

RESERVE BANK INFORMATION AND TRANSFER SYSTEM

Low Value Settlement Service (LVSS)

Participant Set-Up Guide

Revised Version

October 2011



Table of Revisions

The following table summarises the changes between the August 2011 and October 2011 versions of this document. For ease of identification, changes to text are shown in blue font for additions and ~~blue font strikethrough~~ for deletions.

Section	Description
1.3 and 3.1	Addition of a 'link users to branches' task in the summary of what a Member is required to do.
3	Additional information on requests for new users and the need for a RITS Production logon to be created for the issue of a RITS Digital Certificate.
3.1 and 3.3	The LVSS Transaction Enquiry Report has been made an enquiry function, and is now available in the Member Enquiries role.
3.2	Details of new roles that will provide limited enquiry access (including outside of standard RITS settlement hours), as well as access to manual FSI and FRI functions.
3.3	Details of additional functions available under Member Enquiries: LVSS Bilateral Position Summary, LVSS Clearing Interest Enquiry, Manual FSI Enquiry and Manual FRI Enquiry.
3.5	Addition of detail on how to link users to branches as part of the setup process.
4.2	Clarification that FSIs send by other than the Originator or the Originator's authorised agent will be rejected.
5.8	Clarification that the ESA Statement details apply to both the MT942 and MT950 versions.
6.2	Additional paragraph noting that Members who elect to receive settlement response messages should cater for the large number of files that will be sent at the same time.
6.3.5	Additional paragraph noting that the message ID in LVSS response and advice names will be different for each message, and that Members will need to cater for this.



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1. OVERVIEW OF LVSS SET-UP REQUIREMENTS

1.1 Introduction

This document provides information to RITS Members on the arrangements and administrative tasks required to begin participation in the Low Value Settlement Service (LVSS).

RITS Members may be aware that some changes have already been made to RITS functionality to support the LVSS. These changes allow the set-up requirements outlined in this document to be completed in RITS when the Member is ready.

It is recommended that Members consult with existing RITS users within their organisation as part of their review of the required set-up activities. When considering each set-up activity, a Member should keep in mind any specific differences they wish to have to facilitate testing in the RITS Pre-Production environment, as these requirements may vary from the desired Production set up.

RITS user guides and information on the LVSS project are available on the [RITS Information Facility](#). A general [Overview of RITS Functionality](#) is also available from this site.

1.2 RITS Environments

The RITS Pre-Production Environment is to be used by Members for their standalone LVSS testing, including initial testing with the Reserve Bank. This environment will also be used for LVSS industry testing.

Members should note that the set-up activities listed below will need to be performed twice, once on the RITS Pre-Production Environment and again on the RITS Production Environment (prior to go-live).

1.3 Overview of RITS set-up activities

To prepare for participation in the LVSS, the RITS Member must complete a number of set-up activities. Each of these activities is discussed in greater detail in this document. The key setup activities are as follows (the entity that undertakes the activity is shown in brackets):

- Establish new RITS branches and cash accounts for LVSS transactions (RITS Help Desk, based on Member instruction).
- Turn off cash account limit processing for cash accounts used in LVSS 9am settlement (Member - user with 'Cash Account Limit – Set Limit' role).
- Link new LVSS branches to Payment Services (RITS Help Desk, based on Member instruction).
- [Link users to new LVSS branches \(Member – RITS Password Administrator\)](#).
- Allocate new LVSS roles to users (Member – RITS Password Administrator).
- Set authorisations on new LVSS functions as required (RITS Help Desk, based on Member instruction).



- Allocate authorisations to users as required (Member – RITS Password Administrator).
- If an agent is to be used to deliver FSIs and FRIs to RITS on your behalf, formally appoint that agent by executing the Low Value Services - Appointment of Agent Form (Member). This form is Exhibit 9A/25A of the [RITS Conditions of Operation](#), which is also located on the RITS Information Facility.
- Set the override ESA status on LVSS branches/cash accounts as per internally agreed transaction management processes (Member - user with 'Override ESA Status – Set Override' role).
- Set the override LVSS Settlement Method on LVSS branches/cash accounts as required (Member – user with new 'LVSS Settlement Method – Set Override' role).
- Select optional LVSS advices and responses, as required (Member - user with 'Unsolicited Advices' role).
- Select AIF messages (e.g. Pre-settlement Advices or Post-settlement Advices), as required (Member - user with 'Unsolicited Advices' role).
- Set up the routing of LVSS advice and response files (RITS Help Desk, based on Member instruction).

1.4 Network connectivity

RITS Members will generally send and receive LVSS files via their (or their agents) existing COIN or SWIFT FileAct connections with the Reserve Bank. These connections are currently used for the Reserve Bank's Low Value Clearing Service (LVCS).

RITS Members that do not currently have COIN (or SWIFT FileAct) connections to the LVCS (either directly or via an agent) will need to complete some additional requirements. These RITS Members should contact the Reserve Bank for further information as soon as possible.



2. LVSS – RITS BRANCHES AND CASH ACCOUNTS

This section covers requirements for the setup of RITS branches and cash accounts to facilitate the processing of LVSS transactions.

2.1 What a Member needs to do

Each Member needs to:

- Assess the need for new RITS branches and cash accounts.
- Instruct the RITS Help Desk to set-up new RITS branches and cash accounts as required.
- Instruct the RITS Help Desk to link nominated RITS branches to Payment Services. A credit items branch and a debit items branch must be nominated for each Payment Service.

The rest of this section provides further information to help Members determine their own requirements.

2.2 Information on Credit Items and Debit Items transactions

An FSI created for credit items (e.g. a BECS file exchange where the value of credit items exceeds the value of debit items) will have the Originator as Payer. The settlement amount in this FSI will be posted to the Originator's nominated credit items branch and to the Counterparty's nominated credit items branch.

An FSI created for debit items (e.g. an APCS file exchange or a CECS settlement) will have the Originator as Payee. The settlement amount in this FSI will be posted to the Originator's nominated debit items branch and to the Counterparty's nominated debit items branch. In this circumstance, the Counterparty is the Payer and the payment statuses in the FSI will be ignored. The FSI will be given a default ESA Status of deferred (and a credit and cash account status of active). This will be overridden by any override ESA status set by the Counterparty (i.e. the Payer) on the cash account used for the debit items branch.

Example of a Credit Items FSI: BECS file exchange

In this example, North Bank sends a BECS file to South Bank that contains credit items with a total value of \$100 and debit items with a total value of \$60.

North Bank must then send (as Originator) an FSI with a settlement amount of \$40. North Bank is the Payer. This FSI is a credit items FSI. When the FSI is settled, RITS posts:

- \$40 to North Bank's credit items branch
- + \$40 to South Bank's credit items branch

Example of a Debit Items FSI: APCS EP&D file exchange

In this example, North Bank exchanges an electronic presentment file with South Bank. The file contains debit items with a total value of \$50.

North Bank originates an FSI with a settlement amount of \$50. North Bank is the Payee. This FSI is a debit items FSI. When the FSI is settled, RITS posts:

- + \$50 to North Bank's debit items branch
- \$50 to South Bank's debit items branch



2.3 RITS branches for LVSS transactions

RITS branches are the functional entities that undertake transactions in RITS. They are identified by a 6-character mnemonic (e.g. BANKAA). As an FSI only contains the 4-character RITS mnemonics of the two parties to the settlement transaction, a lookup table in RITS will match the Payment Service and identify the correct branch for both the Payer and Payee.

A Member will need to complete a standard RITS form (the *Feeder, Batch and Other Branches* form, available under Standard Forms on the [RITS Information Facility](#)) to add any new branches (and cash accounts – see next section) required for the LVSS. Members will also need to advise the RITS Help Desk (via the *LVSS Branch Allocation* form, available under Standard Forms on the RITS Information Facility) of the credit items branch and debit items branch they intend to use for each LVSS Payment Service. This is required even if a Payment Service only has credit items or debit items. Members should note that these branches do not need to be unique. For example, a Member may use the same pair of branches for both BECS Payment Services (BECN and BECG). Please note that each form will need to be signed by the Member's RITS Authorised Signatories.

As part of this process, Members will also need to advise the branch and cash account they intend to use for the settlement of clearing interest transactions. Clearing interest transactions will be posted against the nominated debit items branch for the Payment Service "CINT", regardless of whether it is a net payment or a net receipt. The Clearing Interest branch may be a branch that the Member uses for other LVSS transactions, or it may be a unique branch.

Members that wish to manage their LVSS transactions using AIF Pre-settlement Advices, or that wish to receive AIF Post-settlement Advices for posting or reconciliation purposes, should note that these advices are selected at the branch level.

2.4 RITS Cash Accounts for LVSS transactions

Each branch in RITS has at least one cash account to record transactions. All transactions are recorded against a cash account, and, for interbank transactions, against an Exchange Settlement Cash Account. Generally speaking, the nominated cash account will be a real bank account that exists in the Member's own banking application.

The Reserve Bank strongly recommends that Members set up new RITS cash accounts for LVSS transaction processing. This will help to minimise the impact on existing RITS arrangements and allow the separate selection of override statuses.

If a Member chooses to use its existing 2E branch and cash account (currently used for the 9am settlement as well as for other purposes), it must ensure that it is able to manage its LVSS transactions appropriately.

Members should note that new cash accounts will automatically be included in their end-of-day Cashlist Reports. They will also be shown in relevant AIF messages such as Pre- and Post-settlement Advices and in ESA statements.

If a Member wishes to use a BSB that it does not already use in RITS, some additional minor administration may be required. Members can view their existing cash accounts in RITS using the function Cash Account Limit (accessed via the menu item ESA Management / Cash Account / Limit). Alternatively, Members may obtain this information by contacting the RITS Help Desk.

The following sections set out some further information about the use of cash accounts in RITS and some setup considerations in terms of LVSS processing.



2.4.1 Posting transactions to cash accounts

Each FSI settlement is posted to a RITS cash account for the Payer and a RITS cash account for the Payee. There are a number of RITS reports and AIF messages that use the cash account to identify a transaction:

- The cash account is used to identify payments in AIF Pre-settlement Advices, which may be used by AIF banks for the management of LVSS transactions.
- The cash account is used to identify payments in Post-settlement Advices, which may be used by AIF banks for the posting or reconciliation of LVSS transactions.
- The cash account is used to identify the transaction in the MT950 ESA Statement, which may be used by AIF banks for the reconciliation of LVSS transactions.
- The net end-of-day balance for each cash account is shown in the Cashlist Report, which may be used by the Member for internal posting or reconciliation purposes.

2.4.2 Override ESA Status set on cash account

The override ESA Status is set at the cash account level. If a Member wishes to set different overrides for different payment services, it will need to use separate branches and separate cash accounts for each payment service.

A Member that intends to use its 2E branch for LVSS transactions should ensure that the current override ESA status setting in its 2E branch is not inconsistent with its LVSS transaction management requirements.

2.4.3 Use of a single cash account for debit items and credit items branches

A typical RITS setup is for one cash account to be associated with one branch. However, it is possible for a single cash account to be used by two or more branches. This would allow, for example, transactions in the credit items branch and transactions in the debit items branch to post to a single cash account.

A Member that wishes to use a single cash account for debit items transactions and credit items transactions should note that only a single override ESA status setting will be available. This will mean that the same override must be used for own-initiated FSIs that will debit the ESA as well as FSIs initiated by other Members that will also debit the ESA. This may be acceptable if the override ESA setting of Priority is to be used.

2.4.4 Cash account limit processing turned OFF

The Reserve Bank requires all Members to turn cash account limit processing to **Off** for all cash accounts used in the 9am settlement process. Members that elect to use their 2E branch for LVSS transactions should be aware that this setting may affect the processing of other transactions settling across their 2E branch.



2.5 Examples of RITS branch and cash account set-up

The following table illustrates four potential models of LVSS branch and cash account set-up.

The RITS mnemonic for the RITS Member is 'BANK' in the examples below. The example cash accounts are in the form of a BSB and account number. CIB and DIB are abbreviations of Credit Items branch and Debit Items branch. A separate CINT branch and cash account (for clearing interest postings) is also shown.

Participation	Branches	Cash Accounts	Comments
Member of a single clearing system (e.g. BECS) with two related payment services (BECN and BECG).	BECN CIB: BANKLC BECG CIB: BANKLC BECN DIB: BANKLD BECG DIB: BANKLD CINT DIB: BANKCI	048-001 12345678 048-001 12345678 048-001 98765432 048-001 98765432 048-001 57395124	All LVSS transactions will post to one of two cash accounts (with interest posted to a separate cash account).
Member of three clearing systems (APCS, BECS and CECS). Sharing two branches and two cash accounts across all clearing systems (and related payment services).	APCE CIB: BANKLC APCR CIB: BANKLC BECN CIB: BANKLC BECG CIB: BANKLC CECS CIB: BANKLC APCE DIB: BANKLD APCR DIB: BANKLD BECN DIB: BANKLD BECG DIB: BANKLD CECS DIB: BANKLD CINT DIB: BANKCI	048-001 12345678 048-001 12345678 048-001 12345678 048-001 12345678 048-001 12345678 048-001 98765432 048-001 98765432 048-001 98765432 048-001 98765432 048-001 98765432 048-001 57395124	Different overrides for, say, APCS and BECS debit items transactions are not possible. All LVSS transactions will post to one of two cash accounts (with interest posted to a separate cash account).
Member of three clearing systems (APCS, BECS and CECS). Sharing credit items and debit items branches (and their cash accounts) across related payment services within a clearing system.	APCE CIB: BANKAC APCR CIB: BANKAC BECN CIB: BANKBC BECG CIB: BANKBC CECS CIB: BANKCC APCE DIB: BANKAD APCR DIB: BANKAD BECN DIB: BANKBD BECG DIB: BANKBD CECS DIB: BANKCD CINT DIB: BANKCI	048-001 45698712 048-001 45698712 048-001 87535897 048-001 87535897 048-001 47851236 048-001 21749870 048-001 21749870 048-001 54781236 048-001 54781236 048-001 78236548 048-001 57395124	Overrides are able to be set at clearing system level. LVSS transactions in different clearing systems will post to different cash accounts.

**R I T S****LVSS – RITS Branches and Cash Accounts**

Participation	Branches	Cash Accounts	Comments	
Member of three clearing systems (APCS, BECS and CECS). Separate credit items and debit items branches (and cash accounts) for each payment service.	APCE CIB:	BANKEC	048-001 45698712	Greatest level of granularity – allows different overrides at the payment service level. LVSS transactions in different payment services will post to different cash accounts.
	APCR CIB:	BANKRC	048-001 87594562	
	BECN CIB:	BANKNC	048-001 87535897	
	BECG CIB:	BANKBC	048-001 34879245	
	CECS CIB:	BANKCC	048-001 47851236	
	APCE DIB:	BANKED	048-001 21749870	
	APCR DIB:	BANKRD	048-001 65879642	
	BECN DIB:	BANKND	048-001 54781236	
	BECG DIB:	BANKBD	048-001 65897531	
	CECS DIB:	BANKCD	048-001 78236548	
CINT DIB:	BANKCI	048-001 57395124		



3. USER ADMINISTRATION

This section covers requirements for the allocation of LVSS-related roles to RITS users and the setting of authorisations on LVSS-related update functions.

Members should note that requests for new RITS users can be made by completing the ['User Access Request Form'](#) or ['User Access Request Form for Multiple Users'](#) available from the RITS Information facility. Any questions on user access should be directed to the RITS Help Desk (1800 659 360 or via email to rits@rba.gov.au).

Members should also note that a Production logon must be generated for each user access request in order for the user to be provided with a RITS Digital Certificate. This process applies even if the request is for access to RITS Pre-Production only. As is the case now, the Member Password Administrator can ensure users are only granted roles in the relevant environment as necessary.

3.1 What a Member needs to do

Each Member needs to:

- Allocate new LVSS ~~update related~~ roles to its users as necessary.
- Note the LVSS enquiry functions that have been added to the existing Member Enquiries role, ~~and that there is a new report in Member Reports (this report has been changed to an enquiry function - LVSS Transaction Enquiry - and is part of the Member Enquiries role).~~
- Assess whether authorisations need to be set for each new LVSS update role.
- [Link users to branches as necessary.](#)

The rest of this section provides further information to help Members determine their requirements.

3.2 Allocating new LVSS update roles to users

New LVSS roles have been introduced¹. The RITS Member must allocate these roles to its users as necessary. Note that optional authorisations are available on the functions indicated with an asterisk (*).

Role Name	Functions in the Role	Function Description	RITS UI Function Name
LVSS Settlement Method – Set Override (new role)	LVSS Settlement Method – Set Override *	Set an override LVSS Settlement Method, in the same manner as overrides are set for ESA and Credit Statuses. The override is applied at Cash Account level, as for ESA and Credit Statuses.	Override ESA/Credit Status/LVSS Settle Method

¹ The manual FSI and FRI entry functions will not be available in RITS until a later phase of the LVSS project (expected early 2012). Members will be advised of new roles/functions in relation to this functionality in due course.



Role Name	Functions in the Role	Function Description	RITS UI Function Name
LVSS Settlement Method Queue Management (new role)	LVSS Settlement Method - Queue Management *	Change the LVSS Settlement Method of queued LVSS transactions.	Queued Payments Management – ESA/Credit Status/LVSS Settle Method
	LVSS Settlement Method – Bulk Change *	Change the LVSS Settlement Method of many LVSS transactions in one action, similar to Bulk ESA and Bulk Credit Status Management. LVSS Settlement Method can be changed by branch for payments on the System Queue and/or new transactions entering the system.	Bulk LVSS Settlement Method Management
Unsolicited Advices	LVSS Message Selection *	Select or change selection of specific LVSS advices and responses.	LVSS Message Selection (accessed from Unsolicited Advices screen)
Overnight Enquiry	Holiday Enquiry LVSS Bilateral Position Summary LVSS Clearing Interest Enquiry LVSS File Enquiry LVSS Transaction Enquiry Password – Change Own Password Manual FSI Enquiry Manual FRI Enquiry	This role allows access to LVSS related enquiry functions, including during the Overnight Enquiry session. <i>This role is now available in the RITS Pre-Production Environment.</i>	RITS Holidays LVSS Bilateral Position Summary LVSS Clearing Interest Enquiry LVSS File Enquiry LVSS Transaction Enquiry Change Password Manual FSI Enquiry Manual FRI Enquiry
Limited Overnight Enquiry⁺	Holiday Enquiry LVSS File Enquiry Password – Change Own Password	This role allows access to LVSS File Enquiry, but not other LVSS related enquiry functions, including during the Overnight Enquiry session.	RITS Holidays LVSS File Enquiry Change Password
Manual FSI Entry⁺	Manual FSI Enquiry Manual FSI Entry* Manual FSI Amend/Delete	This role allows access to enter, enquire, amend or delete manual FSIs.	FSI Enquiry FSI Entry FSI Amend/Delete
Manual FRI Entry⁺	Manual FRI Enquiry Manual FRI Entry*	This role allows access to enter or enquire on the status of manual FRIs.	FRI Enquiry FRI Entry
Manual FSI Authorisation⁺	Manual FSI Enquiry Manual FSI Authorisation	This role allows access to authorise or enquire on the status of manual FSIs.	FSI Enquiry FSI Authorisation



Role Name	Functions in the Role	Function Description	RITS UI Function Name
Manual FRI Authorisation⁺	Manual FRI Enquiry Manual FRI Authorisation	This role allows access to authorise or enquire on the status of manual FRIs.	FRI Enquiry FRI Authorisation

⁺ These roles are expected to be available in the RITS Pre-Production Environment in Feb 2012.

3.3 LVSS functions in Member Enquiries and All Users roles

The following LVSS enquiry functions have been added to the existing 'Member Enquiries' or 'All Users' roles. All users who have these roles are able to access these new functions.

Role Name	Functions in the Role	Function Description	RITS UI Function Name
Member Enquiries (existing role)	LVSS File Enquiry	View LVSS FSIs, FRIs, LVSS advices and responses.	LVSS File Enquiry
	ESA/Credit Status – Override Status Enquiry (includes LVSS Settlement Method overrides)	View the LVSS Settlement Method overrides that have been applied.	Override ESA/Credit Status/LVSS Settle Method
	LVSS Message Selection Enquiry	View specific LVSS advices and responses.	LVSS Message Selection (accessed from Unsolicited Advices screen)
	LVSS Multilateral Position Summary	View multilateral net position of LVSS transactions and details of any account limit failures.	LVSS Multilateral Position Summary
	LVSS Settlement Method Queue Management Enquiry	View LVSS Settlement Method of FSIs on the RITS System Queue.	Queued Payments Management – ESA/Credit Status/LVSS Settle Method
	LVSS Transaction Enquiry	View LVSS Transactions.	LVSS Transaction Enquiry
	LVSS Bilateral Position Summary	View overall settlement position by payment service and by counterparty	LVSS Bilateral Position Summary
	LVSS Clearing Interest Enquiry	View details of clearing interest transactions.	LVSS Clearing Interest Enquiry
	Manual FSI Enquiry (from Feb 2012)	View details of manually entered FSIs	FSI Enquiry
	Manual FRI Enquiry (from Feb 2012)	View details of manually entered FRIs	FRI Enquiry
All Users (existing role)	Member Reports	Includes LVSS Transaction Enquiry Report.	Member Reports



3.4 Authorisations

As noted in section 3.2, optional authorisations are available on the following new LVSS functions:

- LVSS Settlement Method – Set Override
- LVSS Settlement Method - Queue Management
- LVSS Settlement Method – Bulk Change
- LVSS Message Selection

Each RITS Member should determine to which of these LVSS-related functions they wish to add a requirement for user authorisation. These must be advised to the RITS Help Desk for authorisation to be set up (using the *Member Authorisation Maintenance* form, available under Standard Forms on the [RITS Information Facility](#)). Once this has been done, the Member's Password Administrator can allocate specific authorisations to users, as required.

Further information is available in the [Authorisations User Guide](#) on the RITS Information Facility.

3.5 Linking Users to Branches

Members that set up new branches for LVSS transactions will need to ensure that users are linked to those branches in order to perform updates on transactions in those branches (for example, change the ESA Status of a queued transaction, change the LVSS Settlement Method of a queued transaction) and to amend settings on those branches (for example, to turn cash account limit processing off). This is in addition to users having the relevant role(s).

The Member Password Administrator manages users' links to branches in the function **User Privileges**.



4. LVSS AGENCY ARRANGEMENTS

This section applies to those RITS Members who use an agent for the delivery and receipt of files relating to the processing of LVSS instructions.

4.1 What a Member needs to do

Each Member needs to:

- Advise the Reserve Bank of any agents that will act on their behalf for the LVSS.
- Execute the 'Low Value Services – Appointment of Agent' form for each agent that it wishes to appoint.

4.2 Appointing an agent

Where a RITS Member makes an arrangement with an agent to undertake LVSS file transfers on their behalf for one or more clearing systems, the RITS Member must authorise the agent to deal with the Reserve Bank on their behalf. This authorisation is provided by the RITS Member completing the Low Value Services – Appointment of Agent form (refer to Exhibit 9A/25A of the [RITS Conditions of Operation](#) and Exhibit D of the [RITS Regulations](#); the form is available under Standard Forms on the [RITS Information Facility](#)).

The agent may be authorised to undertake LVSS file transfer activity for one or more clearing systems. A separate form must be completed for **each** agency relationship the RITS Member wishes to authorise. Some RITS Members have already appointed agents to act on their behalf for the LVSS when they provided the Reserve Bank with authorisation concerning the Low Value Clearing Service (LVCS), as the LVSS authorisation was able to be indicated on the same form.

RITS Members are advised to contact the Reserve Bank via the RITS Help Desk to discuss their organisation's requirements.

Members should note that RITS will check, as necessary, that FSIs for each Payment Service are delivered by authorised agents in accordance with their instructions. [FSIs submitted by a sender other than the Originator or the Originator's authorised agent will be rejected.](#)



5. TRANSACTION MANAGEMENT ADMINISTRATION

This section covers set-up requirements for the management of LVSS transactions in RITS, including the selection of advices and responses and AIF messages.

5.1 What a Member needs to do

Each Member needs to:

- Determine requirements for the override ESA status setting on each of its cash accounts (particularly for cash accounts linked to debit items branches where the Member will be the Payer but not the Originator).
- Determine requirements for the override LVSS Settlement Method setting on each of its cash accounts.
- Ensure that the status of Deferred is not used for either the Credit Status or the Cash Account status in any LVSS transaction, including as an override setting.
- Ensure that cash account limits processing is turned off for all cash accounts used in the 9am settlement.
- Determine requirements for the selection of LVSS advices and responses.
- Determine requirements for the selection of AIF messages in relation to LVSS transactions.
- Enter the necessary settings and details into RITS for each of the above items.

The rest of this section provides further information to help Members determine their requirements.

5.2 Override ESA Status

An override ESA Status can be set on a cash account by a RITS Member at any time. It is recommended that it is set up prior to the LVSS going live.

Members should note that debit items FSIs will be given an ESA status of Deferred by RITS, as the Originator is not the Payer. If a Member wishes to have these transactions queued with an ESA Status of Active or Priority, it will need to set an override ESA Status on the relevant cash accounts (i.e. those belonging to its Debit Items branches).

Credit items FSIs will take the ESA Status set by the Originator in the FSI (if present). An override ESA status on the relevant cash accounts (i.e. those belonging to Credit Items Branches) will override the value set in the FSI.

If an ESA status is not present in the FSI, and an override value is not set in the Payer's relevant cash account, the system default of Active will be applied.

Please refer to the [ESA Management User Guide](#) for more information on setting an override ESA status.



5.3 Override LVSS Settlement Method

The override LVSS Settlement Method can be set on a cash account by a RITS Member at any time. It is recommended that it is set up prior to the LVSS going live.

The Originator of an FSI is optionally able to indicate an LVSS Settlement Method, both for transactions where they are the Payer and for those where they are the Payee. This will be overridden by the override LVSS Settlement Method on the Payer's relevant cash account, if set.

If an LVSS Settlement Method value is not present in the FSI, and an override value is not set on the Payer's relevant cash account, the system default of 'I' for Individual will be applied.

FSIs with a Settlement Method of 'I' (Individual) are immediately tested for settlement on the settlement date. Accordingly, the BECG Payment Service (BECS Government transactions) will use the Settlement Method of 'I'. All other Payment Services are currently expected to use a Settlement Method of 'M' for Multilateral. It is recommended that Members set an override LVSS Settlement Method of 'M' on all relevant LVSS branches (other than those used for BECG FSIs). A Paying Member should note that an LVSS transaction that has an LVSS Settlement Method of 'I' set by the Originator, and an active or priority ESA status upon being placed on the Queue, may settle immediately.

Please refer to the [ESA Management User Guide](#) for more information on the functionality for setting overrides.

5.4 Credit Status

Members are not expected to use the Credit Status in their management of LVSS transactions. As such, a Credit Status of Deferred should not be used in FSIs. Members should also ensure that they do not use an override Credit Status setting of Deferred on any of their LVSS-related cash accounts.

5.5 Cash Account Limit Processing

Cash limit processing for LVSS transactions involved in the 9am settlement process must be **turned off**. Cash Account limits and sub-limits are not to be used for 9am settlement. Members should note that the current 9am settlement arrangements disregard cash account limits.

The RBA strongly recommends that members also turn off cash account limits processing for any other cash accounts used for LVSS transactions, i.e. for those FSIs that will settle as individual transactions (e.g. government direct entry related LVSS transactions using the Payment Service BECG).

5.6 Cash Account Status

Members should ensure that a Cash Account Status of Deferred is not used in FSIs. Even if cash account limit processing is turned off, a transaction with a Cash Account Status of Deferred will not be eligible to settle. Members should also ensure that they do not use an override Cash Account Status setting of Deferred on any of their LVSS branches.

5.7 Selecting LVSS Advices and Responses

A new function is provided in RITS for the selection of optional LVSS advices and responses. Members should note that their selection is applicable for all Payment Services. The



selection also covers FSIs where the Member is the Originator and those where the Member is the Counterparty.

The new function is accessed via a button "LVSS Messages" on the existing Unsolicited Advices screen. The following advices and responses are selectable:

Message Type	Description
FSRS	File Settlement Response Settled
FSRU2	File Settlement Response Recalled
FSRU3	File Settlement Response Unsettled at EOD
FRRS	File Recall Response Recalled
FRRU2	File Recall Response Failed
FSA1	File Settlement Advice 1 - Accepted
FSA2	File Settlement Advice 2 - Changed SM

FSRU1 and FRRU1 messages are not selectable as they are mandatory and will always be sent.

Please refer to the [LVSS Member Technical Specifications](#) for more information on the events that trigger the sending of LVSS advices and responses. For further information about unsolicited advices and LVSS message selection, please refer to the [Member Administration User Guide](#).

5.8 AIF messages and LVSS transactions

RITS Members who are AIF users can select Pre- and Post-settlement Advices for their LVSS transactions. A user must select **Unsolicited Advices** from the **Member Admin** tab on the menu to make the necessary selections.

Pre- and Post-settlement Advices are selected at the branch level. Other advices relevant to LVSS (see table below) can only be selected at the global level.

This table shows the AIF messages that, if selected, will be produced for LVSS-related transactions.

Message Type	Sub Message Type	Description	Selection Level
198	028	Pre-Settlement Advice (Credit Level)	Branch
198	029	Pre-Settlement Advice (ESA Level)	Branch
198	036	Post-Settlement Advice Debit Interbank	Branch
198	037	Post-Settlement Advice Credit Interbank	Branch
198	003	Unsolicited Recall Advice (RITS Trans)	Global
198	006	Unsolicited Change ESA Status Advice(RITS Trans)	Global
198	009	Unsolicited Change Credit Status Advice(RITS Trans)	Global
198	038	Unsettled Advice (EOD) RITS/FINTRACS	Global



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Members should note that the Transaction Type field (tag 908) in AIF Pre- and Post-settlement Advices will contain the 4-letter code of the Payment Service (e.g. APCE, APCR, BECN, BECG) in place of a feeder system identifier.

Members that receive an ESA Statement ([MT942](#) or MT950) will see each individual LVSS transaction as a separate statement line. Members should note that the Transaction Type element of the statement line (tag 61) in ESA statements will contain the 4-letter code of the Payment Service (e.g. APCE, APCR, BECN, BECG) in place of a feeder system identifier.

There are no changes to the format or content of AIF messages.

For further information about unsolicited advices, please refer to the [Member Administration User Guide](#) and the [RITS/SWIFT Interface User Guide](#).



6. FILE ROUTING ADMINISTRATION

This section sets out the arrangements for the routing of LVSS advice and response files sent to Members by RITS.

6.1 What a Member needs to do

Each Member needs to:

- Note the file naming conventions used by RITS for LVSS advice and response files, particularly for reject responses where an agent is used.
- Advise the RITS Help Desk of its routing requirements for the mandatory LVSS reject response files.
- Advise the RITS Help Desk of its routing requirements for the optional LVSS advice and response files, as necessary.

The rest of this section provides further information to help Members determine their requirements.

6.2 File Routing principles and guidelines

LVSS advices and responses can be delivered to Members via SWIFT FileAct or the COIN. If a Member already receives files from the Low Value Clearing Service (LVCS) via the COIN, the Reserve Bank will use the same destination / mailbox used for the LVCS to deliver LVSS advices and responses. Alternatively, Members may nominate a different destination / mailbox by contacting the RITS Help Desk.

For SWIFT participants, LVSS advices and responses will use the SWIFT File Act Request Type of "pacs.xxx.lvs" (low value settlement), regardless of the request type that was used to deliver the related FSI.

The agreed routing arrangements will cover the transfer of LVSS files from RITS to the nominated recipient. They will not cover any subsequent process flows (which may be internal or involve passing the file on to an eventual recipient). The file naming standard (see section 6.3) is designed to assist the recipient with further internal processing or any on-forwarding that may be required.

[Members who elect to receive settlement response messages should note that a large number of files \(in some cases, hundreds\) will be sent by RITS when settlement occurs at 9.00 am. Internal processing arrangements for these multiple incoming file transfers need to take this into account.](#)

LVSS advices and responses can be routed according to each Member's requirements. It is expected that one of the following approaches will be adopted by each Member; the actual approach adopted depends on whether the Member directly participates in low value clearings and settlement or whether they use an agent across one or more payment services:

- A Member that delivers its own FSIs/FRIs directly to RITS can request all LVSS advices and responses be routed to it.
- A Member that uses a single agent for all of its LVSS messaging can request that all LVSS advices and responses be routed to that agent.



- A Member that uses one agent for one clearing system and a different agent for another clearing system (or a Member that sends some FSIs on its own behalf and uses an agent for others) can request specific routing rules be set up for each Payment Service element in the file name to differentially route to their nominated agent (or to themselves).

Members whose circumstances are not addressed above should contact the Reserve Bank to discuss their requirements.

RITS Members (and their agents) should note that FSI/FRI reject responses are mandatory. Even if a Member does not require any of the optional LVSS advices and responses to be sent, they (or their agent) must still be able to receive the mandatory FSI/FRI reject responses. Reject responses will be addressed to the 'Sender' of the rejected FSI or FRI (by the Recipient ID in the file name) and routing rules will be set up to deliver the response to that party.

Members that use an agent to deliver their FSIs/FRIs should note that the reject response file name will contain the Recipient ID code **of the agent**. Routing rules will need to be based on that code (and not the Member as Originator).

Members should also note that there are no LVSS advices and responses sent for the payment service CINT. This is a specific payment service used by RITS for the creation of clearing interest transactions.

6.3 File naming for LVSS advices and responses

6.3.1 Advices and non-Reject Responses

The standard syntax for file names associated with LVSS advices and non-reject responses is:

MessageType.MessageID.RecipientID.PaymentService.XML

The Recipient ID will always be the Originator ID or Counterparty ID from the related FSI or FRI (i.e. the 4-character RITS mnemonic). The Payment Service element will always be populated.

6.3.2 FSI Reject responses – FSRU1

The file name syntax for FSI reject responses (FSRU1) is:

MessageType.MessageID.RecipientID.PaymentService.OriginatorID.XML

The Recipient ID is the Sender of the FSI. The Sender is the entity that delivered the FSI file to RITS via the COIN or SWIFT File Act. In practice this will usually be the Originator or their appointed agent. The Sender ID used will be the Sender's RITS mnemonic, or a 4-character code assigned by the Reserve Bank if the Sender is not a RITS Member. (Agents that are not RITS members should contact the RITS Help Desk to be advised of their code.)

The Payment Service value in the FSRU1 file name is the value recorded in the related FSI. If this field is invalid in the FSI, the invalid value will be contained in the FRRU1 file name. If the Payment Service field was absent from the FSI, the Payment Service component of the FRRU1 file name will be populated with 'XXXX'.

The Originator ID is only included in the FSRU1 file name if the Sender of the FSI is different from the Originator ID included in the FSI. This will usually only occur when the Originator



uses an agent to deliver their files to RITS. However, it will also occur when a Member delivering its own files includes an incorrect Originator ID in its FSI. This 'incorrect' Originator ID will be included in the reject response file name. Also, if an agent delivers an FSI without an Originator ID, the Originator ID component of the file name will be absent.

6.3.3 FRI Reject responses – FRRU1

The file name syntax for FRI reject responses (FRRU1) is:

MessageType.MessageID.RecipientID.OriginatorID.XML

As with FSI reject responses, the Recipient ID is the Sender of the FRI. For an invalid FRI, it is possible that the Originator ID field in the FRI is actually incorrect or is absent. This is the reason that the Recipient ID component of the FRI reject response file name is the Sender rather than the Originator.

The Payment Service is not included in the file name for FRI rejects, as it is not included in the related FRI.

The Originator ID is only included in the FRRU1 file name if the Sender of the FSI is different from the Originator ID included in the FRI. This is the case even if the Originator ID in the FRI is incorrect. This is to assist agents in their processing FRI reject response files. If the Sender is also the Originator, this component of the file name is absent.

6.3.4 Test File Names

RITS will use the same file names for LVSS advices and responses in the Production and Pre-Production environments. Members that wish to send and/or receive different file names for test purposes should contact the Reserve Bank to discuss their requirements.

6.3.5 File Name Structure examples

The following table shows examples of the file name structure to assist Members (and agents) to determine their LVSS message routing requirements. Specific examples of routing rules and file names are shown in the next section.

Members should note the second element of the file name is the Message ID assigned by RITS. This field is 8 characters in length, consisting of the letter "L" followed by seven numbers (e.g. L1000123), which increments for each file sent by RITS. This numerical sequence is across RITS, not by Member, so Members will not receive sequential numbers. Members should ensure their file transfer applications and mainframe systems (where applicable) can cater for a variable value in this field. PSRV is used (for illustrative purposes) as an abbreviation for payment service.

File Type	File Name	Comment
FSA1 (File Settlement Advice Accepted)	FSA1.Lxxxxxxx.ORIG.PSRV.XML FSA1.Lxxxxxxx.CNTY.PSRV.XML	Advice for Originator Advice for Counterparty
FSA2 (File Settlement Advice Changed SM)	FSA2.Lxxxxxxx.ORIG.PSRV.XML FSA2.Lxxxxxxx.CNTY.PSRV.XML	Advice for Originator Advice for Counterparty
FSRS (File Settlement Response Settled)	FSRS.Lxxxxxxx.ORIG.PSRV.XML FSRS.Lxxxxxxx.CNTY.PSRV.XML	Response for Originator Response for Counterparty
FSRU2 (File Settlement Response Recalled)	FSRU2.Lxxxxxxx.ORIG.PSRV.XML FSRU2.Lxxxxxxx.CNTY.PSRV.XML	Response for Originator Response for Counterparty
FSRU3 (File Settlement Response UnsettledEOD)	FSRU3.Lxxxxxxx.ORIG.PSRV.XML FSRU3.Lxxxxxxx.CNTY.PSRV.XML	Response for Originator Response for Counterparty



File Type	File Name	Comment
FRRS (File Recall Response Recalled)	FRRS.Lxxxxxxx.ORIG.PSRV.XML	Response for Originator
FRRU2 (File Recall Response Failed)	FRRU2.Lxxxxxxx.ORIG.PSRV.XML	Response for Originator
FSRU1 (File Settlement Response Rejected)	FSRU1.Lxxxxxxx.SNDR.PSRV.XML	Payment Service from FSI and Sender is Originator (or Originator ID is absent).
	FSRU1.Lxxxxxxx.SNDR.PSRV.ORIG.XML	Payment Service from FSI and Sender is not Originator.
	FSRU1.Lxxxxxxx.SNDR.XXXX.XML	Payment Service not in FSI and Sender is Originator (or Originator ID is absent).
	FSRU1.Lxxxxxxx.SNDR.XXXX.ORIG.XML	Payment Service not in FSI and Sender is not Originator
FRRU1 (File Reject Response Rejected)	FRRU1.Lxxxxxxx.SNDR.XML	Sender is Originator.
	FRRU1.Lxxxxxxx.SNDR.ORIG.XML	Sender is not Originator.

6.4 Example File Routing Rules and File Names

The following table sets out some examples of different types of Member participation and how the LVSS advices and responses are likely to be routed in each of these circumstances.

Example Member Arrangement	RITS Routing rules	Sample file names (RITS routing rule is based on bold component)
<p>North Bank is a Participant in BECS and APCS and sends its own FSIs.</p> <p>North Bank is not an agent for other participants.</p> <p>North Bank wants all of its LVSS advices and responses (as both Originator and Counterparty) to be sent to <u>North Bank</u>.</p>	<p>If Recipient ID=NRTH, route to North Bank.</p>	<p>Routed to North Bank:</p> <p>FSA1.L1234561.NRTH.BECN.XML</p> <p>FRRS.L12345682.NRTH.APCE.XML</p> <p>FSRU1.L1234563.NRTH.BECN.XML</p>



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Example Member Arrangement	RITS Routing rules	Sample file names (RITS routing rule is based on bold component)
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<p>Green Bank and Blue Bank both use an agent called File Courier Services for BECS. Green Bank wants all of its optional LVSS advices and responses to be sent to <u>File Courier Services</u>.</p>	<p>If Recipient ID=GREN, route to File Courier Services. Note, this excludes reject responses, as they have the Recipient ID of File Courier Services.</p>	<p>Routed to File Courier Services: FSA1.L1234570.GREN.BECN.XML FSRS.L1234571.GREN.BECG.XML</p>
<p>Blue Bank wants all of its optional LVSS advices and responses to be sent to <u>File Courier Services</u>.</p>	<p>If Recipient ID=BLUE, route to File Courier Services. Note, this excludes reject responses, as they have the Recipient ID of File Courier Services.</p>	<p>Routed to File Courier Services: FSA1.L1234572.BLUE.BECN.XML FSRS.L1234573.BLUE.BECG.XML</p>
<p>Reject responses for files sent in by File Courier Services on behalf of Green Bank and Blue Bank will be sent to <u>File Courier Services</u>.</p>	<p>If Recipient ID=COUR, route to File Courier Services. This will only be reject responses, as they have the Recipient ID of File Courier Services, other files will have the Recipient ID of the Originator or Counterparty.</p>	<p>Routed to File Courier Services: FSRU1.L1234574.COUR.BECN.GREN.XML (the reject message for an invalid FSI sent by File Courier Services on behalf of Green Bank) FSRU1.L1234575.COUR.BECN.BLUE.XML (the reject message for an invalid FSI sent by File Courier Services on behalf of Blue Bank) <i>File Courier Services may use the GREN and BLUE file name elements for internal routing or processing.</i></p>

<p>East Bank is a Participant in BECS and APCS and sends its own FSIs. East Bank is also agent for Pink Bank in BECS. East Bank wants all of its LVSS advices and responses to be sent to <u>East Bank</u>.</p>	<p>If Recipient ID=EAST, route to East Bank. Note, this includes reject responses for FSIs and FRIs sent on behalf of Pink Bank, as they have the Recipient ID of East Bank.</p>	<p>Routed to East Bank: FSA1.L1234564.EAST.BECN.XML FSRS.L1234565.EAST.APCE.XML FSRU1.L1234566.EAST.BECN.XML FSRU1.L1234567.EAST.BECN.PINK.XML (the reject message for an invalid FSI sent by East Bank on behalf of Pink Bank)</p>
<p>Pink Bank wants its optional BECS LVSS advices and responses to be sent to <u>East Bank</u>.</p>	<p>If Recipient ID=PINK, route to East Bank. Note, this excludes reject responses, as they have the Recipient ID of East Bank.</p>	<p>Routed to East Bank: FSA1.L1234568.PINK.BECN.XML FSRS.L1234569.PINK.BECG.XML</p>



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Example Member Arrangement	RITS Routing rules	Sample file names (RITS routing rule is based on bold component)
<p>Red Bank only participates as an APCS Tier 1B Member. It does not originate any FSIs.</p>	<p>There are no LVSS messages with Red Bank as Recipient ID. Note that reject responses would be addressed to the sender of the FSI/FRI, not to Red Bank. Red Bank does not need to specify any routing requirements.</p>	
<p>Yellow Bank uses South Bank as agent for BECS and uses File Courier Services as agent for CECS. Yellow Bank wants its BECS optional advices and responses to be sent to <u>South Bank</u>. Yellow Bank wants its CECS optional advices and responses to be sent to <u>File Courier Services</u>.</p>	<p>If Recipient ID=YELO and Payment Service=BECS, route to South Bank If Recipient ID=YELO and Payment Service=CECS, route to File Courier Services Note, this excludes reject responses, as they have the recipient ID of either South Bank or File Courier Services</p>	<p>Routed to South Bank: FSA1.L1234576.YELO.BECN.XML FSRS.L1234577.YELO.BECG.XML</p> <p>Routed to File Courier Services: FSA1.L1234578.YELO.CECS.XML FSRS.L1234579.YELO.CECS.XML</p>
<p>Reject responses for files sent in by South Bank will be sent to <u>South Bank</u></p>	<p>If Recipient ID=STHB, route to South Bank.</p>	<p>Routed to South Bank: FSRU1.L1234580.STHB.BECN.YELO.XML (the reject message for an invalid FSI sent by South Bank on behalf of Yellow Bank)</p>
<p>Reject responses for files sent in by File Courier Services will be sent to <u>File Courier Services</u>.</p>	<p>If Recipient ID=COUR, route to File Courier Services.</p>	<p>Routed to File Courier Services: FSRU1.L1234581.COUR.CECS.YELO.XML (the reject message for an invalid FSI sent by File Courier Services on behalf of Yellow Bank)</p>