticity and/or continuity of payment-related services”. Incidents that fulfil either one or more criteria at the ‘higher impact level’ or three or more criteria at the ‘lower impact level’ should be classified as ‘major’. The assessment of materiality of an operational or security incident shall be carried out by the Participant based on the detailed criteria which are made available to Participants and kept updated by the NPC (TBD).
Making/Make/ Made Funds Available	This action means that the Beneficiary has immediate use of the Funds subject to the Terms and Conditions governing the use of the Payment Account of the Beneficiary.
NASO	National Adherence Support Organisation
NCT Inst	NPC Instant Credit Transfer.

NCT Inst Instruction	A payment instruction given by an Originator to an Originator Bank requesting the execution of an instant credit transfer, comprising such information as is necessary for the execution of the instant credit transfer and is directly or indirectly initiated in accordance with the provisions of the Payment Services Directive.
NCT Inst Scheme C2B Implementation Guidelines	Set out the rules for implementing the NCT Inst ISO 20022 XML standards in the Customer to Bank space and constitute a binding supplement to the Rulebook, described with reference [8] in the Rulebook.
NCT Inst Scheme Interbank Implementation Guidelines	Set out the rules for implementing the NCT Inst ISO 20022 XML standards in the Interbank Space and constitute a binding supplement to the Rulebook, described with reference [1] in the Rulebook.
NCT Inst Transaction	An NCT Inst Instruction converted into an NCT Inst payment message by the Originator Bank and which is Immediately forwarded to a party in the Interbank Space for forwarding Immediately the same NCT Inst payment message to the Beneficiary Bank in accordance with the rules of this Rulebook. This payment message triggers a settlement obligation versus the Beneficiary Bank unless the processing of this payment message was unsuccessful and the Funds have not been made Available to the Beneficiary.
NPC	The Nordic Payments Council
NPC Bylaws	The Bylaws of the Nordic Payments Council (NPC), as amended from time to time
NPC Instant Credit Transfer service provider	NPC Instant Credit Transfer service providers include payment service providers, technical service providers offering technical services for purposes directly linked to the Scheme, the clearing and settlement provider.
NPC Non-Member Participant	Entities which are not Members in the NPC but can adhere to an NPC Scheme based on having been approved as meeting the eligibility requirements for Non-Member Participation. The following entities are eligible to be Non-Member Participants. Payment Service Providers as defined in point 11 of article 4 of Directive 2015/2366 EU established in SEPA that are: • states or their regional or local authorities when not acting in their capacity as public authorities; the ECB and national central banks when not acting in their capacity as monetary authority or other public authorities.
NPC Scheme Management	NPC Scheme Management denotes the administration, compliance and development functions in relation to an NPC Scheme.
NPC Scheme Member	A Member of the NPC which will adhere to one of many Scheme(s). Membership of the NPC is a pre-requisite for adhering to NPC Schemes.
NPC Secretariat function for Compliance	The NPC function that performs the compliance functions of the NPC.
Original Amount	Original ordered amount for an NCT Inst Instruction as specified by the ordering Customer to the ordering bank.
Originator	See section 3
Originator Bank	Is the Originator account servicing payment services provider. See section 3 for its role in the Scheme.
Originator Reference Party	See section 4.6.1 AT-08
Participant	An entity accepted to be a part of the Scheme in accordance with section 5.4 of the Rulebook.

Payment Account	An account held in the name of one or more payment service users which is used for the execution of payment transactions and having an IBAN as Payment Account identifier.
Payment Services Directive	Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD 2).
PSD	Payment Services Directive.
PSP	Payment Services Provider.
Purpose of the NCT Inst Instruction	See section 4.6.
Reachability	Reachability is the concept that participating Beneficiary Banks' Payment Accounts in the NPC Scheme Currencies, are accessible for the receiving of payments in the Scheme. All Participants need as a minimum to be reachable in one of the currencies covered by this Scheme.
Recalls	See section 4.3.2
Regulation on Information accompanying Transfers of Funds	Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of Funds and repealing Regulation (EC) No 1781/2006.
Rejects	See section 4.3.2
Remittance Information	Information supplied by the Originator in the NCT Inst Instruction and transmitted to the Beneficiary in order to facilitate the payment reconciliation.
Requested Execution Date	This date corresponds to a date requested by an Originator for commencing the execution of the NPC Inst Instruction in accordance with section 4.1 of the Rulebook.
Reservation of the Amount	The Originator Bank Instantly, (i) either reserves the amount of the NCT Inst Instruction on the Originator's Payment Account with this information being Instantly accessible to the Originator, (ii) or Immediately debits the amount of the NCT Inst Instruction from the Originator's Payment Account; in both instances the Originator Bank thereafter sends a NCT Inst Transaction message to the relevant CSM.
Risk of scheme-wide Importance	Risks of scheme-wide Importance shall be understood to be those risks for the Scheme that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme.
Rulebook	The NCT Inst Rulebook, as amended from time to time.
Scheme	The NCT Inst Scheme, as described in the Rulebook.
Scheme Currencies	The currencies for the payments in the Scheme as described with reference [12] in the Rulebook.
Scheme Management Committee, or "SMC"	The NPC body that is responsible for performing the NPC Scheme Management Functions as defined in the Internal Rules.
SEPA	The Single Euro Payments Area (SEPA) is the area where citizens, companies and other economic actors can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA is driven by the European Commission and the European Central Bank, amongst others, as a key component of the EU Internal Market.

	SEPA shall be deemed to encompass the countries and territories which are part of the geographical scope of the SEPA Schemes, as listed in the EPC List of SEPA Scheme Countries (see Reference [11]), as amended from time to time.
SEPA Regulation	Regulation (EU) 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (the 'SEPA Regulation').
Settlement	An act that discharges obligations with respect to the transfer of Funds between Originator Bank and Beneficiary Bank.
Settlement Date	The date on which obligations with respect to Funds transfer between Originator Bank and Beneficiary Bank are discharged.
STP	Straight-through Processing which is a prerequisite for cost efficient handling of credit transfers.
Supporting Documentation	A legal opinion in the form set out on the website of the NPC, duly executed by the undertaking's internal or external counsel in accordance with the Internal Rules.
Terms and Conditions	The general Terms and Conditions that a bank has with its Customers and which may contain dispositions about their rights and obligations related to NCT Inst. These dispositions may also be included in a specific agreement, at the Participant's choice.
Time Stamp	Data in electronic form which binds other data in electronic form to a particular time establishing evidence that the latter data existed at that time.

Annex I NPC INSTANT CREDIT TRANSFER ADHERENCE AGREEMENT

NPC Instant Credit Transfer Adherence Agreement

To: The Nordic Payments Council (the "**NPC**")

From: Name of Applicant[s]*:

[As set out in the list annexed to this Adherence Agreement]*

([each]* an "**Applicant**")

*Please include the text in square brackets if this Adherence Agreement covers more than one entity.

PREAMBLE

(A) The NPC Instant Credit Transfer Scheme (the "**Scheme**") is an Instant Credit Transfer Scheme for specified Scheme Currencies used by NPC Participants from a SEPA country as listed in the SEPA Country List.

(B) The NPC oversees the operation of the Scheme in accordance with the terms and conditions set out in the NPC Instant Credit Transfer Scheme Rulebook (the "**Rulebook**").

(C) The Rulebook sets out the rights and obligations of all institutions bound by its terms (the "**Participants**"), and the NPC and binds each Participant to comply with their obligations to the NPC and to all other Participants pursuant to the rules set out therein.

(D) The NPC, acting on its behalf and on behalf of all Participants, will notify the Applicant of the date following the Readiness Date on which this Adherence Agreement becomes effective (the "**Effective Date**") as between the Applicant, the NPC and other Participants.

(E) As of the Effective Date the Applicant shall become a Participant and be bound to all the obligations, and entitled to all the benefits, set out in the Rulebook.

IT IS HEREBY AGREED AS FOLLOWS:

1. The Applicant hereby undertakes to all Participants and to the NPC to perform the obligations imposed by and to comply with the provisions of the Rulebook, as modified from time to time, with effect from the Effective Date.

2. The Applicant makes the following acknowledgements and undertakes:

2.1 The Applicant is an NPC Scheme Member or has been approved as meeting the eligibility requirements for an NPC Non-Member Participant.

2.2 The Applicant has the power and authority to enter into and has taken all corporate action to authorise its entry into the Scheme and to perform the obligations and comply with the provisions of the Rulebook.

2.3 The signatories of the Applicant [and the agent signing on behalf of the Applicant] have all necessary corporate authorisations and the power and authority to bind the Applicant to the Rulebook.

2.4 The Applicant shall ensure that it satisfies and will at all times during its participation in the Scheme satisfy the eligibility criteria for participation in the Scheme as set out in the Rulebook, including, but not limited to, the requirement to be able to process an NCT Inst as defined in the Rulebook, 24 hours a day on all Calendar Days

of the year (this includes all business continuity arrangements set up by the Participant itself or on behalf of the Participant to guarantee the processing of an NCT Inst). If at any time, the Applicant has reason to believe that it no longer satisfies such criteria, or may be unable to satisfy such criteria, it shall notify the NPC Immediately of the circumstances.

2.5 The Applicant is in a position to comply with all of the obligations set out in the Rulebook by the "Readiness Date" as stated in the accompanying Schedule.

3. By submitting this completed form of Adherence Agreement the Applicant agrees to be bound by the provisions of the NPC's Internal Rules governing applications for participation in the Scheme, whether or not it becomes a Participant.

4. Any communication, including service of process, to be made with the Applicant under or in connection with the Rulebook shall be made in writing and addressed to the Applicant at the address set out above.

5. The Applicant consents to the publication of its name and basic details of its adherence application on the public website of the NPC.

6. This Agreement is governed by Swedish law. If the Parties have not been able to settle any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, in an amicable manner as set out in the Internal Rules, the dispute, controversy or claim shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC").

   The Arbitration Rules by the SCC shall apply, unless the SCC in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that Rules for Expedited Arbitrations shall apply. In the former case, the Arbitral Tribunal shall be composed of three arbitrators.

   The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be English.

FOR AND ON BEHALF OF THE APPLICANT

Signed by (1)	By (2) (if necessary)
----------	----------
Name/Position ----------	Name/Position ----------
Date of signature ----------	Date of signature ----------

Where this Adherence Agreement was signed by two signatories on different dates, it shall be considered as being dated the later date.

SCHEDULE

Information to the Adherence Agreement for adherence to the

NPC Instant Credit Transfer Scheme

(F) The Applicant must supply the information requested in this Schedule in support of its application to adhere to the Scheme. A failure to supply this information may result in a rejection of the application or a delay in processing it. The following information must be included in the Schedule:

- BIC8 or BIC11
- Name of Applicant
- Street Address
- Post Code
- City
- Country
- Generic E-mail
- E-mail and phone number of contact person handling Applicant's Adherence Pack in-house
- Name of chosen NASO organisation
- Readiness Date
- Extra billing information

(G) Templates to be used for providing the Schedule information will be possible to download from the NPC website at TBA.

(H) The information supplied above shall be recorded on the NPC's Register of Participants for the NPC Instant Credit Transfer Scheme.

(I) The Applicant understands that any information on the Applicant's name, registered office address, Reference BIC and Readiness Date supplied in the Schedule shall be published in the relevant NPC Register of Participants on the public website of the NPC and may be made generally available for download by the NPC.

(J) The Applicant understands that any other information supplied in the Schedule shall be available only to the NPC or to any National Adherence Support Organisation ("**NASO**") that has been chosen by the Applicant to assist in the completion of this application, as specified in section (F), and will not be disclosed to any other body.

Annex II RISK MANAGEMENT

To be work in during autumn of 2019 by the NPC. To be added thereafter.

Annex III SCHEME MANAGEMENT INTERNAL RULES

To be work in during summer of 2019 by the NPC. To be added thereafter.

Annex IV RULEBOOK AMENDMENTS AND CHANGES SINCE LAST VERSION

N/A