

# **RESERVE BANK INFORMATION AND TRANSFER SYSTEM**

## **Overview of Functionality User Guide**

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**9 September 2024**



**RITS**

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**RITS****Document Change History**

Version	Date Completed	Comments
1.0	April 2006	Initial version (unnumbered)
1.n	2006 to April 2003	Various historical updates (unnumbered)
2.0	15 August 2023	Change to text regarding reset of the failed attempts counter for RITS passwords.  'Document Change History' section added.
2.1	16 May 2024	Removal of paragraphs (from sections 4.4, 4.10 and 4.11) referring to the former 5-minute grace period at the end of the Daily Settlement Session, to align with the RITS Regulations.
2.2	3 September 2024	Information from a separate document titled RITS Session Extension Arrangements incorporated into section 4.14. Updated details for changes in RITS Billing.
2.3	9 September 2024	Updates related to the migration of the Automated Information Facility (AIF) messages to ISO 20022 format.



## **1. INFORMATION FOR RITS MEMBERS**

### **1.1 Introduction**

This document describes the RITS functionality required to:

- access RITS;
- enter transactions, make enquiries and print and download reports;
- view and manage ESA balances and queued payments; and
- perform password, digital certificate and user administration.

An explanation is provided of the operation of the System Queue and its associated features, like Auto-Offset, as well as the Fast Settlement Service (FSS).

The Standing Facility which allows ESA holders to access liquidity from the Reserve Bank via reciprocal purchase transactions (repos), as well as the CHESS, Mastercard, eftpos, PEXA and ASXF Batches is also described.

### **1.2 Guides to RITS functions**

User guides for RITS are listed in the table below.

Detailed descriptions of the **RITS functions** are provided in separate user guides. These are based on the major headings in the RITS menu of functions. They can be found in the RITS Information Facility or at [www.rba.gov.au/rits/info](http://www.rba.gov.au/rits/info).

<b>User Guide</b>	<b>Description of Functionality</b>
Assisted Transactions	Outlines the procedure for Members in obtaining Assisted Transactions.
Authorisations	Outlines the functions to assign authorisation privileges and to complete authorisations.
Batch Administration	Outlines the batch entry, management, and enquiry functions for Batch Administrators.
Batch Participant	Outlines the enquiry functions of batch transactions for batch participants.
Billing	Describes how to view current and previous invoices, billing transaction details, payments, late fees and adjustment. Also describes the structure of the invoice.
Bulk FSI Upload	Provides details on how to enter, delete, authorise and enquire on Bulk FSI files.
Cash Transfer	Provides details on how to enter, amend, delete, authorise and enquire on Cash Transfers.



<b>User Guide</b>	<b>Description of Functionality</b>
ESA Management	Describes the functions to view and manage queued payments, set ESA sub-limits, set override statuses, view settled payments and transaction enquiries, set cash account limits and sub-limits and enquire on cash accounts. Also describes FSS functions to view settled NPP payments and rejected messages, set FSS-related alerts, and manage and enquire on Allocation Transfers.
LVCS	Outlines the LVCS operational and service arrangements, how to establish connectivity via SWIFT FileAct or COIN and transfer files across the LVCS.
LVSS	Describes the LVSS operational arrangements, message flows and how to setup participants.
Manual FSI/FRI Entry	Describes the functions to enter, amend, delete, authorise and enquire on manually entered FSIs and FRIs.
Member Administration	(For Password/Certificate Administrators) describes the functions to manage users' passwords and certificates and allocate roles and authorisation privileges; (for all users) describes the functions to change their own passwords and view privileges.
Messages and Information	Describes messages sent by RITS, the FSS and the RITS System Administrator to closed user groups, and information about RITS and its Members.
Reports	Describes how to print and download online and overnight reports.
RITS Access and Security	Describes the security measures in place, the process for obtaining a RITS digital certificate and how to access RITS.
RITS/SWIFT Interface	Describes the features of the SWIFT Interface on RITS available to members, the control over payments using the Automated Information Facility (AIF) and the exchange of information between ESA holders and RITS using the SWIFT network.
Targeted Bilateral Offset	Describes the Targeted Bilateral Offset facility and how it is used.
User Access Reporting	Describes reports which relate to user access.

### **1.3 How to obtain copies of the user guides**

User guides and other material are available from the RITS Information Facility (see below).

Guides can be downloaded in a PDF format, which can then be saved locally or printed.

### **1.4 RITS Information Facility**

An online source of information for RITS Members is available in RITS and on the internet.





### RITS

### Information for RITS Members

Access the Information Facility via:

- RITS UI – after logging on, select the Information icon in the Header; or
- the internet at [www.rba.gov.au/rits](http://www.rba.gov.au/rits).

The Facility covers the following topics:

- About RITS (An overview of RITS)
- Batches
- Business Continuity
- Certificates and Tokens
- Connectivity Requirements
- Contingency Arrangements (version accessed via the RITS UI only)
- Contacts
- ESA Interest Rates
- Fast Settlement Service
- Fees and Billing
- Legal Structure
- Member Contacts (version accessed via the RITS UI only)
- Overnight Repos
- Projects
- RITS Advices (version accessed via the RITS UI only)
- RITS Membership
- Session Arrangements
- Standard Forms
- Technical Requirements
- Training and Tips
- User Guides

#### 1.5 Public information in RITS

Public information on RITS is available on the Reserve Bank's website at [www.rba.gov.au/payments-and-infrastructure/rits/about.html](http://www.rba.gov.au/payments-and-infrastructure/rits/about.html).

#### 1.6 Utilities to prepare your token and PC for RITS

Utilities are available at the RITS Information Facility internet site and from the RITS Login page. These are used to prepare your token and PC for access to RITS.

- RITS Software Page – download page for RITS software.
- RITS Token Administration – used to format a RITS token and set a Token Codeword.
- RITS Testcard – used to test that a user's PC has the correct set-up to access RITS.



## **2. ABOUT RITS**

### **2.1 What is RITS?**

RITS, owned and operated by the Reserve Bank of Australia, is the system through which interbank settlement of payment obligations occurs. By value, the bulk of these are settled on a Real-Time Gross Settlement (RTGS) basis. RTGS ensures that transactions between Members, or clients of different Members, will only proceed to settlement where the Paying Member has sufficient credit funds in its Exchange Settlement Account (ESA) at the Reserve Bank.

Transactions settled across RITS on an RTGS basis include Cash Transfers and transactions entered via external Feeder Systems. RITS also facilitates the deferred net settlement of transactions entered through the Low Value Settlement Service (LVSS) and the RITS batch facility. Transactions are settled either on the System Queue which tests transactions for settlement in a 'next down looping' process and allows for the priority of transactions to be managed, or in the FSS which settles transactions immediately in the order in which they are received.<sup>1</sup>

Transactions tested and settled on the System Queue include:

- Cash Transfers which are entered directly into RITS. Cash Transfers are used to make cash payments, including settlement of interbank cash market transactions and obligations arising from low-value clearing stream agency arrangements. Cash Transfers may also be used in contingency situations to make payments if one or more of the Feeder Systems are unavailable.
- Austraclear Feeder System transactions. Austraclear is a system which facilitates settlement of Commonwealth Government, semi-government and private-sector debt securities transactions. Austraclear also offers an Austraclear Cash Transfer facility.
- SWIFT Payment Delivery System (SWIFT PDS) Feeder System transactions. The SWIFT PDS contains two Closed User Groups (CUGs) of Members that participate in the High Value Clearing System (HVCS) (administered by AusPayNet) for sending payments that are submitted to RITS for settlement. The SWIFT PDS uses the SWIFT FIN-Copy service in partial Y mode for SWIFT MT payments (the MT CUG) or the SWIFTNet Copy service over InterAct in partial Y mode for ISO 20022 payments (the ISO 20022 CUG). In value terms, SWIFT payments are predominantly related to the Australian dollar leg of foreign exchange settlements and interbank customer payments. These include payments that settle through Continued Linked Settlement (CLS), a multi-currency settlement system designed to reduce foreign exchange settlement risk by settling both legs of foreign exchange transactions simultaneously (see [\*Continuous Linked Settlement: RITS Session Times and Operational Arrangements\*](#) for details).
- CHESS-RTGS – for optional RTGS settlement of transactions in the Australian Stock Exchange's Clearing House Electronic Sub-Register System (CHESS) for equities transactions.
- Settlement obligations for low value clearings are input into RITS and settled via the Low Value Settlement Service (LVSS). Obligations arising from cheques, credit and debit cards, and some bulk direct entry electronic payments are settled on a multilaterally netted basis at around 09:00. Most non-Government direct entry obligations are settled on a multilaterally netted basis throughout the Daily Settlement Session and Evening

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<sup>1</sup> In terms of the RITS Regulations, the RBA operates the FSS as a service of RITS. In this User Guide a distinction is at times made between RITS and FSS processing to provide additional clarity. This does not, however, in any way change the legal basis of the arrangements.



### RITS

### About RITS

Settlement Session. Government direct entry obligations are settled during the Morning Settlement Session.

- Obligations arising in the Australian Stock Exchange's CHESS system are currently settled in one central party batch around lunchtime each day. Settlement of Mastercard's domestic AUD obligations occurs in one multilateral batch each day. Settlement of multilaterally netted eftpos transactions similarly occurs once per day. Obligations arising in the electronic conveyancing systems (for example Property Exchange Australia Limited's PEXA system) are settled in many multilateral batches each day.
- RITS Allocation Transactions, i.e. the RITS Allocation Transaction 'legs' of Allocation Transfers are tested on the System Queue.

Transactions tested and settled in the FSS include:

- New Payments Platform (NPP) Feeder System transactions. The NPP allows customers to make information-rich payments which are settled in the FSS in near real time.
- FSS Allocation Transactions, i.e. the FSS legs of Allocation Transfers.

All interbank transactions in RITS are settled across Exchange Settlement Accounts (ESAs) held with the Reserve Bank. All transactions settled across ESAs are final and irrevocable. They are protected from application of the zero-hour rule following the designation of RITS as an approved RTGS system by the Reserve Bank.<sup>2</sup>

ESAs are accessed through RITS, and all ESA holders are Members of RITS. Other institutions (termed 'Non-ESA holders') join RITS to engage in RBA open market operations or to become batch administrators.

## 2.2 Facilities available to RITS Members

The following facilities are provided to Members in RITS:

- real-time monitoring of the ESA, including the balance of ESA funds set aside for the settlement of transactions on the System Queue (the RITS Balance) and the balance of ESA funds set aside for the settlement of transactions in the FSS (the FSS Balance);
- two-sided Cash Transfers;
- settlement of obligations arising from low-value payments, via the Low Value Settlement Service (LVSS), including the ability to submit and enquire on LVSS transactions overnight;
- manual input of a File Settlement Instruction (FSI);
- selection of an FSI for recall and creation of a File Recall Instruction;
- real-time monitoring of interbank settlements across the RITS Balance, including those from Austraclear, the SWIFT PDS and CHESS-RTGS;
- Automated Information Facility (AIF), an enquiry and reporting service used by ESA holders to perform ESA credit and liquidity management and to receive ESA statements and other RITS data. It is a service offered to a Closed User Group (CUG) of RITS Members. There are two AIF CUGs: the AIF MT CUG, which uses the SWIFT FIN Service, and the AIF ISO 20022 CUG, which uses

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<sup>2</sup> See RBA Media Release 98-15, 29 October 1998.



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### About RITS

the SWIFTNet service over InterAct.<sup>3</sup> For more information please see the *RITS/SWIFT Interface User Guide*.

- Auto-Offset, which is a gridlock-preventing facility. It is activated when a payment has failed Limits testing and has remained unsettled on the System Queue for at least one minute. Auto-Offset will search for offsetting payments from the receiving party, including RITS, Austraclear, CHES-RTGS or SWIFT payments, and where no Limits or Sub-Limits will be breached, will settle them simultaneously;
- Targeted Bilateral Offset allows a Member to simultaneously settle multiple transactions with one other Member;
- Information on a Member's net position in the 9am LVSS multilateral settlement (responsible for settling cheque, credit and debit card obligations) and each of the other five LVSS multilateral runs (responsible for settling bulk direct entry electronic payments); and
- Standing Facility Repos which allow eligible ESA holders to access funds for ESA liquidity from the Reserve Bank.

If an active RITS Member has been set up as an FSS Participant, the Member will also have access to the following facilities:

- settlement of obligations arising from NPP Payments via the FSS;
- the ability to perform enquiries on settled FSS Transactions and rejected FSS messages on a 24/7 basis;
- Allocation Transfers to allocate funds between the RITS Balance and the FSS Balance as per parameters specified by the FSS Participant, resulting in RITS and FSS Allocation Transactions;
- the capability to recall a pending RITS Allocation Transaction from the System Queue;
- the ability to set up a number of optional FSS alerts, perform online enquiries and access reports reflecting FSS activity.

## 2.3 Billing invoices

### Key Functions

- **Billing Enquiry** – Online RITS charges and payments enquiry.
- **Invoice Enquiry** – Online invoice enquiry.

The RBA issues invoices for RITS services to Members at the start of each month. Charges are based on the RITS [Schedule of Fees](#).

Online invoice enquiries may be made in the function **Invoice Enquiry**, under the **Billing** tab in the RITS Main Menu. Payments are due by **the 18<sup>th</sup> day of the following month**. Late fees apply.

<sup>3</sup> Note on the AIF MT & MX CUG: To accord with industry migration to the ISO 20022 message standard, the Reserve Bank is migrating its AIF messages from SWIFT MT format to the MX (ISO 20022) format. RITS will accept both formats from November 2024 until the expected end of the domestic MT/MX co-existence period in November 2026. After the end of the co-existence period only ISO 20022 AIF messages will be accepted. Please refer to the [Information Paper](#) and RITS Advice 06/2023 for further information on the AIF migration.



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The recommended payment method is via direct debit. Payments can also be made via credit transfer (Direct Credit or SWIFT PDS payment) to the Reserve Bank, however, an annual administration fee will be charged.

The RITS Schedule of Fees is available on the RBA website, in the RITS Information Facility or by calling the RITS Help Desk on 1800 659 360.

#### 2.3.1 Changing billing contacts

Complete a RITS Billing Information form (available from [www.rba.gov.au/rits/info/feesandbilling.htm](http://www.rba.gov.au/rits/info/feesandbilling.htm)) to update billing contact details.

### 2.4 Messages to Members in RITS

#### Key Points

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- Messages sent to Members by RITS processors (e.g. the System Queue), or by the RITS System Administrators are noted in the screen Header as a 'Message'. Select Messages in the Header or the function **Message Enquiry** from the **Message and Info** tab in the menu to view.
  - Short messages about system conditions or upcoming events entered by the System Administrators are displayed in the message line in the Header adjacent to the heading **RITS Messages**.
  - The Header provides information on session times and provides a link to more detailed information.
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#### 2.4.1 System generated messages

System generated messages may be viewed in **Message Enquiry**. Members are notified that there is an unread message in the Header. Messages to Members occur in the following circumstances:

- *Transactions deleted (recalled) from the System Queue*. Where a transaction is deleted (recalled) from the System Queue by one counterparty, the other counterparty will be notified via Message(s);
- *Transactions rejected by the System Queue*. When the System Queue rejects a transaction, Members are advised of the rejected transaction via Message(s).
- A new LVSS Multilateral Run is scheduled, or the Start and/or End Times of an existing Multilateral Run change.

#### 2.4.2 The Header

The Header of RITS displays important information and functions including:

- system time (as of the most recent refresh);
- user information;
- current sessions details;
- key sessions close times;
- outstanding authorisations and messages;
- messages from the RITS System Administrator;
- contact information;







- link to the RITS Information Facility; and
- the logout button.

The Header is shown at the top of every screen. The information is updated on the Header when an action is entered by the user (e.g. clicking on a menu item) making an enquiry (by pressing **Find**) or making an update (by pressing **Submit**).

Status	Description
Date and Time	This field displays the date and time when RITS was last refreshed.
Current Sessions	<p>Displays the current RITS sessions. The following abbreviations are used:</p> <ul style="list-style-type: none"><li>• Morning Settlement Session and 9am Processing (MSS/9AM);</li><li>• Daily Settlement Session (DAY);</li><li>• Settlement Close Session (SCS);</li><li>• Interim Session (INT);</li><li>• Evening Settlement Session (EVE);</li><li>• Reports Session (REPORTS);</li><li>• Enquiry Session (ENQUIRY);</li><li>• SWIFT Daily Settlement Session (SWIFTDAY);</li><li>• SWIFT Final Settlement Session (SWIFTFINAL); and</li><li>• SWIFT End Session (SWIFT/ACLR END).</li></ul> <p>Clicking on the <i>Current Sessions</i> link displays session times and information on the allowable activities in each session. This screen also shows the updated time. When this screen is closed the previous screen is available. This feature can be used to obtain a quick refresh of the time and session times without interrupting the work flow.</p>
Sessions Close	<p>Displays the closing times of selected key sessions:</p> <ul style="list-style-type: none"><li>• Daily Settlement Session (DAY);</li><li>• Settlement Close Session (SCS);</li><li>• Evening Settlement Session (EVE);</li><li>• Reports Session (REPORTS);</li><li>• SWIFT Daily Settlement Session (SWIFTDAY);</li><li>• SWIFT Final Settlement Session (SWIFTFINAL); and</li><li>• SWIFT End Session (SWIFT/ACLR END)</li></ul> <p>If a session is extended, the session close times display is updated with the new closing time.</p>
User	Shows the name of the user.
Member	Displays the RITS mnemonic of the Member that the user belongs to.
RITS Messages	Messages from the RITS Help Desk are displayed in this field.



<b>Outstanding Authorisations and Messages</b>	Shows the number of outstanding Cash Transfer authorisations, general authorisations and messages. Clicking on the link opens the relevant function to perform the authorisation or access the message enquiry.
<b>Home</b> 	This icon returns the user to the RITS homepage, which displays the standard primary and secondary session times.
<b>Contact the RBA</b> 	Displays the contact details for the Settlements Section (telephone) and the RITS Help Desk (telephone, fax and email). Calls to and from these telephones are recorded.
<b>Information</b> 	A link to the online RITS Information Facility for user guides and other information. A similar facility is also available over the internet.
<b>Logout</b> 	Logs the user out of RITS.

### 2.4.3 Outstanding Authorisations and Messages

The Header contains a counter on the right-hand side for actions that require authorisation. Select the 'Cash Transfer' or 'General Authorisations' link to open the appropriate authorisation page. Select 'Message(s)' to open the Message Enquiry page.

### 2.4.4 Refreshing the Screen

Information on the RITS screen does not automatically update. To view updated information, it is necessary for the user to initiate a call to the RITS server.

This can be performed by:

- selecting a menu item from the Main Menu (this can be the menu item that is currently being viewed);
- resubmitting an enquiry (using **Find** in an enquiry screen); and
- performing an update function (using **Submit** in an entry/update screen)

The easiest way of checking that the screen has been updated is to check that the time on the header changes.

It is important to note that the following actions will not update the RITS screen.

- expanding or condensing the menu; or
- any actions done on the RITS Session Times screen (accessible by clicking on the Current Sessions located on the header).

**Important Note:** It must be noted that RITS does not support the standard browser refresh function. It is strongly recommended that users apply only the methods outlined above to obtain updated information.



### 2.4.5 Quick Refresh of time and session times

Selecting the **Current Session** field in the Header opens a refreshed RITS Session Times screen. This screen provides a refresh of session times, the current session and the time.


This screen is a new window which does not interfere with the function that you were previously working in. Close the new window to return to the previous screen.

This feature is useful in the lead-up to a key time (e.g. the impending closure of a session).

### 2.5 Standard RITS session times

In the central panel of the RITS home page, the standard times for RITS sessions are displayed.

RITS - Reserve Bank Information and Transfer System



Standard RITS Session Times

Session Name	Time (Winter)			Time (Summer)		
Primary Sessions						
Morning Settlement Session	07:30	-	08:45	07:30	-	08:45
9am Processing	08:45	-	09:15	08:45	-	09:15
Daily Settlement Session	09:15	-	16:30	09:15	-	16:30
Settlement Close Session	16:30	-	17:15	16:30	-	17:15
Interim Session	17:15	-	17:20 *	17:15	-	17:20 *
Evening Settlement Session	17:20 *	-	22:00	17:20 *	-	22:00
Reports Session	22:00	-	22:30	22:00	-	22:30
Enquiry Session	22:30	-	07:30 **	22:30	-	07:30 **
SWIFT Sessions						
SWIFT Daily Settlement Session (all MT202s and MT103s)	09:15	-	16:30	09:15	-	16:30
SWIFT Final Settlement Session (MT202s between evening agreed banks)	16:30	-	18:05	16:30	-	20:05
SWIFT End Session (no new SWIFT payments can be entered)	18:05	-	18:30#	20:05	-	20:30#

Changes to session times made by the RITS Help Desk will be reflected in the "Session Close" times displayed in the Header and in the "Current Session" link. Shortened evening session times will apply on the NSW Bank Holiday (August) and NSW Labour Day (October), and may apply on other non-national public holidays.

\* Approximate time - the Evening Settlement Session will commence when the Interim Cashlist is complete.

\*\* This time is the following RITS business day.

# All unsettled SWIFT and Austraclear transactions are removed from the System Queue at this time.

Time (Winter) is Australian Eastern Standard Time and Time (Summer) is Australian Eastern Daylight-saving Time

LVSS Multilateral Testing Schedule

LVSS Multilateral Run	Start Time	End Time
Multilateral Run 1	08:15	09:15
Multilateral Run 2	10:45	11:15
Multilateral Run 3	13:45	14:15
Multilateral Run 4	16:45	17:14
Multilateral Run 5	19:15	19:45
Multilateral Run 6	21:15	21:30





For each session, the standard open and close times are shown for summer and winter. The sessions indicated here are:

- Morning Settlement Session
- 9am Processing
- Daily Settlement Session
- Settlement Close Session
- Interim Session
- Evening Settlement Session
- Reports Session
- Enquiry Session
- SWIFT Daily Settlement Session
- SWIFT Final Settlement Session
- SWIFT End Session

The start and end times for each LVSS Multilateral Run are shown at the bottom of the screen under LVSS Multilateral Testing Schedule.

Select the **Current Sessions** link to view the opening and closing times of all sessions and to refresh session data and the RITS time. The following is an example of the screen that displays when DAY is the Current Session.)



## RITS Time and Session Information



RITS Date/Time: 05 December 2022  
13:36:00

Current Session: DAY

Session	Open	Close
<a href="#">Morning Settlement</a>	07:30 *	08:45 *
<a href="#">9am Processing</a>	08:45 *	09:15 *
<a href="#">Day</a>	09:15	16:30
<a href="#">Settlement Close</a>	16:30	17:15
<a href="#">Interim</a> <sup>#</sup>	17:15	17:45
<a href="#">Evening</a>	17:45	22:00
<a href="#">Reports</a>	22:00	22:30
<a href="#">Enquiry</a>	22:30	+
<a href="#">SWIFT Day Session</a>	07:15	16:30
<a href="#">SWIFT Eve Session</a>		
<a href="#">SWIFT Final Session</a>	16:30	20:05
<a href="#">SWIFT End Session</a>	20:05	20:30 **

**Daily Settlement Session**

RITS cash transfers and transactions from all feeders are accepted by RITS and tested for settlement.

All SWIFT and Austraclear (non-bank) payments and warehoused RITS cash transfers that were queued in the Morning Settlement Session are tested for settlement when the DAY session opens.

## LVSS Multilateral Schedule

Run	Start	End
Multilateral Run 1	08:15	09:15
Multilateral Run 2	10:45	11:15
Multilateral Run 3	13:45	14:15
Multilateral Run 4	16:45	17:14
Multilateral Run 5	19:15	19:45
Multilateral Run 6	21:15	21:30

Click on a session to view description

\* Standard times

<sup>#</sup> Default close time shown. Interim Session normally runs for less than 10 minutes.

+ The Enquiry session will end when the Morning Settlement Session commences the following RITS business day.

\*\* The close time of this session is used to remove unsettled SWIFT and Austraclear transactions from the System Queue.

^ End time for testing unless settled prior

Times are local Sydney time

Close

In the table shown in this screen, select the session name to view a brief description of the activity in the session. The function **Session History** in the **Messages and Info** menu tab shows the history of session openings, session closings and changes to session times throughout the day.

### 2.5.1 Notification of extensions to Settlement Sessions

No messages are sent to RITS to notify a session time change. However, session information is provided in the Header (see chapter 2.4.2 of this user guide).

Messages are sent via the SWIFT Automated Information Facility when a session is extended.

See chapter 4 of this user guide for detailed information on session arrangements.



## **2.6 Use of the browser shortcut keys**

RITS is not designed to function with the standard browser shortcut keys. All required commands and navigation can be executed by the functions provided within RITS by using the mouse or standard keyboard navigation (e.g. Tab, Shift-Tab and Enter).



### **3. ACCESSING RITS FUNCTIONALITY**

#### **3.1 Introduction**

Gaining access to RITS functionality involves the following:

- establishing connectivity to RITS – see the [Guide to Connectivity Testing](#);
- setting up your PC, network and browser options – see the [RITS User Interface Technical Information Paper](#);
- setting up users and obtaining RITS digital certificates – see the [RITS Access and Security User Guide](#);
- provisioning users with roles and privileges – see chapter 16 of this User Guide;
- selecting a RITS environment and logging on – see chapter 3.7 and 3.2 of this User Guide; and
- after logging on, selecting functions from the menu – see chapter 3.11 of this User Guide.

#### **3.2 Logging on**

A user will be prompted to log in to RITS as per their first access to the RITS Login page. Users will also be automatically required to re-login to RITS at the following times due to the changes in the user roles that permit access at these times:

- Transition from Enquiry Session to Morning Settlement Session (7.30am approx.)
- Transition from Reports Session to Enquiry Session (10.30pm approx.)
- Transition from Enquiry Session to Overnight Processing (2.30am approx.) following a RITS business day
- Transition from Overnight Processing to Enquiry Session (2.50am approx.) following a RITS business day

In order to log in to RITS:

- The RITS token must be inserted into the USB port of your PC
- Click on the RITS Launch Page icon
- Select from the desired options in the Launch Page
- At the RITS Login screen follow the prompts to enter Username, Password and Token Codeword

#### **3.3 Sharing PCs**

If two or more users are sharing the same PC, each user must have their own RITS token and RITS digital certificate. Each user must access RITS via a separate session.

To open a separate session, the user must click on the RITS icon on the desktop, then select to access RITS or RITS Pre-Production on the Launch Page. Details of the operation of the Launch Page are described below.

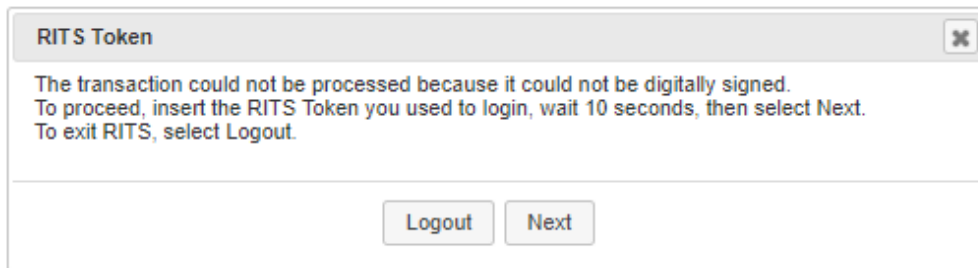


#### 3.4 Tokens and the digital signing of updates

A RITS digital certificate downloaded onto a formatted RITS token is a pre-requisite for accessing RITS.

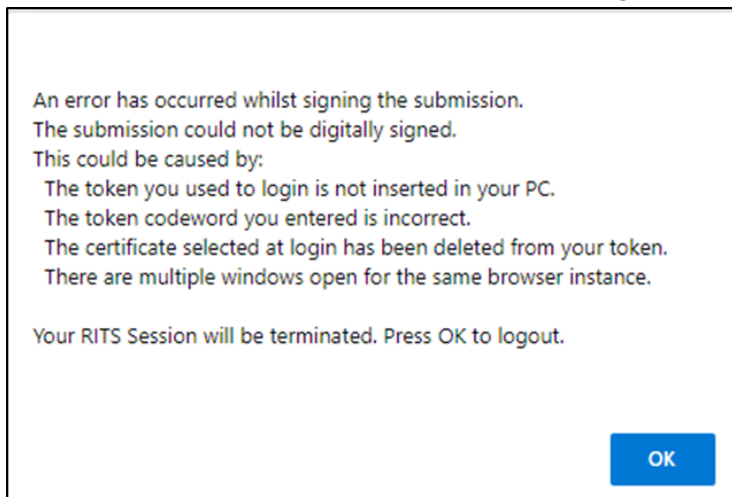
The RITS token that was used to login must be in the USB port of the PC when updates are submitted, as all updates must be signed by the RITS digital certificate that is stored on the token. However, it is possible to undertake enquiries after the token has been removed from the PC when the user is still in the current session.

If the RITS token used to login is removed from the PC, removed and re-inserted, or replaced by another token, and an update is submitted, the following message is displayed.



Insert the RITS token used to login to the PC and press **Next**. You are then prompted to enter the Token Codeword. If the Token Codeword is correct, the update is processed.

If **Next** is pressed with no token in the PC or the token inserted is not the one used to login, or the Token Codeword is invalid, the following screen is displayed:



Press **OK** to terminate the session and login again.

#### 3.5 Launch Page

The RITS Launch Page is a feature that automatically detects:

- the location at which RITS is available – the primary or secondary site; and
- the network path to use – the ASX Net (formerly ANNI) network or the internet.

The default network path is ASX Net. If it is not available, the Launch Page detects if RITS can be accessed via the internet.



For Members who do not have ASX Net access, the internet will be the only option.

The Launch Page can also be operated in manual mode, which permits the selection by the user of the site and the network path. This mode will permit regular ASX Net users to test the internet path.

The Launch Page is accessed by double clicking on the **RITS Launch Page** icon on the desktop. This icon is automatically loaded by the Launch Page software. If the icon is deleted for any reason, re-load the Launch Page software to restore it. (available from [www.rba.gov.au/rits/software/](http://www.rba.gov.au/rits/software/))

The Launch Page provides:

- buttons to access RITS Production and RITS Pre-Production;
- a link to the RBA's website for RITS ([www.rba.gov.au/rits](http://www.rba.gov.au/rits)); and
- an Options tab for enabling or disabling the automatic detection of RITS site and network paths.

The operation of the automatic and manual options is shown in the chapter 3.7 of this user guide.

### 3.6 Pop-Up Blocking

Pop-up blocking can interfere with the use of RITS. See the *RITS Technical Information Paper* for more information (see [www.rba.gov.au/rits/info/technicalrequirements.htm](http://www.rba.gov.au/rits/info/technicalrequirements.htm)).

### 3.7 Accessing a RITS environment

RITS Production is available at the primary and secondary (business resumption) sites.

RITS Pre-Production is only available at one site.

To login to RITS, place the RITS token into a USB port on the PC and double click on the RITS Launch Page icon on the desktop.

The **Launch Page** is displayed.

RESERVE BANK OF AUSTRALIA

**RITS**

<b>RITS Help Desk</b>	Tel: 1800 659 360* Fax: 02 9551 8063 Email: <a href="mailto:rits@rba.gov.au">rits@rba.gov.au</a>
<b>Settlements with RBA</b>	Tel: 02 9551 8912* Tel: 02 9551 8916*

\* All calls to and from the RITS Help Desk and Settlements telephones are recorded.  
\*\* Internet connection required for Information & Setup ([www.rba.gov.au/rits](http://www.rba.gov.au/rits))

[RITS](#) [RITS Pre-Production](#) [Information & Setup\\*\\*](#) [Options](#)



The default mode for the RITS Launch Page is '*Autodetect enabled*'.

To login to RITS in this mode, select the **RITS** tab. The Launch Page automatically detects the RITS environment (at the primary or secondary sites) and the network path (ASX Net or the internet) that is available.

Alternatively, the user can select the **RITS Pre-Production** tab. The Launch Page detects the network path available to the environment – there is only one instance of the Pre-Production environment.

To manually select the environment or the network path, the Launch Page can be placed in '*Autodetect disabled*' mode.

Select the **Options** tab to select the mode of operation of the Launch Page.

The screenshot shows the RITS Launch Page with the Reserve Bank of Australia logo. It includes contact details for the RITS Help Desk and Settlements with RBA. A disclaimer states that all calls are recorded. Below this are four tabs: RITS, RITS Pre-Production, Information & Setup, and Options. The Options tab is selected, displaying a table with two rows for selecting the autodetect mode.

Option	Description
<input checked="" type="radio"/>	<i>Autodetect enabled</i> Connect via Internet only if ASX Net connectivity is not available and automatically use secondary site (DR) URLs if primary site (HO) URLs are not available
<input type="radio"/>	<i>Autodetect disabled</i> Display all possible links for manual selection.

In the screen above select the '*Autodetect disabled*' radio button.

Note that the Options selection defaults to '*Autodetect enabled*' after any selection of **RITS** or **RITS Pre-Production**.

Then select **RITS**. Four options are displayed at the bottom of the screen shown below. (For **RITS Pre-Production** two options are displayed).



Select from these options to access RITS. The screen below is for RITS Production.

The image shows the RITS Production Launch Page. At the top is the Reserve Bank of Australia logo and the text 'RESERVE BANK OF AUSTRALIA'. Below this is the 'RITS' logo. The page is divided into two main sections: 'RITS Help Desk' and 'Settlements with RBA'. The 'RITS Help Desk' section includes contact information: Tel: 1800 659 360\*, Fax: 02 9551 8063, and Email: [rits@rba.gov.au](mailto:rits@rba.gov.au). The 'Settlements with RBA' section includes Tel: 02 9551 8912\* and Tel: 02 9551 8916\*. Below these sections is a disclaimer: '\*All calls to and from the RITS Help Desk and Settlements telephones are recorded.' There are four buttons: 'RITS', 'RITS Pre-Production', 'Information & Setup', and 'Options'. A text box states: 'Select from the following links to RITS from the primary and secondary locations. Your RITS token must be in the USB port of your PC.' At the bottom are four buttons: 'Primary Site via ASX Net', 'Primary site via Internet', 'Secondary Site via ASX Net', and 'Secondary site via Internet'.

If the path chosen (either automatically by the Launch Page or manually by the user) is **ASX Net**, the **RITS Login screen** will next appear.

If the path chosen (either automatically by the Launch Page or manually by the user) is the **internet**, it is necessary to authenticate the user's RITS digital certificate before the login screen can be displayed.

The image shows the RITS Login Screen. At the top is the Reserve Bank of Australia logo and the text 'RESERVE BANK OF AUSTRALIA'. Below this is the 'RITS' logo. The screen displays the instruction 'Insert token, then enter username and password.' There is a login form with fields for 'Username' and 'Password', and a 'Login' button. Below the form is a red text box that says 'This login page will expire in 53 seconds'. At the bottom are three links: 'RITS Token Administration', 'RITS Testcard', and 'RITS Software'. A footer box states: 'RITS is only for use by Members' authorised users in accordance with the RITS Regulations'.





**Important: This screen must be kept open to maintain internet access.**

RESERVE BANK OF AUSTRALIA

**RITS**

<b>RITS Help Desk</b>	Tel: 1800 659 360* Fax: 02 9551 8063 Email: <a href="mailto:rits@rba.gov.au">rits@rba.gov.au</a>
<b>Settlements with RBA</b>	Tel: 02 9551 8912* Tel: 02 9551 8916*

\* All calls to and from the RITS Help Desk and Settlements telephones are recorded.  
\*\* Internet connection required for Information & Setup ([www.rba.gov.au/rits](http://www.rba.gov.au/rits))

[RITS](#) [RITS Pre-Production](#) [Information & Setup\\*\\*](#) [Options](#)

If using a Google Chrome browser, the following screen is displayed.

Select a certificate

Select a certificate to authenticate yourself to [rits.rba.gov.au:443](https://rits.rba.gov.au:443)

Subject	Issuer	Serial
JOHN CITIZEN	GOV	123456789

[Certificate information](#) **OK** Cancel

If using a Microsoft Edge browser, the following screen is displayed.

Select a certificate for authentication

Site [rits.rba.gov.au:443](https://rits.rba.gov.au:443) needs your credentials:

**JOHN CITIZEN**  
GOV  
7/30/2022

[Certificate information](#) **OK** Cancel

Highlight the digital certificate by clicking on it and press **OK**.



The following screen is displayed.

The image shows a 'Token Logon' window from the SafeNet Authentication Client. It features the Gemalto logo in the top right corner. The window prompts the user to 'Enter the Token Password'. There are two input fields: 'Token Name' with the value 'RITS Token' and 'Token Password' which is currently empty. Below these fields, it indicates 'Current Language: EN'. At the bottom right, there are 'OK' and 'Cancel' buttons.

Enter your Token Codeword and press **OK**.

The RITS Login screen will appear next.

The image shows the RITS Login Screen. At the top, it features the Reserve Bank of Australia logo and the text 'RESERVE BANK OF AUSTRALIA'. Below this is the 'RITS' logo. A message states 'Insert token, then enter username and password.' There is a login box with 'Username' and 'Password' fields and a 'Login' button. A red warning message says 'This login page will expire in 53 seconds'. At the bottom, there are links for 'RITS Token Administration', 'RITS Testcard', and 'RITS Software'. A footer note states 'RITS is only for use by Members' authorised users in accordance with the RITS Regulations'.

### 3.8 RITS Login Screen

At the **RITS Login Screen** RITS Username and RITS Password must be entered within 90 seconds of opening this page. If the page times out, select the link provided in the time-out screen to refresh it.

**Username:** At the **Username** prompt, enter the RITS Username (e.g. BANK2001). The RITS Username is an eight-character code entry consisting of:

- the Member's RITS Member Code (a four-character identifying code for the RITS Member, e.g. BANK); and
- four numbers/characters that represent the individual user, e.g. 2E01, 2001.



**Password:** Next enter the RITS Password in the **Password** field. The password will appear as asterisks on the screen.

If this is the first time you are accessing RITS or if your RITS password has been reset, you will be prompted to change your RITS Password immediately after inputting your **Username** and (newly allocated) **Password**. Passwords must be 14 to 32 characters long and must contain a combination of at least three of the four-character types: uppercase letters, lowercase letters, numbers and special characters (see Appendix to the Member Administration User Guide for allowable special characters).

After submitting the Username and Password, the following screen is displayed. The RITS certificate is automatically highlighted, and the cursor is in the Token Codeword box, awaiting the entry of the **Token Codeword**.

**Choose RITS Certificate**

ACHO2300 AUTO TEST FT SUPER CERT - RBA

**Issued To** ACHO2300 AUTO TEST FT SUPER CERT, autotest@rba.gov.au, ABN 50008559486  
**Issued By** O=Reserve Bank of Australia, OU=RITS, OU=RITS Test Issuing CA  
**Valid From** Tue Jul 26 2022  
**Valid Until** Fri Jul 26 2024  
**Serial Number** 5fa93ca6

Token Codeword :

Tab or Shift-Tab can be used to move around the screen

If a different token or certificate is to be selected, use the mouse or the Tab and Shift Tab keys to navigate.



Choose RITS Certificate

ACHO2006 ACHO2006 - RBA  
ACHO2007 ACHO2007 - RBA  
METW2E01 METW2E01 - METW 0900 TEST  
METW2E03 METW2E03 - METW 0900 TEST

Issued ToMETW2E01 METW2E01, johncitizen@bank.au, ABN 66010831722  
Issued ByO=Reserve Bank of Australia, OU=RITS, OU=RITS Test Issuing CA  
Valid FromMon Oct 24 2022  
Valid UntilThu Oct 24 2024  
Serial Number5fa94911

Token Codeword :

Tab or Shift-Tab can be used to move around the screen

Submit

Cancel

Refresh

The user should enter their **Token Codeword** and select **Submit** to proceed or **Cancel** to exit. Use **Refresh** if the token has just been inserted into the USB port of the computer.

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Reserve Bank Information & Transfer System				RITS V16 UAT B Test Environment				Outstanding Auths and Messages			
05 December 2022 13:40:03				User FEBR2E01 FEBR2E01 FEBR2E01				Member FEBR			
Current Sessions DAY SWIFTDAY				Sessions Close DAY 16:30 SCS 17:15 EVE 22:00 REPORTS 22:30							
				SWIFTDAY 16:30 SWIFFINAL 20:05 SWIFT/ACLR END 20:30							
RITS Messages PANM UAT B Test Environment (RITS v18.2.2.4_30/11/22 - FSS v5.0.4_30/11/22)											
<a href="#">Logout</a>											
<b>RITS - Reserve Bank Information and Transfer System</b>											
<b>Standard RITS Session Times</b>											
Session Name		Time (Winter)		Time (Summer)							
<b>Primary Sessions</b>											
Morning Settlement Session	07:30	-	08:45	07:30	08:45						
9am Processing	08:45	-	09:15	08:45	09:15						
Daily Settlement Session	09:15	-	16:30	09:15	16:30						
Settlement Close Session	16:30	-	17:15	16:30	17:15						
Interim Session	17:15	-	17:20 *	17:15	17:20 *						
Evening Settlement Session	17:20 *	-	22:00	17:20 *	22:00						
Reports Session	22:00	-	22:30	22:00	22:30						
Enquiry Session	22:30	-	07:30 **	22:30	07:30 **						
<b>SWIFT Sessions</b>											
SWIFT Daily Settlement Session (all MT202s and MT103s)	09:15	-	16:30	09:15	16:30						
SWIFT Final Settlement Session (MT202s between evening agreed banks)	16:30	-	18:05	16:30	20:05						
SWIFT End Session (no new SWIFT payments can be entered)	18:05	-	18:30 #	20:05	20:30 #						
<p>Changes to session times made by the RITS Help Desk will be reflected in the "Session Close" times displayed in the Header and in the "Current Session" link. Shortened evening session times will apply on the NSW Bank Holiday (August) and NSW Labour Day (October), and may apply on other non-national public holidays.</p> <p>* Approximate time - the Evening Settlement Session will commence when the Interim Cashlist is complete.            ** This time is the following RITS business day.            # All unsettled SWIFT and Austraclear transactions are removed from the System Queue at this time.            Time (Winter) is Australian Eastern Standard Time and Time (Summer) is Australian Eastern Daylight-saving Time</p>											
<b>LVSS Multilateral Testing Schedule</b>											
LVSS Multilateral Run	Start Time	End Time									
Multilateral Run 1	08:15	09:15									
Multilateral Run 2	10:45	11:15									
Multilateral Run 3	13:45	14:15									
Multilateral Run 4	16:45	17:14									
Multilateral Run 5	19:15	19:45									
Multilateral Run 6	21:15	21:30									

### 3.8.1 Unsuccessful login attempts – RITS Username and Password

To be re-instated, the Member's Password Administrator must:

- 
- September 2024*



When the user logs in with this new RITS password they will be asked to immediately change it.

#### 3.8.2 Unsuccessful login attempts – Token Codeword

After 15 unsuccessful attempts at the **Token Codeword**, the token will be locked out and the Token Codeword cannot be reset.

After the 15th unsuccessful attempt, the following message is displayed:

*"Login Failed. Your token has been locked because the limit of incorrect codewords has been exceeded. Before you can use your token again, you must format it using the RITS Token Administration page. This will erase all certificates on your token. To be issued with a new RITS Certificate, please provide a User Access Request Form to the RITS Help Desk."*

After locking a token, the user must:

- format the token and reset the Token Codeword;
- arrange for the Password/Certificate Administrator to revoke the certificate; and
- enrol for a new RITS digital certificate (using the Request to Revoke/Issue Certificates Form).

This process will take approximately 20–30 minutes. During this process the user is unable to access RITS.

Users should change their **Token Codeword** regularly to ensure the security of RITS access. **Token Codewords** do not expire, and users can change them any time in '**Token Administration**'. The count of unsuccessful attempts starts anew after each successful entry.

#### 3.8.3 Expired RITS Password

RITS Passwords expire every 90 days.

RITS will prompt the user to change the RITS password on each of the 5 calendar days prior to its expiry.

Once the RITS Password has expired, the user must enter a new password. The old password is needed to enter a new one.

If a RITS password has expired and the user has forgotten the old password, the user must request their Password Administrator to reset the password.

#### 3.8.4 Changing RITS Password and/or Token Codeword

You may change a RITS **Password** and **Token Codeword** at any time:

- change the RITS Password in the function **Change Password**; and
- change the Token Codeword by selecting '**Token Administration**' on the RITS Login screen. Then choose '**Change Token Codeword**' and follow the prompts.



The requirements for RITS Passwords and Token Codewords are set out in the next table.

**3.8.5 Requirements for RITS Passwords and Token Codewords**

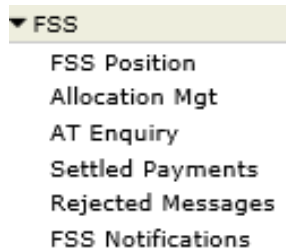
	<b>RITS Passwords</b>	<b>Token Codewords</b>
Length	14–32 characters	4–20 characters The RBA recommends a length of at least 6 characters.
Format	Must contain a combination of at least three of the four-character types: upper case letters, lower case letters, numbers and special characters (see Appendix to the Member Administration User Guide for allowable special characters).	Alpha or numeric or a mix
Case sensitive	Yes	Yes
Re-use of password	Users cannot re-use their 10 most recent passwords.	RITS users cannot re-use their 10 most recent passwords.
Expiration	90 days (users are prompted upon their login on each of the 5 calendar days before expiry)	Do not expire
Number of wrong attempts allowed	3	15
What to do if the number of wrong attempts is exceeded	User's status becomes 'inactive'. User has to ask the Password Administrator to reset the password and status to 'active'.	Token must be reformatted (all certificates will be deleted) and user has to re-apply for a new certificate using the <i>Request to Revoke/Issue Certificates Form</i> .
Password resetting	Can be set any time by the user in the 'Change Password' function, by the Password Administrator in 'Password Administration', or by contacting the RITS Help Desk.	Can be done by the user in the 'Token Administration' function. No other resetting facility is available.
What to do if user forgets password	User has to contact the Password Administrator or RITS Help Desk in writing, to reset.	Member has to request the RITS Help Desk to revoke old certificate and apply for a new certificate using the <i>Request to Revoke/Issue Certificates Form</i> .
Display of number of failed attempts	In function <b>User Privileges</b>	N/A
Reset of the failed attempts count	Upon successful login.	After successful login.



### 3.8.6 RITS session time-out period

After a period of 15 minutes (the default setting) of inactivity, access to RITS will be terminated and the user will be required to log in again. Password Administrators may extend this to 30 or 60 minutes for selected users who, because of their work, spend extended periods of time in RITS. Because extended settings impact system performance and raise potential security risks, it is recommended that Password Administrators allocate extended session time-outs to selected users only.

Note: Time spent on the FSS functions (see below) is not registered as a period of activity in RITS. If a user, for example, remains on FSS functions (only) for longer than the RITS session time-out period, the user's access to RITS will be terminated and the user will be required to log in again.



Users who have been granted an extended session time-out should ensure the security of their RITS login by removing the token when they leave their PC.

The approach adopted by Members should be consistent with their own internal security policies.

### 3.8.7 Access to RITS during the Enquiry Session

Only users with the Overnight Enquiry role, Limited Overnight Enquiry Role, FSS Enquiry Role or Limited FSS Enquiry Role can access RITS during the Enquiry Session. See Section 17 for details of functions included in these roles.

A Member user that has logged on to RITS prior to commencement of the Enquiry Session will be logged off at their next database request (i.e. selection of any on-screen action item) after the Enquiry Session commences. The user will need to login again for access, and their RITS menu will be reset to display only functions allowed during the Enquiry session.

Where the user does not have the Overnight Enquiry role, Limited Overnight Enquiry Role, FSS Enquiry Role or Limited FSS Enquiry Role and attempts to login during the Enquiry Session, the user cannot access RITS. The following screen is displayed:







### 3.9 Access to RITS during Overnight Processing

Only users with the Limited FSS Enquiry Role can access RITS during Overnight Processing, which occurs at approximately 2:30am for 20 minutes. This role is limited to certain functions where read-only access is permitted. See Section 17 for details of functions included in this role.

A Member user that has logged on to RITS prior to commencement of Overnight Processing will be logged off at their next database request after Overnight Processing commences. The user will need to login again for access, and their RITS menu will be reset to display only functions allowed during Overnight Processing.

Where the user does not have the Limited FSS Enquiry Role and attempts to login during Overnight Processing, the user cannot access RITS. The screen in Section 3.8.7 will be displayed.

### 3.10 Logging off

It is important to logoff correctly, using the '**Logout**' icon located at the top right of the RITS Header.

The screenshot shows the RITS header with the following information:

- Reserve Bank Information & Transfer System** (RITS V16 UAT B Test Environment)
- 05 December 2022 13:14:30** (User: ACHO2158 ACHO2158 ACHO2158)
- Current Sessions** (DAY SWIFTDAY) (Sessions Close: DAY 21:45, SCS 22:00, EVE 22:30, REPORTS 23:00, SWIFTDAY 21:45, SWIFFINAL 22:10, SWIFT/ACLR END 22:20)
- Outstanding Auths and Messages** (0 Cash Transfer Authorisation(s), 0 General Authorisation(s), 0 Message(s))
- RITS Messages** (PANM UAT B Test Environment (RITS v18.2.2.4\_30/11/22 - FSS v5.0.4\_30/11/22))
- Logout** icon

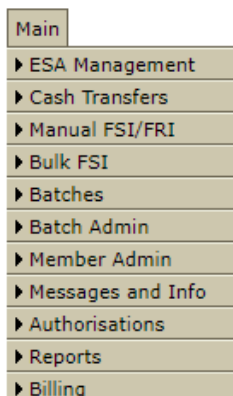
### 3.11 Accessing a function from the menu

The menu in RITS is the primary method for navigation between RITS functions. The menu discussed in this section is the complete menu that covers all functions available to users. Individual users will only have access to the menu items that relate to the roles allocated to them by the Password Administrator. If a user does not have access to a function, it is not shown on the menu.

The Main menu consists of three layers: section headings, sub-headings and menu items. When these layers are condensed, the arrows to the left of the menu item name will point to the right. When a menu item is expanded, the arrow will point down to indicate that the menu is expanded. This is the case for all menu headings at all layers.

Once a menu item (a function rather than menu heading) has been selected, it will be highlighted in blue. This allows the user to clearly see which menu item has been selected. All functions have a white background.

The figure below shows the Main menu in its condensed form.



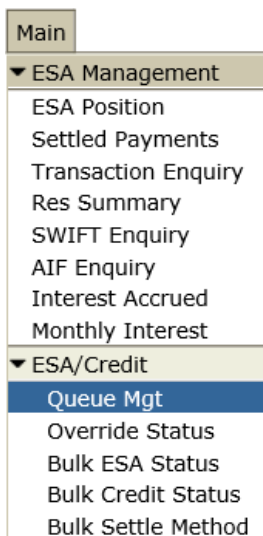


The figure below shows the menu where the ESA Management section has been expanded. **ESA Position, Settled Payments, Transaction Enquiry, Res Summary, SWIFT Enquiry, AIF Enquiry, AIF MX Enquiry, Interest Accrued** and **Monthly Interest** are functions; clicking on them will open the selected function.



**ESA/Credit, FSS, LVSS, Cash Account** and **Targeted Offset** are sub-headings. They are expanded by clicking on the sub-heading to display the functions.

The figure below shows the menu with **ESA/Credit** expanded. The menu items under this sub-heading will open the relevant function when selected. The figure also shows that when a menu item (**Queue Mgt**) has been selected, it is highlighted in blue.



The user's last menu settings are remembered and when the user logs in again the menu is presented as it was during the previous session. This will allow the user to open the menu to suit workflow. Please note this functionality is linked to the computer, not the user. Therefore, if two users alternate in using a PC, the menu will initially display the last user's menu setting.



## 4. OPERATING TIMES AND FACILITIES

Settlement sessions for RITS payments which are tested and settled on the System Queue (that is, transactions other than FSS transactions) are described in this section.

Note that RITS Sessions do not apply to the processing of transactions via the FSS, which takes place on a continuous basis.

Non-cash related activities may be performed in RITS in any session.

### 4.1 RITS Operating times for transactions with cash (i.e. settlements)

Session description	Time period	Available for
Morning Settlement Session	7.30 am - 8.45 am	RITS Cash Transfers, RITS Allocation Transactions, LVSS transactions (for eligible Payment Services), Batch transactions <sup>^</sup> and transactions between Members in the Austraclear Feeder System.
9am Processing Session	8.45 am - 9.15 am	LVSS transactions (9am Settlement) and RITS Allocation Transactions.
Daily Settlement Session	9.15 am - 4.30 pm	RITS Cash Transfers, RITS Allocation Transactions, LVSS transactions, Batch transactions, SWIFT PDS Feeder System, Austraclear Feeder System and CHES- RTGS Feeder System transactions.
Settlement Close Session	4.30 pm - 5.15 pm	RITS Cash Transfers, RITS Allocation Transactions, LVSS transactions, Batch transactions <sup>^</sup> and transactions between Members in the Austraclear Feeder System. SWIFT PDS payments between Evening Agreed Members in selected message types. Daily Settlement Session payments can remain on the System Queue and continue to settle.
Interim Session	5.15 pm – 5.20* pm	Transactions may be entered if eligible to be entered in the Evening Settlement Session. For the approximately 30 second duration of the Interim Session no settlement occurs until start of Evening Settlement Session.
Evening Settlement Session	5.20* pm – 10.00 pm	As for Settlement Close Session, except that SWIFT and Austraclear transactions are removed from the System Queue at the close of the SWIFT End Session. Transactions in Reservation Batches are removed from the System Queue at the Reservation Batch Settlement End Time.

<sup>^</sup> Where the associated Batch Stream has been configured for the session in the System in line with its business requirements.

\* Indicative time, depending on processing time.



## 4.2 Morning Settlement Session – 'MSS'

### 7.30 am to 8.45 am

Facilities available	Settlement Processing
RITS Cash Transfers	Settlement completes.
Warehoused RITS Cash Transfers†	Cannot settle until Daily Settlement Session.
Low Value Settlement Service (LVSS)	If the Payment Service is eligible in this session, new and queued payments (including warehoused LVSS transactions) will settle, subject to LVSS Multilateral Run arrangements.
Batch facility	For those Settlement-only Batch Streams configured for this session in the System, settlement completes. Otherwise, new Settlement-only Batch payments are queued but cannot settle until Daily Settlement Sessions.  For those Reservation Batch Streams configured for this session in the System Reservations will be accepted and settled. Otherwise, new Reservation Batches are rejected.
RBA Auto-Offset	Does not operate in MSS.
SWIFT PDS Feeder System	New payments are queued along with any warehoused payments but cannot settle until Daily Settlement Session.
Austraclear Feeder System	Payments between Members will settle. Non-Member payments are queued but cannot settle until Daily Settlement Session.
CHESS-RTGS Feeder System	Payments are queued but cannot settle until Daily Settlement Session.
Targeted Bilateral Offset	Will only operate if all transactions included in the Targeted Bilateral Offset are eligible to settle in the current session.
RITS Allocation Transactions	Settlement of start-of-day RITS Allocation Transactions. Intraday RITS Allocation Transactions can also settle.

† Warehoused effectively means that the transaction was matched on a previous day.

The Morning Settlement Session is used by Members to ensure they have sufficient RITS Balances to settle their 9am settlement obligations. SWIFT PDS, CHESS-RTGS Feeder System transactions and transactions from the Austraclear Feeder System that involve a non-Member will not settle until after the completion of 9am Settlement, and no automated facilities will be available (i.e. RBA Auto-Offset). This gives Members control over payments during the Morning Settlement Session.

Regular Reserve Bank payments to/from Members (including settlement of Government direct entry obligations and ESA interest), and interest and maturity proceed on AGS lodged in



Austraclear, are made when RITS opens at 7:30 a.m. Shortly thereafter, for Members who are FSS Participants, the start-of-day RITS Allocation Transaction will settle. This will return the FSS Balance that is above the nominated Reset Point to the RITS Balance and will provide ESA funding for the Member's RITS payments. Intraday RITS Allocation Transactions can also settle.

### **4.3 9am Processing Session**

#### **8.45 am to 9.15 am**

<b>Facilities available</b>	<b>Settlement Processing</b>
9am Settlement	Settlement completes.
Queued and new RITS Cash Transfer, Batch and Feeder System payments.	Settlement processing is halted until Daily Settlement Session.
RITS Allocation Transactions	Intraday RITS Allocation Transactions can settle.

In this period the System is closed for all settlements other than 9am settlement and RITS Allocation Transactions. For more details about 9am Settlement, see chapter 13 of this user guide.

### **4.4 Daily Settlement Session – 'DAY'**

#### **9.15 am - 4.30 pm**

<b>Facilities available</b>	<b>Settlement Processing</b>
Cash Transfers	Settlement completes.
Low Value Settlement Service (LVSS)	New and queued payments will settle, subject to LVSS Multilateral Run arrangements.
Settlement of warehoused RITS Cash Transfers	Settlement completes.
RBA Auto-Offset	Operates for all transactions.
Batch facility	New and queued payments will settle. New reservation requests will be accepted.
SWIFT PDS Feeder System	New and queued payments will settle.
Austraclear Feeder System	New and queued payments will settle.
CHESS-RTGS Feeder System	New and queued payments will settle.
RITS Allocation Transactions	Intraday RITS Allocation Transactions can settle.

All facilities are available to Members during the Daily Settlement Session. The 4.30 pm cut-off time may be extended. See chapter 4.14 of this user guide for information about session extensions.

At the start of the Daily Settlement Session, warehoused RITS Cash Transfers and transactions from the Batch facility, Austraclear, CHESS-RTGS, and the SWIFT PDS Feeder Systems that entered RITS earlier in the morning are processed for settlement. New transactions of these types may also be entered.



Existing transactions on the System Queue at the end of the session, that have not yet settled, will remain eligible for settlement until the end of the Settlement Close Session. The Daily Settlement Session and the Settlement Close Session are the only sessions in which transactions involving non-Members can settle.

#### **4.5 Settlement Close Session – ‘SCS’**

##### **4.30 pm - 5.15 pm**

<b>Facilities available</b>	<b>Settlement Processing</b>
RITS Cash Transfers	Settlement completes.
Low Value Settlement Service (LVSS)	Existing queued payments can settle. New payments for eligible Payment Services are accepted, subject to evening session arrangements.
Batch facility	For those Batch Streams configured for this session in the System new Reservations (where relevant) will be accepted and batch transactions can settle.
RBA Auto-Offset	Operates for all transactions.
SWIFT PDS Feeder System	Existing queued payments can settle. New payments are accepted only from Evening Agreed Members in selected message types.
Austraclear Feeder System	Existing queued payments can settle. New payments are accepted only between Members and these can also settle. Payments that involve a non-Member are not accepted by RITS.
CHESS-RTGS Feeder System	No CHESS-RTGS transactions are accepted into RITS.
RITS Allocation Transactions	Intraday RITS Allocation Transactions can settle.

The Settlement Close Session gives Members that are not operating in the Evening Settlement Session (i.e. are ‘non-agreed’) time, if required, to enter new transactions to provide funding to settle transactions on the System Queue that will be deleted from the System Queue at the end of this session. New transactions involving non-banks and new CHESS-RTGS transactions are not accepted onto the System Queue during this time. Only selected SWIFT payments (those between Evening Agreed Members and SWIFT Message Type (MT) 202, or pacs.009 or pacs.004 messages returning a pacs.009 or MT202) are accepted after 4.30 pm. New LVSS transactions are accepted subject to evening session arrangements.

At the end of the Settlement Close Session at 5.15 pm, processing of all value transactions other than RITS Allocation Transactions is paused. Any transactions remaining unsettled on the System Queue that are not eligible for settlement in the Evening Session are deleted and returned to the originating Feeder System marked as unsettled (see chapter 5.3 of this user guide for details of evening eligible transactions). The closing time of this session may be extended.

**4.6 Interim Session – ‘INT’****5.15 pm – 5.20 pm\***

<b>Facilities available</b>	<b>Settlement Processing</b>
RITS Cash Transfers	New Cash Transfers can be entered but are not processed until the Evening Settlement Session.
Low Value Settlement Service (LVSS)	Eligible new payments are queued for settlement in the Evening Settlement Session.
Batch facility	For Settlement-only Batch Streams configured for this session in the System, new batch transactions can be entered but are not processed until the Evening Settlement Session.  For Reservation Batches, new Reservations can be entered and processed. Settlement request can be entered but are not processed until the Evening Settlement Session.
SWIFT PDS Feeder System	Settlement processing (including of existing queued payments) is halted until the Evening Settlement Session. Eligible new payments are queued and can settle in the Evening Settlement Session (until the close time of the SWIFT End Session).
Austraclear Feeder System	Settlement processing (including of existing queued payments) is halted until the Evening Settlement Session. New payments between Members are queued and can settle in the Evening Settlement Session (until the close time of the SWIFT End Session). Payments that involve non-Members (i.e. client transactions) are not accepted by RITS.
CHESS-RTGS Feeder System	Settlement processing is halted. No CHESS-RTGS transactions are accepted into RITS.
RITS Allocation Transactions	Intraday RITS Allocation Transactions are queued and can settle in the Evening Settlement Session.

\* The duration of this session is approximately 30 seconds.

The Interim Session provides the delineation between the end of the ‘normal’ RITS day and the beginning of the Evening Settlement Session for CLS and other necessary activity.

In this session an interim cash list is produced which can be used by Members that are not involved in the Evening Settlement Session.

During the Interim Session, RITS interbank Cash Transfers, LVSS transactions, Batch transactions, eligible SWIFT payments and Austraclear (interbank) transactions can be entered, and RITS Allocation Transactions can occur. However, these transactions will not be tested for settlement during the Interim Session which is expected to have a duration of about 30 seconds.

**4.7 Evening Settlement Session – ‘EVE’****5.20 pm\* – 10.00 pm**

<b>Facilities available</b>	<b>Settlement Processing</b>
RITS Cash Transfers	Settlement completes.
Low Value Settlement Service (LVSS)	If the Payment Service is eligible, existing queued payments can settle. New payments for eligible Payment Services are accepted subject to evening arrangements.
Batch facility	For Settlement-only Batch Streams configured for this session in the System, settlement completes. For Reservation Batches, new Reservation requests are accepted and processed until the Reservation End Time. New Settlement and Reservation Recall requests are accepted and processed until the Reservation Batch Settlement End Time.
RBA Auto-Offset	Operates for all transactions.
SWIFT PDS Feeder System	Existing queued payments can settle. New payments are accepted only from Evening-Agreed Members in selected message types. Unsettled SWIFT transactions are removed from the Queue at the close of the SWIFT End Session.
Austraclear Feeder System	Existing queued payments can settle. New payments are accepted only between Members and these can also settle. Payments that involve non-Members are not accepted by RITS. Unsettled Austraclear transactions are removed from the Queue at the close of the SWIFT End Session.
CHESS-RTGS Feeder System	No CHESS-RTGS transactions are accepted into RITS.
RITS Allocation Transactions	Intraday RITS Allocation Transactions can settle.

The Evening Settlement Session begins as soon as the Interim Cash List report is run in the Interim Session, and will normally close at 10.00 pm.

The Evening Settlement Session allows settlement of:

- SWIFT PDS transactions between two Evening Agreed Members for CLS and other required payments;
- interbank Austraclear transactions (up until the close time of the SWIFT End Session) and RITS Cash Transfers. These transactions may assist in re-distributing liquidity in relation to CLS flows;
- existing queued LVSS transactions for eligible Payment Services, and new LVSS transactions for eligible Payment Services, subject to evening arrangements;
- Batch transactions where the associated Batch Stream has been configured for this session in RITS in line with the stream’s business requirements; and
- intraday RITS Allocation Transactions.





Members wishing to exchange SWIFT payments in the Evening Settlement Session must enter into an agreement with the RBA. The agreement is established electronically in the function **Member Admin – Evening Agreement**. A list of Evening Agreed Members is displayed in the function **Evening Members** (under the Messages and Info menu tab).

Note that transactions involving a non-Evening Agreed Member sent to the queue before the end of the Settlement Close Session and still queued at 5.15 pm will be deleted from the queue at the start of the Interim Session (unless those transactions are part of a Reservation Batch Stream). However, non-Evening Agreed Members are able to enter new RITS Cash Transfer and Austraclear transactions during the Interim and Evening Settlement Sessions, including those necessary to allow reversal of outstanding Standing Facility Repos.

#### **4.8 Reports Session – ‘REPORTS’**

##### **10.00 pm - 10.30 pm**

This session may be used to extract reports, including the RITS Cash List Reports available shortly after the finish of the Evening Session, or to perform password and other administrative tasks.

Just after the commencement of the REPORTS session, the EOD Allocation Transaction will be processed, transferring the FSS Participant’s RITS Balance to the FSS.

#### **4.9 Enquiry Session – ‘ENQUIRY’**

##### **10.30 pm – to 7.30 am\***

\* This is the following RITS business day.

<b>Facilities available</b>	<b>Settlement Processing</b>
Low Value Settlement Service (LVSS)	LVSS messages are accepted, validated, and responded to and manual entry of FSIs and FRIs is permitted. RITS Cash Transfers and transactions from feeders are not accepted. Only LVSS enquiries and manual entry of FSIs and FRIs can be performed. No settlement testing occurs, and queue management is not available.
RITS Allocation Transactions	No Allocation Transfers occur during RITS non-business hours.

#### **4.10 SWIFT Daily Settlement Session – ‘SWIFTDAY’**

##### **9.15 am - 4.30 pm**

<b>Facilities available</b>	<b>Settlement Processing</b>
SWIFT PDS Feeder System	Settlement completes for all eligible message types.



#### 4.11 SWIFT Final Settlement Session – ‘SWIFTFINAL’

4.30 pm - 6.05 pm (Standard time) / 4.30 pm – 8.05 pm (Summer time)

Facilities available	Settlement Processing
SWIFT PDS Feeder System	Existing queued payments can settle, but only new MT202s, pacs.009s or pacs.004s returning a pacs.009 or MT202 between Evening Agreed Members will be accepted into RITS. Other message types and payments that involve a Non-Evening-Agreed Member will be rejected.

#### 4.12 SWIFT End Session – ‘SWIFT/ACLR END’

6.05 pm - 6.30 pm (Standard time) / 8.05 pm – 8.30 pm (Summer time)

Facilities available	Settlement Processing
No SWIFT messages for settlement ‘today’ are accepted by RITS.	None. At the end of this session, any unsettled SWIFT and Austraclear transactions will be removed from the RITS Queue.

#### 4.13 Information about session times

Session Information is available in the following locations:

- the **Standard RITS Session Times** screen that is displayed upon logging into RITS or by clicking on the Home button in the header;
- in a table showing session opening and closing times (accessed by selecting the **Current Sessions** field in the Header); and
- in an enquiry, **Session History**, under the **Messages and Info** menu tab.

AIF session time period advices are provided to Members that have selected them.

#### 4.14 RITS Session Extension Arrangements

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##### Requests for extensions to cut-off times

RITS Help Desk: 1800 659 360 or +61 2 9551 8930

Austraclear Service Desk: 1300 362 257

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Because of the steps involved in extending a session and the time-critical nature of the process, requests to extend any session, RITS or Austraclear, should be made at least 10 minutes before the scheduled session close time. Any requests received after this will be dealt with on a ‘best-endeavours’ basis. This rule also applies to subsequent extensions.

In addition to any requests to extend a settlement session, Members must comply with the [RITS Member Incident Reporting Arrangements](#) if the extension request relates to a reportable incident.

Session extension arrangements distinguish between requests to extend settlement sessions that arise from operational incidents and those where the delay to completion of normal



operations are caused by avoidable operational inefficiencies. Requests for extensions will not automatically be granted where the request is the result of operational inefficiencies such as the late arrival or processing of client payment instructions, delays in obtaining securities for delivery, or inadequate staffing on the day.

If a Member becomes aware of an emerging issue of any kind that is likely to require a session extension, including system-related problems or operational issues that affect normal RTGS settlement, it should contact the RITS Help Desk and, if appropriate, the Austraclear Service Desk as soon as possible. Refer to the [RITS Member Incident Reporting Arrangements](#) for further information on reporting obligations.

Advice of any extension and its duration will normally be posted on RITS immediately after the cut-off time for extension requests. The advice will also be posted on the Austraclear System, if applicable. The first extension of the Daily Settlement Session will normally be for a minimum of 15 minutes. Generally, if one of the RITS Daily Settlement Session, Austraclear Daily Settlement Session or SWIFT Daily Settlement Session is extended, all three will be extended.

Requests for extensions to the Reservation End Time or the Reservation Batch Settlement End Time can be made only by a Batch Administrator for the relevant Reservation Batch Stream and will be assessed by the Reserve Bank on a case-by-case basis.

#### Extension Requests - Operational Incidents

Where an operational incident has occurred that affects processing, the following arrangements apply:

- a. The RITS Help Desk will automatically grant a (minimum) 15-minute extension to the settlement session if requested and where practicable depending on the notice given by the Member. Members must advise the RITS Help Desk or the Austraclear Service Desk of the likelihood of the problem being rectified within this first 15-minute period. An email detailing the nature of the operational incident must be provided to the Reserve Bank (rits@rba.gov.au) by the end of the following business day.
- b. Subsequent requests for extensions will only be granted if the value of outstanding transactions is greater than \$150 million.
- c. If normal processing has not resumed after 1 hour, further extensions will be granted at the discretion of the RITS Help Desk and only if there is judged to be a reasonable expectation of imminent recovery (see below).

In the event that a Member experiences a prolonged outage that causes, or is likely to cause, session extensions of an hour or more, the Reserve Bank expects senior management of the Member to contact the RITS Help Desk, and to be available for discussions with senior management of the Reserve Bank. Extension requests of more than an hour will be considered by the Reserve Bank taking account of other criteria, including:

- i. the effort being made to prevent disruptions to market liquidity;
- ii. the degree of confidence that the problem will be resolved within a reasonable timeframe (and allowing for suitable time to complete outstanding transactions); and
- iii. the Reserve Bank's judgement of the impact on the market. One consideration in this will be the number and value of transactions outstanding (as a guide: at least \$1 billion or 500 payments outstanding).

**Extension Requests - Operational Inefficiencies**

The Reserve Bank expects that settlement activity will occur within scheduled sessions and that Members' operational practices and staffing are consistent with this. Some requests for extensions arise from operational inefficiencies such as staff unavailability or the late unwinding of securities trades, including 'loops' involving several parties. These would not normally be considered grounds for an extension unless there is evidence of widespread industry dislocation or of system liquidity being significantly impacted.

Accordingly, requests for extensions not related to operational incidents will only be considered where:

- a) the RITS Help Desk or the Austraclear Service Desk is convinced of the likelihood of the situation being rectified within the first 15 minutes; and
- b) trades of \$250 million or more are outstanding; or
- c) the Reserve Bank is convinced of significant market disruption.

Where extensions are granted under these conditions, the Member(s) must provide the Reserve Bank with a written explanation. This explanation, which may be sent via email, must be provided by the end of the following business day.

**Requesting a Session Extension**

When requesting an extension, Members must inform the RITS Help Desk or the Austraclear Service Desk of the likelihood of the situation being rectified within the first 15 minutes. Requests for extensions arising from operational inefficiencies (or further extensions for operational incidents) will not normally be granted unless outstanding transaction details (number, value and status) are provided.

Requests for extensions should be directed either to the RITS Help Desk or the Austraclear Service Desk (1300 362 257), depending on the session, as follows:

- **Daily Settlement Session - Austraclear Transactions**

Requests relating to outstanding transactions involving a non-bank counterparty in the Austraclear System and not yet on the RITS System Queue must be made to the Austraclear Service Desk. Requests are judged against the criteria outlined above.

- **Daily Settlement Session - SWIFT Transactions**

Requests must be made to the RITS Help Desk. Requests are judged against criteria above in terms of total outstanding customer payments (MT103; pacs.008; pacs.004 returning a pacs.008) and transactions involving a non-Evening Agreed Member counterparty only.

- **Settlement Close, Evening Settlement and Reports Sessions**

Requests must be made to the RITS Help Desk and are assessed by the Reserve Bank on a case-by-case basis.

**4.15 Public holidays**

RITS will be open for business when either Victoria or New South Wales is open. If Victoria and New South Wales are both closed, then RITS will be closed. The FSS will, however, be available on a continuous 24-7-365 basis.

When RITS is open, all normal settlement functionality is available, including 9am Settlement and intraday multilateral settlement of low value clearing obligations. Members must ensure



they have sufficient RITS Balance to settle these 9am Settlement and intraday Multilateral settlement obligations each day that RITS is open, even if it is a holiday in their state.

#### **4.16 CLS Evening Session Times on Non-FX Days**

Shortened RITS sessions will apply on the NSW Bank Holiday in August, the NSW Labour Day public holiday in October and on other public holidays in Sydney that are not public holidays in Melbourne, as occurs from time to time. The latest information on holidays is provided in the RITS Information Facility.

Those days are not settlement dates for foreign exchange (FX) transactions which involve Australian dollars (AUD). Accordingly, there will be no CLS activity on those days. As Melbourne does not have a public holiday on those days, RITS will be open, but the extended hours for CLS are not required, allowing SWIFT payment activity and the Austraclear System to close earlier. The Evening Settlement Session operates to its normal time, closing at 10.00 pm, due to the settlement of direct entry obligations.

The cut-off time for input of SWIFT MT103s, MT202s, pacs.008s, pacs.009s and pacs.004s to or from Non-Evening Agreed Members payments remains at 4.30 pm. The cut-off time for input of new MT202s, pacs.009s or pacs.004s returning a pacs.009 or MT202 between Evening Agreed Members moves forward to 4.31 pm. Unsettled SWIFT and Austraclear transactions will be removed from the RITS System Queue at 5:35 pm. This allows the Austraclear System and interbank cash market to close at this time.

Additionally, the Reservation End Time will be moved earlier to 5:10 pm, and the Reservation Batch Settlement End Time will be moved earlier to 5:35 pm so that it continues to coincide with the close of the interbank cash market.

Cashlist reports and ESA Statements (MT950s/camt.053s) will be available at their normal times. The interim Cashlist Report and interim MT950/camt.053 statements will be generated at 5.15 pm. The final Cashlist Report and MT950 SMT999/camt.053 statements will be generated at 10:00 pm. The FSS Daily Cashlist Summary Report and MT950 SMT111 & SMT222/camt.053 statements will be generated shortly after midnight.



## 5. SYSTEM QUEUE

All RITS transactions which involve interbank settlement across the RITS Balance are sent to the System Queue for settlement testing.

Some intrabank transactions are also tested on the System Queue, mainly to allow Members to carry out credit management for Austraclear clients. However, there is no settlement across ESAs for these payments and the ESA test is not done.

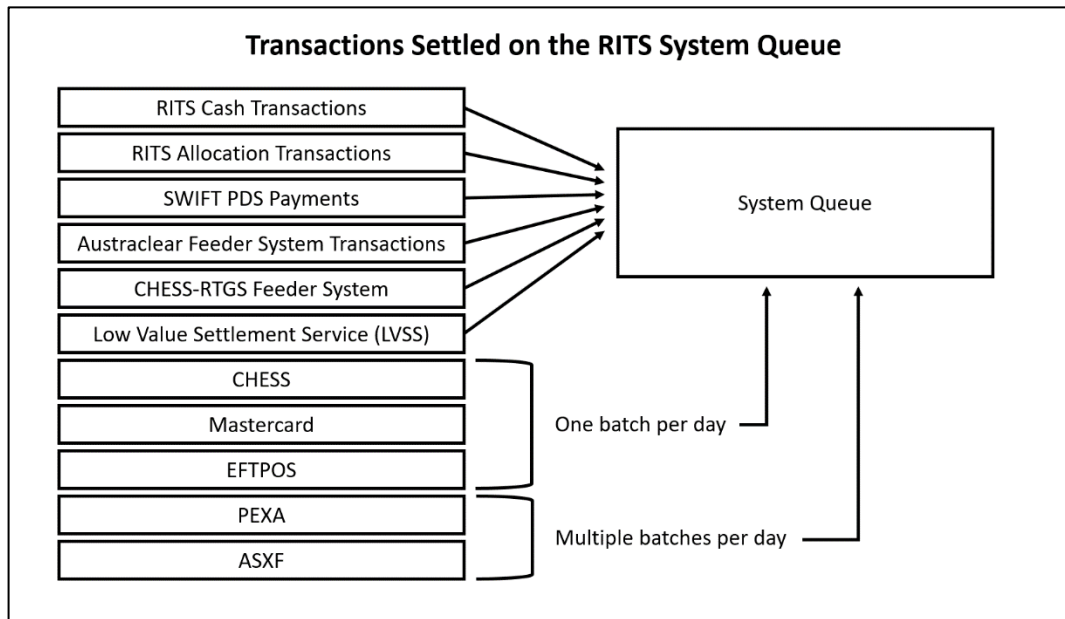
The RITS Allocation Transaction 'leg' of an Allocation Transfer, for a Member who is an FSS Participant, is also tested on the System Queue. All RITS Allocation Transactions will be tested on the System Queue with *priority* ESA Status.

The System Queue performs various validations on the transactions, but its main purpose is to ensure that the Paying Member and the Paying Member's bank have sufficient funds available for a transaction to settle.

For Reservation Batch Streams, the System Queue ensures that sufficient funds are available in the ESAs of Payer Members in the batch for a reservation of RITS Balance to be made.

The following table associates the business tests with the System tests:

Business Test	System Test
Test 1: Does the paying RITS Member have sufficient Cash Account funds for the transaction to proceed? (Since the transfer of AGS from RITS to Austraclear in February 2002, only Member-operated branches are capable of performing transactions. Most transactions are executed in the Feeder Systems and are passed through the Austraclear, SWIFT and CHES-RTGS clearing branches (i.e. BANKA1, BANKS1 and BANKC1).)	If the Cash Account Status is <i>priority</i> , does the payer have sufficient Cash Account balance and unused Cash Account Limit (if one is set), to fund the payment? If the Cash Account Status is <i>active</i> , does the payer have sufficient Cash Account balance above the Cash Account Sub-limit (if one is set), to fund the payment? If limit processing is turned off tests against Cash Account balances are not done.
Test 2: Does the paying RITS Member have sufficient RITS Balance for the transaction to proceed?	If the ESA Status is <i>priority</i> , does the paying Member have sufficient RITS Balance (less Reserved Funds) to fund a payment or make a new reservation? If the ESA Status is <i>active</i> , does the payer have sufficient RITS Balance (less Reserved Funds) above the ESA Sub-limit (if one is set), to fund the payment?



## 5.1 Summary of System Queue functions

### 5.1.1 Overview of the System Queue functions

Members have access to a number of RITS functions that enable them to view transactions on the System Queue. Different users will select the function most suited to their particular requirements:

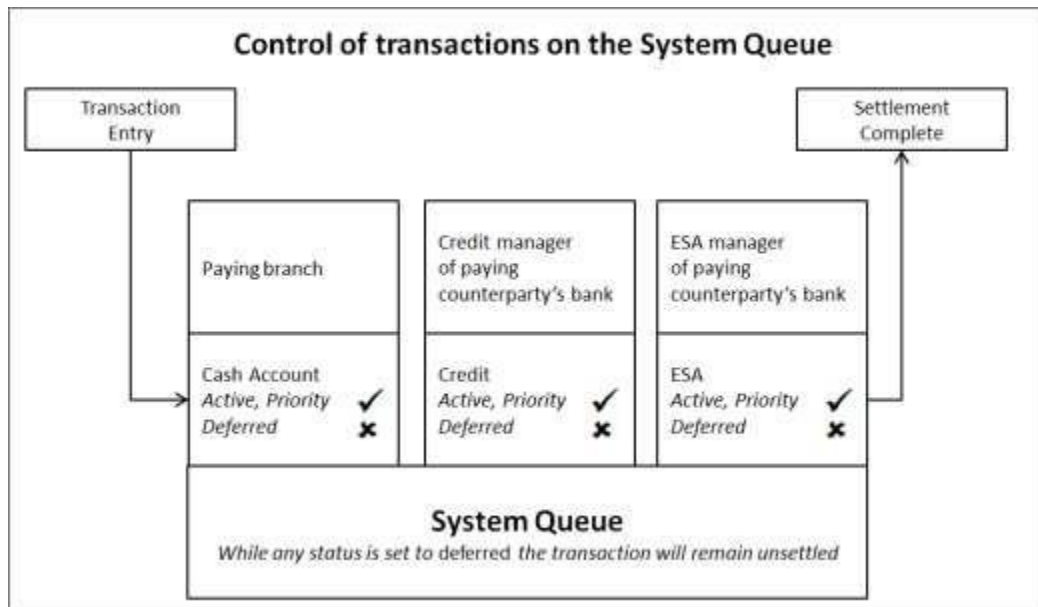
- Members' settlements managers use **Cash Account Status Queue Management** to view transactions across a single cash account (e.g. the BANKA1 branch for all Austraclear transactions). **Cash Account Status Queue Management** provides details of the counterparties in the transaction. For Austraclear Feeder transactions the Austraclear client mnemonics are shown. Transactions of other branches may be viewed in Cash Account Queue Management by linking the user to the required branches (see chapter 5.9 of this user guide).
- Members' liquidity managers and credit managers use the function **ESA/Credit Status/LVSS Settle Method Queue Management**. This is a joint function that combines the management of ESA and Credit Statuses of transactions, and the LVSS Settlement Method of LVSS transactions. Privileges allocated to users by the Password Administrator determine what a user can do in this function. For example, a user with ESA privileges can only change the ESA Status, but not the Credit Status of transactions.



Action	Cash Account Status <i>Settlements Manager</i>	Credit Status <i>Credit Manager</i>	ESA Status <i>ESA Manager</i>	LVSS Settlement Method <i>ESA Manager</i>
View System Queue	Cash Account Status Queue Management	ESA/Credit Status Queue Management	ESA/Credit Status/LVSS Settle Method Queue Management	ESA/Credit Status/LVSS Settle Method Queue Management
Change the status of one or many transactions	Cash Account Status Queue Management Cash Account Bulk Status	ESA/Credit Status/LVSS Settle Method Queue Management Bulk Credit Status	ESA/Credit Status/LVSS Settle Method Queue Management Bulk ESA Status	
Change the LVSS Settlement Method of one or many transactions				ESA/Credit Status/LVSS Settle Method Queue Management Bulk LVSS Settlement Method Management
Recall a transaction	Cash Account Status Queue Management		Recall RITS Allocation Transaction	
Set an override/default status	Cash Account Override Status	ESA/Credit/LVSS Settle Method Override Status	ESA/Credit/LVSS Settle Method Override Status	ESA/Credit/ LVSS Settle Method Override Status
Bulk Defer - Bulk Reinstate			Bulk ESA Status	
Set Cash Account Sub-Limit	Cash Account Sub-Limit – Set Sub-Limit			
Set ESA Sub-Limit			ESA Position – Set ESA Sub-Limit	



### 5.1.2 Control over settlement on System Queue is shared



#### The paying Member's control over settlement on the System Queue

For each value transaction sent to the System Queue, the paying RITS counterparty can use the Cash Account Status to control the timing of settlement. The paying counterparty is the paying Member in RITS, through a Member branch (e.g. BANK20) or one of the feeder clearing branches (e.g. BANKA1 and BANKS1).

Paying Members with Austraclear (or CHESS-RTGS) clients can manage the allocation of credit using their internal proprietary systems. Alternatively, they may set cash account limits (debit caps) in Austraclear (or CHESS-RTGS) and by using the Credit Status of payments on the System Queue.

Where a Member sets the Credit Status of a transaction to *deferred*, the transaction will not settle until the Credit Status is changed to *active* or *priority*.

For control over usage of ESA funds, paying Members can use the ESA Status. Where a Member sets the ESA Status of a transaction to *deferred*, the transaction will not settle until the ESA Status is changed to *active* or *priority*.

#### Reservation Batch

Transactions in a Reservation Batch will always be given Cash Account, Credit and ESA Statuses of *priority* by the System, and Members are not able to change these statuses.

#### RITS Allocation Transactions (RITS Transaction leg of an Allocation Transfer)

RITS Allocation Transactions will be processed on the System Queue with a *priority* Cash Account, Credit and ESA Statuses at all times throughout the RITS business day regardless of Members' override settings. Members are not able to change these statuses. Where a Member has insufficient RITS Balance to settle a RITS Allocation Transaction for an FSS Top-up (Allocation Transfer) the liquidity manager should adjust FSS Triggers settings appropriately and then recall the unsettled RITS Allocation Transaction in order for the System to create a RITS Allocation Transaction that will settle.



## **5.2 When do transactions arrive on the System Queue?**

### **Austraclear and CHESS-RTGS Feeder System transactions**

Austraclear and CHESS-RTGS will only send a transaction to the System Queue if the transaction has passed the Debit Cap test in Austraclear or CHESS-RTGS. If the Debit Cap test is set to 'off', the transaction will proceed directly to RITS.

Austraclear Feeder System transactions can be placed on the System Queue from 7.30 am, when RITS opens.

### **SWIFT PDS Feeder System Payments**

Following message validation (for details please refer to the *RITS/SWIFT Interface User Guide*), SWIFT Payments are placed on the System Queue from the time of RITS opening at 7.30 am.

SWIFT Payments dated for settlement on a future day up to five business days ahead will be accepted by RITS and warehoused. They are placed on the System Queue at 7:30 am on the day of settlement but cannot settle until the Daily Settlement Session. Members should check the AusPayNet rules regarding warehoused payments.

### **RITS Cash Transfers**

RITS Cash Transfers are placed on the System Queue after details have been entered, authorised (if required) and matched.

Warehoused Cash Transfers are placed on the System Queue when RITS opens at 7.30 am.

### **RITS Allocation Transactions**

RITS Allocation Transactions can be placed on the System Queue from the commencement of the Morning Settlement Session to just after the commencement of Reports Session on a RITS Business Day.

### **LVSS transactions**

Following message validation, LVSS transactions are placed on the System Queue from the time of RITS opening at 7.30 am. LVSS transactions sent to RITS during the Enquiry Session are validated and responded to as they are received but are only placed on the System Queue when Morning Settlement Session opens on the settlement date.

LVSS transactions dated for settlement on a future day up to five business days ahead will be warehoused.

### **Batch transactions**

Message-entered Settlement-only Batches are placed on the System Queue after they have been successfully validated by the system.

Settlement-only Batches entered directly in RITS are placed on the System Queue after details have been entered and authorised (if required).

Reservation Batches are given a status of *Reserved* after ESA funds have been reserved; at this time they are not on the System Queue. Reservation Batches are placed on the System Queue after a settlement request from the Batch Administrator has been successfully validated by the System.

Batches can be placed on the System Queue from 7.30 am, according to the rules for that Batch Stream.

**System Queue Processing**

The System Queue processes RITS Cash Transfers, RITS Allocation Transactions, SWIFT, LVSS, Batch and Austraclear System transactions according to the session rules described in chapters 4.1 to 4.12 of this user guide.

**5.3 Evening transaction flag**

When a transaction is placed on the System Queue from any source, it is tested to determine if it is eligible to remain on the System Queue after the end of the Settlement Close Session. If the transaction is eligible, it is marked with the 'Y' evening flag. The flag is displayed in the functions Cash Account Queue Management and ESA/Credit Queue Management.

The evening flag is assigned if all of the following conditions are met:

- both participants in the transaction are Members;
- both Members are Evening Agreed; and
- the Feeder System from which the transaction came is eligible in the Evening Settlement Session.

All RITS Allocation Transactions arriving on the System Queue will be assigned an Evening Flag regardless of the evening agreed status of the Member making the Allocation Transfer.

Transactions that do not have an evening flag assigned are removed from the System Queue at the end of the Settlement Close Session and are marked as unsettled. Transactions in a Reservation Batch will remain on the System Queue at the end of the Settlement Close Session regardless of whether or not they have been assigned an evening flag.

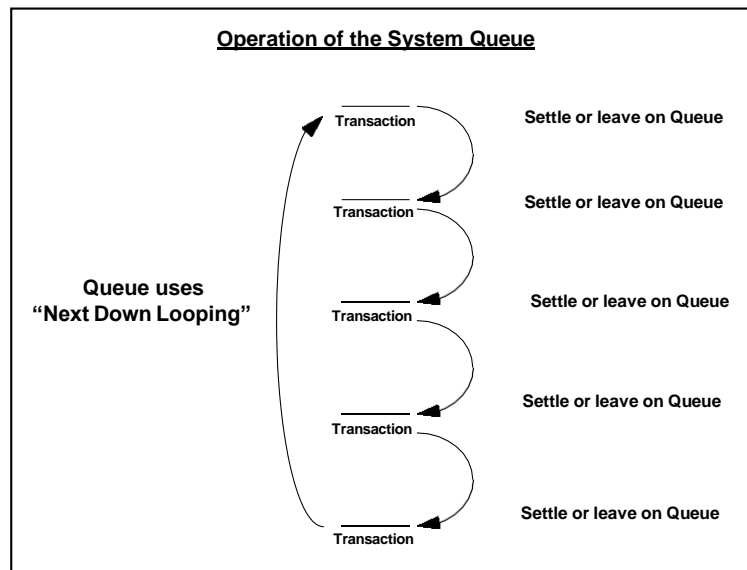
**5.4 Interim and Evening Settlement Session System Queue validations**

New payments may be entered via SWIFT in the Settlement Close, Interim and Evening Settlement Sessions only where both Members have electronically agreed to participate in the Evening Settlement Session. Members can participate in the Evening Settlement Session by making changes in the function Evening Agreement. The queue performs a validation based on the Agreed status of the paying and receiving Members. Payments sent by or to non-Evening Agreed Members will be rejected. Only selected SWIFT message types will be accepted by RITS in the Settlement Close, Interim and Evening Settlement Sessions. The paying Member will be advised of rejections by a message in RITS. New payments between any Members in RITS and Austraclear can be entered onto the System Queue in these sessions.

Settlement testing ceases for the duration of the Interim Session, which is approximately 30 seconds. This is to allow for data snapshots to be taken in order to generate the Interim Cashlist Reports. All RITS Allocation Transactions will be assigned an Evening Flag to ensure they are retained on the System Queue; they will be eligible for testing, and can be affected, in the Evening Session.

**5.5 System Queue tests**

The System Queue tests transactions in the order received but may settle transactions out of order. If a transaction does not settle, it remains on the queue, and the queue 'loops down' to test the next transaction ordered. The diagram below illustrates System Queue testing.



The following tests are applied to each transaction on the System Queue:

#### Test 1 - Check status

Does the transaction have a *deferred* Cash Account, Credit or ESA Status?

**YES** Leave on Queue and test next transaction.

**NO** Proceed to test 2.

#### Test 2 - RITS Cash Account Limit set?

Is there a Cash Account Limit on the paying branch's Cash Account?

**YES** Proceed to test 3.

**NO** Proceed to test 4 (if interbank transaction or RITS Allocation Transaction) or effect the transaction (if intrabank transaction other than a RITS Allocation Transaction).

#### Test 3 - RITS Cash Account Limit / Cash Account Sub-Limit test

Will the transaction breach the paying branch's:

- Cash Account Limit, if a *priority* Cash Account Status; or
- Cash Account Sub-Limit, if an *active* Cash Account Status?

**YES** Leave on Queue and test next transaction.

**NO** Proceed to test 4 (if interbank transaction or RITS Allocation Transaction) or effect the transaction (if intrabank transaction other than a RITS Allocation Transaction).



---

**Test 4 - ESA test**

Does the payer's bank have sufficient:

- credit funds in its RITS Balance, for a *priority* ESA Status transaction in a Reservation Batch; or
- RITS Balance less currently reserved funds, for non-Reservation Batch *priority* ESA Status transactions; or
- RITS Balance less currently reserved funds **over and above** the ESA Sub-Limit\*, for an *active* ESA Status transaction?

**YES**      Settle the transaction.

**NO**        Proceed to test 5.

\* If no ESA Sub-Limit is set, then there is no difference between an *active* and a *priority* ESA Status; transactions with both these statuses will be tested against the full RITS Balance less currently reserved funds.

---

**Test 5 - Auto-Offset time test**

Has the transaction failed an ESA Limit test or ESA Sub-Limit test and remained unsettled on the System Queue for at least one\* minute?

**YES**        Proceed to test 6.

**NO**        Leave on Queue and test next transaction.

\* This time is a RITS System Administrator parameter. Any changes made to this time will be advised to Members; however, it is not expected to change frequently.

---

**Test 6 - Auto-Offset Test**

Could the transaction settle under the Auto-Offset arrangements? (See chapter 8 'Auto-Offset' of this user guide for details.)

**YES**        Settle the transaction and the other(s) involved in the Auto-Offset.

**NO**        Leave on Queue and test next transaction.

---

**Next Transaction on the Queue**

The next transaction on the System Queue will be tested in the same manner whether it is a new transaction or a transaction that has been previously tested.

---

**5.6 Available RITS Balance and RITS Active Balance**

The 'Available RITS Balance' is the RITS Balance available to settle *priority* transactions and to make new reservations via the System Queue.

The 'RITS Active Balance' is the amount of funds available to settle transactions on the System Queue with an *active* status. The RITS Active Balance is displayed for: (a) the RITS Balance available when the ESA Status is used; and (b) for the amount of Cash Account funds available, when the Cash Account Status is used.



### The Available RITS Balance and RITS Balance

Once funds are reserved for a Reservation Batch, they cannot be used for settlement of other transaction types. The Available RITS Balance is calculated by subtracting aggregate reserved funds from the RITS Balance. Where there are no Reserved Funds the full RITS Balance will appear as the Available RITS Balance.

If the Available RITS Balance is zero, no *active* or *priority* ESA Status transactions will settle other than Reservation Batch transactions for which RITS Balance has already been reserved (except potentially via Auto-Offset).

### The RITS Active Balance and RITS Balance

At the ESA level, Members may set aside an amount of funds (over and above reserved funds) from their Available RITS Balance for use by only *priority* ESA Status transactions by setting an ESA Sub-Limit. The RITS Active Balance is the amount of funds over the ESA Sub-Limit and reserved funds, available to *active* ESA Status transactions. If no ESA Sub-Limit is set, the RITS Active Balance will be the same as the Available RITS Balance.

The RITS Active Balance is calculated by subtracting the ESA Sub-Limit from the Available RITS Balance. If the RITS Active Balance is negative, no *active* ESA Status transactions will settle (except potentially via Auto-Offset). Some examples are provided in the following table.

RITS Balance	Reserved Funds	Available RITS Balance	ESA Sub-Limit	ESA Limit*	RITS Active Balance
\$100M	\$5M	\$95M	\$60M	\$0.00	\$35M
\$200M	\$10M	\$190M	\$250M	\$0.00	-\$60M

\* Set by the Reserve Bank, ESAs may not be taken into debit.

The Available RITS Balance and RITS Active Balance may be viewed in:

- the ESA Position screen; or
- the ESA/Credit Status Queue Management screen.

### The RITS Active Balance and Cash Account funds

When used in conjunction with a Cash Account Sub-Limit, the RITS Active Balance is the funds in the relevant Cash Account over the Cash Account Sub-Limit available to *active* Cash Account Status transactions. The RITS Active Balance appears on the Cash Account Queue Management Details screen – the function used to view the details of transactions on the System Queue.

Where no Cash Account Sub-Limit is set, the full Cash Account balance plus Cash Account Limit will appear as the RITS Active Balance. Note the difference between not setting a Cash Account Sub-limit (example 4 in the table below), setting a Cash Account Sub-limit of zero (example 5 in the table below) and turning limit processing off on the Cash Accounts, in which case neither the Cash Account Limit nor the Cash Account Sub-limit are taken into consideration.

Where a Member has turned off limit processing on the cash account, the RITS Active Balance has 'No Limit' and is marked as such.



When limit processing is turned on, the RITS Active Balance is calculated by subtracting the Cash Account Sub-Limit from the Cash Account balance. If the RITS Active Balance is negative, no *Active* Cash Account Status transactions will settle. Some examples are provided in the following table:

Example	Cash Account Balance	Cash Account Sub-Limit	Cash Account Limit	RITS Active Balance
1	\$100M	\$70M	\$200M	\$30M
2	\$100M	\$150M	\$200M	-\$50M
3	-\$120M	-\$160M	\$200M	\$40M
4	\$90M	N/A	\$200M	\$290M
5	\$90M	\$0.00	\$200M	\$90M

Members commonly turn limit processing off on their Cash Accounts and manage liquidity at the ESA level. This makes the concept of the RITS Active Balance at the Cash Account level less relevant than it was in the past.

### **The Cash Account Balance and Cash Account funds**

For *priority* Cash Account Status transactions, the total amount of funds available is the Cash Account Balance plus the amount that the account can go into debit (i.e. the Cash Account Limit).

If limit processing is turned off, the Cash Account Balance has 'No Limit' and is marked as such.

## **5.7 Processing of a successful settlement**

All transactions which pass settlement testing on the System Queue (i.e. RITS, SWIFT PDS, Austraclear, LVSS, Batch, and CHES-RTGS Feeder System transactions) are posted to RITS Cash Accounts. Where transactions are between customers of different Members, or between Members, the System will also automatically post the relevant amounts to the paying and receiving Members' ESAs simultaneously.

In other words, at the time a transaction is settled, the system will simultaneously:

- debit the paying Member branch Cash Account and debit the paying Member's ESA;
- credit the receiving Member branch Cash Account and credit the receiving Member's ESA; and
- if the transaction originated in a Feeder System, return a settlement confirmation to that system.



## 5.8 A list of transactions settled on the System Queue

Transactions settled on the System Queue are:

- **SWIFT payments.** Valid same-day settlement payments are placed directly on the System Queue. Warehoused payments are placed on the System Queue on the day of settlement.
- **Austraclear Feeder System payments.** Valid payments are placed directly on the System Queue.
- **CHESS-RTGS Feeder System payments.** Valid payments are placed directly on the System Queue.
- **Two-sided RITS Cash Transfers.** Both parties make matching entries in the RITS function **Cash Transfer**. Either party may make the first entry. The transaction is sent to the System Queue for Settlement after the transaction is matched and any authorisations completed. Warehoused Cash Transfers are placed on the System Queue on the day of settlement.
- **LVSS Transactions.** Valid LVSS transactions are placed directly on the System Queue if for settlement today or are warehoused if for a future settlement date. LVSS transactions with a LVSS Settlement Method of 'M' are not tested until the next scheduled Multilateral Run. There are six Multilateral Runs each day, the 9am Settlement for net deferred low value clearings, arising from cheques, credit and debit cards and some direct entry obligations, and five intraday Multilateral Runs for non-Government direct entry obligations. Government direct entry obligations are settled during the Morning Settlement Session, separately to the Multilateral Runs.
- **RITS Batch Transactions.** There are two types of Batches:
  - **Settlement-only Batches.** Amounts are entered by the Batch Administrator on behalf of the settlement Members. The transactions are placed on the System Queue automatically to settle immediately or at the specified Activation Time.
  - **Reservation Batch Transactions.** An initial Reservation Request is entered by the Batch Administrator on behalf of the settlement Members, which results in RITS Balance being reserved in the ESAs of Payer Members. Following subsequent upstream business processing, the Batch Administrator enters a Settlement Request, and the transactions in the Reservation Batch are then placed on the System Queue for settlement testing.
- **RITS Allocation Transactions (RITS Leg of an Allocation Transfer).** There are two situations where a RITS Leg of an Allocation Transfer is placed on the System Queue:
  - **FSS Top-up.** When an FSS Top-up occurs, the first leg is tested on the System Queue.
  - **FSS Withdrawal.** When an FSS Withdrawal occurs, the second leg is tested on the System Queue.

## 5.9 Viewing and managing queued transactions of branches

For Queue Management at the Cash Account level, in the function **Cash Account - Queue Management**, a user must be linked to a branch to view and manage payments of that branch.

For Queue Management at the ESA and Credit levels, user/branch links are not required.





## 6. COUNTERPARTY RITS BRANCH QUEUE FACILITIES

This section describes those System Queue facilities available for the management of queued payments for a particular RITS branch.

For other facilities available to Paying and Receiving Members, see chapter 7 (Members' Liquidity Controls), chapter 9 (Targeted Bilateral Offset), and chapter 11 (Members' RITS Credit Management) in this user guide.

### Key functions

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#### View and set Cash Account Status

- **Cash Account - Queue Mgt** – enquiry and maintenance for Cash Account Status.
- **Cash Account - Bulk Status** – change status of many transactions.
- **Cash Account - Override Status** – set an override Cash Account Status.

#### Set a Cash Account Sub-Limit

- **Cash Account - Sub-Limit** – set Cash Account Sub-Limit.

#### Delete / Recall a transaction

- Prior to arrival on System Queue, delete unmatched Cash Transfers using **Cash Transfer - Amend or Delete**.
  - For a Cash Transfer on the System Queue, recall using **Cash Account - Queue Mgt** (both the payer and receiver can recall).
  - For LVSS FSIs (File Settlement Instructions), send or manually enter an FRI (File Recall Instruction).
  - Recall a SWIFT Payment with a SWIFT message.
  - Recall Austraclear and CHES-RTGS Feeder System transactions from those systems.
  - For a RITS Allocation Transaction on the System Queue, recall using **Recall RITS Allocation Transaction**
- 

### 6.1 Who uses the counterparty branch queue facilities?

Members may use the counterparty branch queue facilities to manage their own RITS Cash Transfers in RITS branches (e.g. BANK2E) and their payment obligations arising in the Feeder Systems that access RITS for RTGS settlement through the Feeder System branches (e.g. BANKA1, BANKS1 and BANKC1).

### 6.2 Overview of paying counterparty branch controls

The paying counterparty branch to transactions on the System Queue may use the Cash Account Status to control:

- the timing of settlement (by setting a *deferred* Cash Account Status then changing it to *active* or *priority* when ready for settlement; note that it is not possible to change the Cash Account Status of Reservation Batch transactions – it is always *priority*. RITS Allocation Transactions are also placed on the queue with a status of *priority*, which cannot be changed.); and



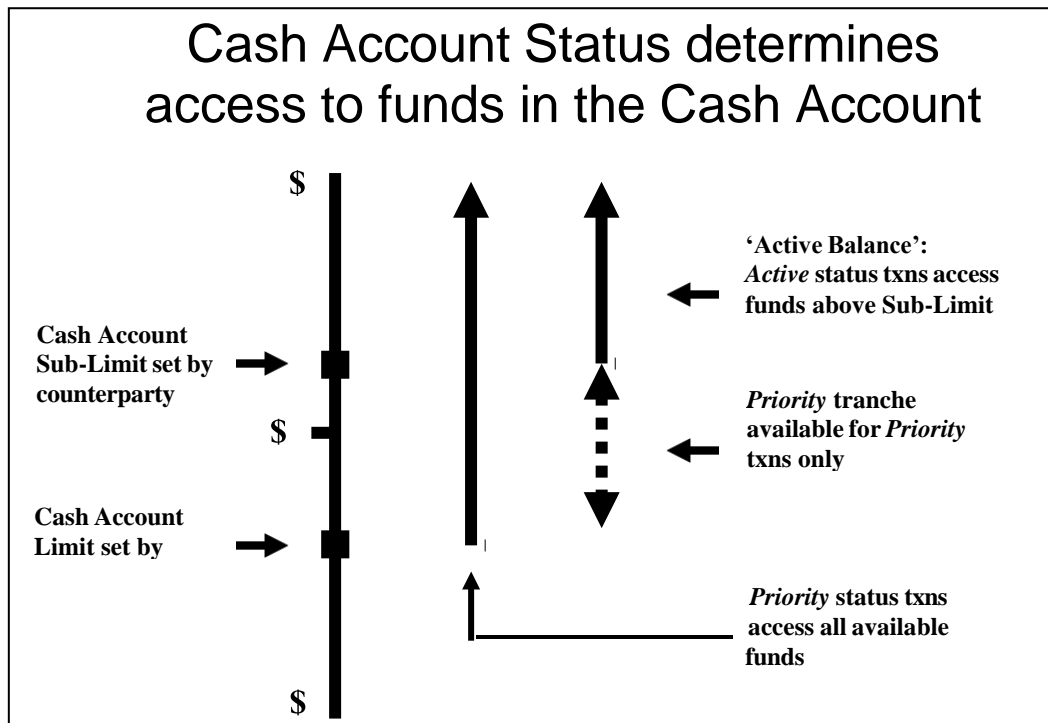
### RITS

### Counterparty RITS Branch Queue Facilities

- the amount of funds available to a transaction, by setting a Cash Account Sub-Limit. This ensures that *active* Cash Account Status transactions only spend that part of the Cash Account balance over and above the Cash Account Sub-Limit that has been set, (i.e. the RITS Active Balance displayed in the Cash Account Queue Management Details screen). A *priority* Cash Account Status will ensure that the payment is tested against the full Cash Account balance including any Cash Account Limit.

#### How the Cash Account Status affects testing

There are three Cash Account Status types - *active*, *priority* and *deferred*. These are outlined in the following sections.



#### Active Cash Account Status

Where a Cash Account Limit has been set, a Cash Account Status of *active* will allow transactions to be settled only if funds are available over and above any Cash Account Sub-Limit that has been set in **Cash Account - Sub-Limit**. These funds are called the RITS Active Balance and may be viewed in Cash Account Queue Management Details screen.

Where a Cash Account Limit has been set, but no Cash Account Sub-Limit has been set in **Cash Account - Sub-Limit** (i.e. a *null* setting), then an *active* Cash Account Status transaction will be tested against the full Cash Account balance including any Cash Account Limit, and the RITS Active Balance will display the full Cash Account balance.

#### Priority Cash Account Status

Where a RITS Cash Account Limit has been set, a Cash Account Status of *priority* will allow a transaction to be tested against all available funds above the Cash Account Limit.

#### Deferred Cash Account Status

Regardless of whether a Cash Account Limit has been set, a Cash Account Status of *deferred* will defer processing of a transaction – that is, the transaction is placed on the Queue and retains its place there, but it will be passed over for settlement testing until the status is changed using Cash Account Queue Management.



#### 6.2.1 Effect of Cash Account Limit being turned off

Where the Participating Member has turned off the Cash Account Limit processing (in **Cash Account - Limit**), no Cash Account tests are done (i.e. Cash Account Limit or Cash Account Sub-limit). FSS Participants and LVSS multilateral run participants are advised to turn off Cash Account Limit processing.

#### 6.2.2 Deferral Block on Cash Account Status

Members may elect to set a *Deferral Block*, so that a Cash Account Status of *active* or *priority* may not be subsequently set to a *deferred* Cash Account Status by the participant.

Where a Member has set a Deferral Block on a Cash Account this can be viewed in **Cash Account Enquiry** as a 'Y' under 'Deferral Block'.

### 6.3 Setting a Cash Account Sub-Limit

When Cash Account Limit processing is turned on, a Cash Account Sub-Limit may be set.

Any funds balance below the Cash Account Sub-Limit will be available to transactions with a *priority* Cash Account Status only. A Cash Account Sub-Limit may be either a credit limit or a debit limit that is within the Cash Account Limit set by the Member. Any funds above the Cash Account Sub-Limit will be available to *active* Cash Account Status transactions.

### 6.4 Setting a Cash Account Status

The Cash Account Status may be entered and amended in the following ways:

- when recording RITS Cash Transfer details, a Cash Account Status field is available to the paying counterparty branch;
- once the transaction details have been entered, and while the transaction remains unmatched, or prior to settlement day, the Paying Member can alter the Cash Account Status in **Cash Transfer - Amend or Delete** (for Cash Transfers); and
- once the transaction is passed to the System Queue the Cash Account Status may be altered by the Paying Member using the function **Cash Account - Queue Mgt** or **Cash Account - Bulk Status**.

#### Austraclear and CHES-RTGS Feeder System transactions

Transactions arising in Austraclear and CHES-RTGS will have a Cash Account Status of *active* automatically applied by those systems. This status may be overridden by the override status set on the banks A1 or C1 branches in **Cash Account - Override Status** and, once on the System Queue, it can be changed in **Cash Account - Queue Mgt**.

#### SWIFT PDS payments

SWIFT PDS payment messages in MT format contain a sub-field for the Paying Member to enter a Cash Account Status. If this sub-field is blank, or the SWIFT PDS payment message is in ISO 20022 format, the System will apply either:

- the override Cash Account Status set by the Paying Member on its S1 branch; or
- the System default Cash Account Status of *active*, if the override Cash Account Status is set to 'null'.



### RITS

### Counterparty RITS Branch Queue Facilities

#### RITS Batch Transactions – Batch facility

For message entered Settlement-only Batches, a Batch Administrator may enter the Cash Account Status for a debit transaction in the batch as instructed by the Member involved.

For Settlement-only Batches entered directly in RITS, the Cash Account Status applied to each transaction is the override Cash Account Status set for the paying Member's branch in **Cash Account - Override Status**.

No system default Cash Account status applies to Settlement-only Batches.

Transactions arising from a Reservation Batch stream will have a Cash Account Status of *priority* automatically applied by RITS. This status may not be modified. Any override Cash Account statuses set by Members on the branch used for transactions in a Reservation Batch will be ignored by the System Queue.

#### LVSS Transactions

If the Originator of an FSI is the Payer, the Originator may set the Cash Account status in the FSI. Where the FSI Originator is the Payee the Cash Account Status, if present in the FSI, is ignored by RITS. If an override Cash Account Status is set on the Payer's relevant branch, this value will be applied. If there is no value applied in the FSI and no override value is set, the system default of Active is applied.

#### RITS Allocation Transactions

To facilitate the processing of Allocation Transfers, each FSS Participant sets up a dedicated RITS Branch and Cash Account (the BANKFS branch).

When RITS Allocation Transactions (RITS Leg of an Allocation Transfer) are added to the System Queue, a Cash Account Status of *priority* is automatically applied by RITS. This status may not be modified, and any override Cash Account Status set by Members on the BANKFS branch is ignored by the System Queue.

### 6.5 How to delete a transaction

Transactions may be deleted or recalled at any time prior to settlement.

#### Recalling RITS Cash Transfers on the Queue

A counterparty branch in a queued RITS Cash Transfer transaction may recall the transaction using **Cash Account - Queue Mgt**. Once recalled, the transaction must be re-entered and matched in order for it to be settled.

A message notifying the counterparty branch that the transaction has been recalled will be available in the function **Message Enquiry**. Members are notified in the Header that there is a message to view.

Members' credit or ESA managers may not delete a transaction unless they are able to use the counterparty branch facilities (they must be linked to the branch). They may, however, set a Credit Status or ESA Status of *deferred* if they wish to prevent a transaction settling.

#### Deleting RITS Cash Transfers not on the Queue

Cash Transfers not on the Queue (i.e. warehoused, or where the transaction is not matched) may be deleted using **Cash Transfer - Amend or Delete**. Use **Cash Transfer -Enquiry** to enquire on Cash Transfers.



#### Recalling an LVSS File Settlement Instruction

LVSS File Settlement Instructions (FSIs) may be recalled from the warehouse (if future dated) or from the Queue (on Settlement Date) by sending or manually entering a File Recall Instruction (FRI). Only the Originator of an FSI can recall the FSI.

#### Recalling Feeder System transactions

SWIFT PDS, Austraclear or CHES-RTGS Feeder System transactions may be removed from the System Queue. SWIFT Payments may only be recalled using an AIF message, while Austraclear and CHES-RTGS Feeder System payments may be only recalled from those systems.

#### Recalling batch transactions

Settlement-only Batches may be recalled by a SWIFT message or via the RITS user interface.

Reservation Batches in a status of *Reserved* may be recalled by the Batch Administrator by sending a Reservation Recall request.

#### Recalling RITS Allocation Transactions

RITS Allocation Transactions for the RITS Transaction leg of an FSS Top-up may be recalled from the System Queue using **FSS – Recall RITS Allocation Transaction**.

Members can check whether the recall was successful or not using **Transaction Enquiry or FSS Allocation Transfer Enquiry**.



## **7. MEMBERS' LIQUIDITY CONTROLS**

This section describes the functions available for the management of payments and liquidity in RITS.

### **Key functions**

#### **From the menu:**

#### **ESA Position**

View, amongst others, the ESA Balance, RITS Balance, FSS Balance, Reserved Funds, Available RITS Balance, ESA Sub-Limit and RITS Active Balance; Multilateral Run Position; the number and value of queued inward and outward payments; Intraday RBA Repos\* Completed Today; a Calculated Net ESA Position (Adjusted for Late Payments); and change the ESA Sub-Limit.

\*'Intraday RBA Repos' in the RITS User Interface Screens refers to intraday Standing Facility Repos.

#### **ESA/Credit - Queue Mgt**

The **Queued Payments Management – ESA/Credit Status/LVSS Settlement Method** function is the liquidity manager's view of unsettled transactions on the System Queue with the ability to change the ESA Status and/or LVSS Settlement Method of one or many transactions.

#### **ESA/Credit - Override Status**

Set a Payment Threshold, set an Override ESA Status, set an Override Credit Status or set an Override LVSS Settlement Method, for a branch, including Feeder System branches, for payments tested and settled on the System Queue.

#### **ESA/Credit - Bulk ESA Status**

Change the ESA Status of many payments on the System Queue. The liquidity manager is also able to halt all payments, selectively release specific payments and then reinstate (see chapter 7.4 of this user guide).

#### **ESA/Credit – Bulk Settle Method**

Change the LVSS Settlement Method of many payments on the System Queue.

#### **Targeted Offset**

Select multiple transactions with one other Member on the System Queue to be settled simultaneously (refer to chapter 9 of this user guide).

#### **FSS – Allocation Mgt**

Enter Upper and Lower Trigger Point and Reset Point values for Allocation Transfers via the RITS user interface and manually return the FSS Balance to the nominated Reset Point during RITS settlement hours (refer to chapter 15.7.9 of this guide).



#### Liquidity Facilities:

##### Standing Facility Repos (for RTGS liquidity purposes)

ESA holders may transact repos with the Reserve Bank, either directly in the Austraclear System or by contacting the Domestic Markets Desk, to raise liquidity for their RTGS transactions. (See chapter 10 in this user guide for details.)

##### Overnight funding from RBA

Call the Domestic Markets Desk on (02) 9551 8321 to request for an intraday Standing Facility Repo to be extended overnight. Interest is charged for the overnight funding. (See chapter 10 of this user guide for details.)

## 7.1 Overview of ESA management in RITS

Members use the liquidity management functions to manage their RITS Balance. By setting an ESA Sub-Limit they are able to reserve funds for a future important payment and by setting ESA Statuses on the transactions of the Member and its Feeder System clients they are able to ration liquidity and prioritise payments.

Members may also set Override ESA Statuses, which override any previously specified ESA Status for a transaction (with the exception of transactions in a Reservation Batch and RITS Allocation Transactions). Separate overrides may be set above and below a Member-specified payment value threshold, allowing Members to use a different liquidity control method for small value payments. The Override ESA Status applies to Members' activities at the Cash Account level, but as most branches have only one Cash Account the impact is effectively at the branch level. Where these Overrides are set for the feeder clearing branches (e.g. BANKA1) they are applied to all payments entering RITS from that feeder (e.g. Austraclear Feeder System).

To manage the allocation of RITS Balance to payments from the Austraclear and CHESS-RTGS systems, a default ESA Status may be set in those systems on a client-by-client basis and this ESA Status is sent to RITS with the transaction details.

Members may manage their ESA by:

- setting an ESA Sub-Limit and changing the ESA Status individually or in bulk in RITS; or
- using the AIF and their proprietary payments systems.

If using the AIF, Members would also receive details of each transaction via an AIF message when the payment arrives on the System Queue. When the Member is happy for the payment to proceed, the Member then sends a SWIFT message to RITS to change the ESA Status of *deferred* to *active* or *priority*. Assuming the Member has sufficient liquidity, the transaction will settle.

Another message can also be selected from the AIF to advise the Member of the settlement (both debits and credits) and the resulting RITS Balance. The Member is then able to maintain a record of its RITS Balance in its own proprietary payments system.

## 7.2 Using the ESA Sub-Limit

Where an ESA Sub-Limit is set (using the function **Change ESA Sub-Limit** in **ESA Position**):

- transactions with an *active* ESA Status will settle only if there is sufficient Available RITS Balance over and above the ESA Sub-Limit. These funds are called the RITS Active Balance and may be viewed in **ESA Position** and **ESA/Credit Queue**



### RITS

### Members' Liquidity Controls

**Management.** Any Available RITS Balance below the ESA Sub-Limit will be available only for *priority* ESA Status transactions and new Reservations; and

- transactions with a *priority* ESA Status (other than transactions in a Reservation Batch and RITS Allocation Transactions) will settle only if there is sufficient Available RITS Balance.

The ESA Sub-Limit may be changed by a Member at any time.

#### 7.2.1 ESA testing with/without an ESA Sub-Limit

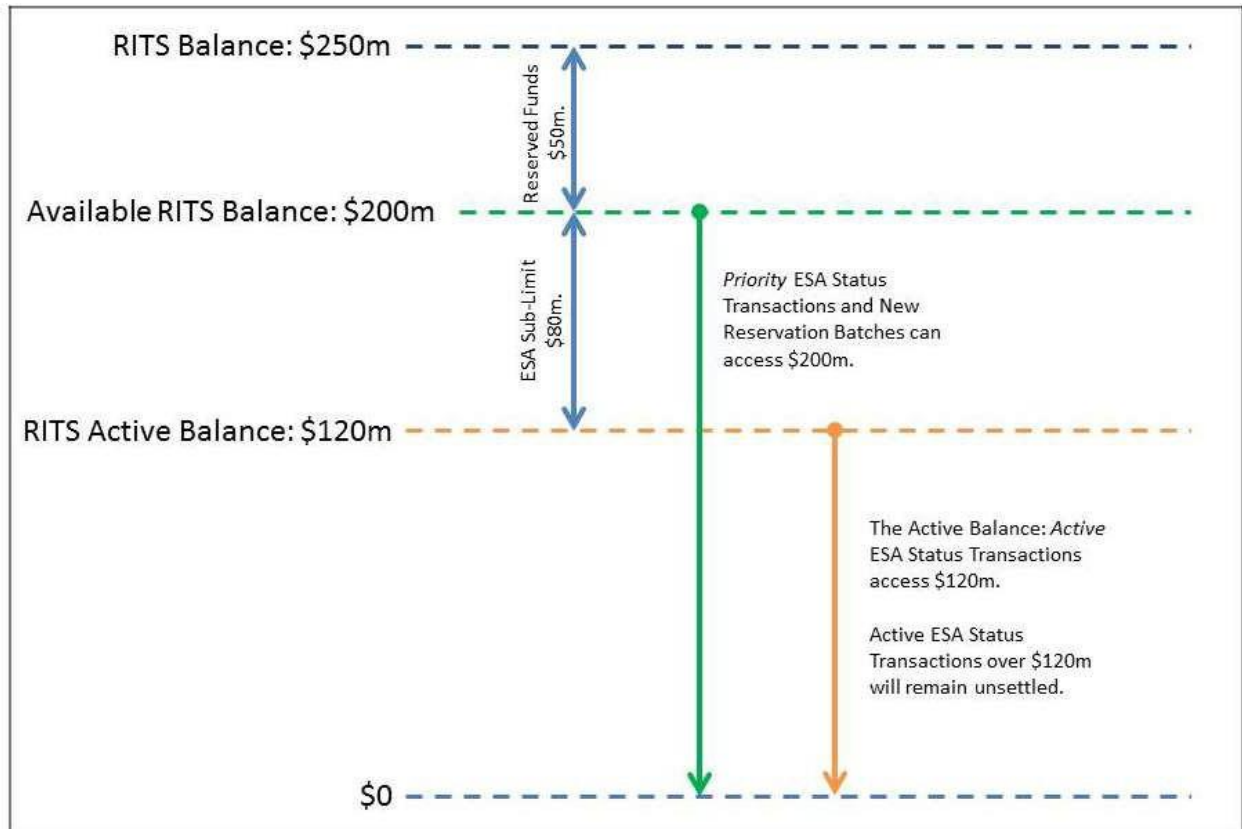
	With ESA Sub-Limit	Without ESA Sub-Limit
<b>Reservation Batch transaction</b>	Tests against Reserved Funds	Tests against Reserved Funds
<b>Other Priority ESA Status and new Reservation Batches</b>	Tests against Available RITS Balance	Tests against Available RITS Balance
<b>Active ESA Status</b>	Tests against RITS Active Balance	Tests against Available RITS Balance

Transactions that fail an ESA Limit or ESA Sub-Limit test will remain unsettled on the System Queue until circumstances change to allow settlement without any limits being breached (e.g. inflow of ESA funds, *active* ESA Status changed to *priority* or change of the ESA Sub-Limit).

#### ESA Sub-Limit example

The following diagram describes the use of the ESA Sub-Limit together with the ESA Status. In this example, the Member's RITS Balance is \$250m and Reserved Funds are \$50m giving an Available RITS Balance of \$200m (i.e. RITS Balance of \$250m less Reserved Funds of \$50m). The ESA Sub-Limit is set to \$80m, leaving \$80m for settlement of priority payments only. The RITS Active Balance is \$120m (i.e. Available RITS Balance of \$200m less ESA Sub-Limit of \$80m). Any active payment would only be tested and paid away against the RITS Active Balance of \$120m. Priority payments and new Reservation Batches would be tested and paid away against the Available RITS Balance of \$200m.





### 7.3 Setting an ESA Status

The ESA Status may be entered and amended in the following ways:

- For SWIFT PDS\*, CHES-RTGS\*\* and Austraclear\*\*\* payments the ESA Status may be entered in the payment message by the paying Member.

\* SWIFT PDS MT messages only. This functionality is not used for SWIFT PDS ISO 20022 messages.

\*\* See the CHES Help Desk about setting an override ESA Status by CHES-RTGS client.

\*\*\* See Austraclear about setting an override ESA Status by Austraclear client. If the Originator of an FSI is the Payer, the Originator may set an ESA Status in the FSI. If an override ESA Status is set on the Payer's relevant branch, this value will be applied. If there is no value applied from the FSI and no override value is set, the system default of Active will be applied.

- Where the Originator of an FSI is the Payee, the ESA Status, if present in the FSI, is ignored by RITS. If the Payer has set an override, RITS applies the override value. In the absence of any override value applied by the Payer, an ESA Status of Deferred is recorded for the FSI.
- For RITS Cash Transfers, the ESA Status applied to the transaction is the override ESA Status set for that branch/cash account in **ESA/Credit - Override Status**.
- For message-entered Settlement-only Batches, a Batch Administrator may enter the ESA status for a debit transaction in the batch as instructed by the paying Member involved.



- For Settlement-only Batches entered directly in RITS, the ESA Status applied to each transaction is the override ESA Status set for the paying Member's branch in **ESA/Credit - Override Status**.
- For Reservation Batches, RITS always applies an ESA Status of *priority*, even if a different override is set on the relevant cash account. The ESA Status cannot be changed for a transaction in a Reservation Batch.
- For RITS Allocation Transactions, RITS always applies an ESA Status of *priority*, even if a different override is set on the associated FS Branch cash account.
- LVSS transactions in Multilateral Run settlement, including the 9am Settlement, will be tested against the full RITS Balance regardless of whether the ESA status is active or priority (i.e., they will be treated as if they have a priority ESA status).
- When transactions are on the System Queue, the ESA Status may be changed by using **ESA/Credit - Queue Mgt. ESA/Credit - Queue Mgt** permits changes to the ESA Status of one or more transactions in a single action.
- Use **ESA Bulk Status** to change the status of many transactions.
- The ESA Status cannot be changed for any transactions locked for settlement in a Multilateral Run.
- Members may use the Automated Information Facility (AIF) to send a SWIFT message to change the ESA Status of queued transactions.
- An override ESA Status can be set in the RITS function **ESA/Credit - Override Status** at the cash account level (e.g. all SWIFT payments, all Austraclear payments and all CHES-RTGS payments).

#### 7.3.1 Setting the Override ESA Status

Using **ESA/Credit - Override Status**, the ESA manager may apply an override ESA Status to each RITS branch. This means that an override ESA Status can be applied to all Austraclear Feeder System transactions (i.e. to the BANKA1 branch), all CHES-RTGS Feeder System transactions (i.e. the BANKC1 branch), all SWIFT Payments (i.e. the BANKS1 branch) and separately to each RITS branch (e.g. BANK2E).

#### 7.3.2 How does the override work?

If an override ESA Status has been set, the override ESA Status will be applied to transactions as they arrive on the System Queue for that branch (with the exception of Reservation Batch transactions and RITS Allocation Transactions which retain *priority* status).

#### 7.3.3 What happens if no override is set?

If no override ESA Status is set, the ESA Status applied before the transaction was sent to the System Queue will remain unchanged when the transaction arrives on the System Queue. Therefore:

- all transactions originating in RITS would default to *active*;
- the ESA Status set by the Batch Administrator for transactions in a SWIFT message entered Settlement-only Batch would apply to those transactions;
- an ESA Status of *priority* will always be applied to transactions in a Reservation Batch;
- an ESA Status of *priority* will always be applied to RITS Allocation Transactions;
- the ESA Status set in Austraclear would apply to those transactions;
- the ESA Status set in CHES would apply to CHES-RTGS Feeder System transactions;
- the ESA Status entered into a SWIFT PDS MT payment message would apply; and



- the ESA Status entered into an LVSS FSI would apply if the Originator is the Payer. An LVSS transaction will be placed on the System Queue with a Deferred ESA Status if the Originator is the Payee.

If a SWIFT, Austraclear, LVSS transaction originated by the Payer, or CHES-RTGS Feeder System transaction arrives on the System Queue without an ESA Status, the transaction will be given the System default ESA Status of *active*.

#### 7.3.4 Changing ESA Status in ESA/Credit Queue Management

In **ESA/Credit - Queue Mgt**, select an individual transaction from the list of queued transactions and enter a new ESA Status from the drop-down box. Repeat this for more transactions if necessary and **Submit** the changes.

**Note:** Changes to ESA Status cannot be made for transactions in a Reservation Batch, RITS Allocation Transactions or for LVSS transactions locked in a multilateral run.

#### 7.3.5 AIF Members and setting/changing the ESA Status

Members may use the Automated Information Facility (AIF) via SWIFT to change the ESA Status of individual transactions on the System Queue.

Statuses, including ESA Status, cannot be changed for LVSS transactions locked for settlement in a Multilateral Run. Further details about AIF messages are available in the *RITS/SWIFT Interface User Guide*.

### 7.4 'Bulk Defer - Bulk Reinstate' the ESA Status

Use **ESA/Credit - Bulk ESA Status** to apply a *deferred* ESA Status to:

- all existing payments on the System Queue; or
- all new payments arriving on the System Queue; or
- all existing payments on the System Queue and all new payments arriving on the System Queue.

**ESA/Credit - Bulk ESA Status** cannot be used to apply a deferred ESA Status to transactions in a Reservation Batch or to RITS Allocation Transactions.

Bulk Deferral allows ESA managers to 'freeze' their payments before manually altering the ESA Status of selected payments or selected ESA Status override settings. For example, the ESA Participant may wish to ensure the settlement of a particularly important payment or payments or ensure all transactions from a particular Feeder System settle quickly. Bulk Deferral/Re-instatement may also be used to selectively target transactions for inclusion in an Auto-Offset.

Once the transactions have settled, the ESA manager will have the option of reinstating the override status and reinstating the ESA Statuses of payments that remain unsettled, to their original ESA Status that existed before the Bulk Deferral was applied (except for those payments that had a manual change in ESA Status after the bulk deferral). This option is known as a Bulk Reinstatement.

Prompts are provided in **Bulk ESA Status** to assist the user in the proper use of the Bulk Deferral facility.

**7.5 Targeted Bilateral Offset**

Targeted Bilateral Offset allows a Member to select transactions on the System Queue with one other Member to be settled simultaneously. It allows credit managers to match payments into and payments out of a client's account. It also allows liquidity managers to offset payments to achieve liquidity outcomes. Refer to chapter 9 of this User Guide.



## 8. AUTO-OFFSET

### 8.1 What is the purpose of Auto-Offset?

Auto-Offset is a facility designed to reduce the incidence of gridlock of payments across RITS Balances at the Reserve Bank. It works automatically behind the scenes. There is no RITS function associated with Auto-Offset, and there is only limited scope to control Auto-Offset. (This is discussed later in this section.)

### 8.2 How is Auto-Offset activated?

When a RITS Cash Transfer/ SWIFT/ Austraclear transaction, CHESS-RTGS Feeder System transaction, or LVSS transaction with Settlement Method 'I' (individual) fails an ESA Sub-Limit or Limit test due to:

- insufficient RITS Balance for a transaction with an ESA Status of *priority*; or
- insufficient RITS Balance above the ESA Sub-Limit for a transaction with an ESA Status of *active*, and
- the transaction remains unsettled on the System Queue for at least one minute, the transaction will trigger the Auto-Offset test. This transaction is known as the trigger transaction. Queued transactions with any status of *deferred* are ineligible for settlement and therefore Auto-Offset.<sup>4</sup>

### 8.3 How does Auto-Offset work?

The following is an outline of the steps taken by RITS in an Auto-Offset test.

- The Auto-Offset test looks at the triggering transaction and determines which Member is the receiving Member (i.e. the Member of the receiving counterparty) and the amount of the paying Member's RITS Balance *shortfall*. The RITS Balance *shortfall* is:
  - for a *priority* ESA Status transaction, the amount by which the payment exceeds the Available RITS Balance; and
  - for an *active* ESA Status transaction, the amount by which the payment exceeds any Available RITS Balance over and above the ESA Sub-Limit. If the Available RITS Balance is equal to or below the ESA Sub-Limit, then the *shortfall* will equal the entire value of the payment.
- Next, Auto-Offset searches the System Queue looking for any RITS, SWIFT, Austraclear or CHESS-RTGS transactions of the receiving Member that would be paid to the paying Member. Transactions with any status of *deferred* are ineligible, as are any transactions that would fail a Cash Account Test.
- When a transaction is found, the original transaction of the paying Member and the transaction of the receiving Member selected for offset will settle simultaneously where the resulting balances would not bring any ESA into debit or breach any ESA Sub-Limit. That is:
  - if the transaction of the receiving Member was settled, would the ESA funds inflow meet the RITS Balance shortfall to allow the triggering transaction to settle? If yes, the first part of the Auto-Offset test is complete. The next step is:
  - if the triggering transaction of the paying Member was settled, would the flow of ESA funds to the Receiving Member allow its selected transaction to settle? If both answers are yes, then the transactions will settle simultaneously.

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<sup>4</sup> RITS Allocation Transactions are not eligible for selection in an Auto-offset.



- If one transaction does not provide enough funds to meet the *shortfall*, the System will search for up to ten transactions to be offset against the original triggering transaction as long as no Limits or Sub-Limits will be breached.
- For transactions of the receiving Member selected for Auto-Offset, there is no minimum period of time that these transactions must have been on the System Queue.
- The full value of each offsetting transaction is taken (i.e. there is no transaction splitting).

There is no additional transaction charge for this facility.

#### 8.4 Identifying transactions settled via Auto-Offset

Transactions are identified in the **Settled Payments** enquiry with an 'A' in the 'Method' column if settled by Auto-Offset.

Note: The value 'T' displays if the transaction has been settled by Targeted Bilateral Offset, and 'M' displays if the transaction has been settled in an LVSS Multilateral Run. See the ESA Management User Guide for more information on the Settled Payments function.

#### 8.5 RITS Balance display for Auto-Offset

The RITS Balance that results from the simultaneous settlement of the payments in the Auto-Offset is displayed beside each payment in the **Settled Payments** enquiry.

#### 8.6 Control of Auto-Offset

Members have a limited ability to control Auto-Offset; but they can assist transactions to be eligible for Auto-Offset. Two methods can be used. **Please note** that these methods do not consider other important factors such as general funding and the timing of settlements.

#### Using the ESA Sub-Limit with an *active* override ESA Status

A Member can *assist* transactions to trigger the Auto-Offset test *and* improve the probability of settlement by:

- setting an override ESA Status of *active* so that transactions test against any balance over and above the ESA Sub-Limit; and
- setting an ESA Sub-Limit below the RITS Balance, or the same as the RITS Balance, or just above it.

The benefit of this scenario is that it will permit Auto-Offset to assist in the settlement of payments, and it leaves the Member with a pool of funds available for *priority* ESA Status transactions so that the important transactions can be settled immediately.

#### Auto-Offset using ESA Bulk Defer/Bulk Reinstate

Where two Members are paying each other very large amounts and may benefit from Auto-Offset, they may agree to take the following actions to assist those transactions to settle via Auto-Offset:

- the two Members telephone each other and agree to the following process:
  - using **Bulk ESA Status**, they both Bulk Defer all their transactions on the System Queue and new arrivals to the System Queue. Bulk Defer sets the ESA Status to *deferred* and stops all transactions from settling;



- now that System Queue testing is effectively stopped for these two Members, the net payer of the two must ensure that their RITS Active Balance (i.e. their RITS Balance over their ESA Sub-Limit), is large enough so that any offsetting amount from an Auto-Offset transaction could be settled against it, but small enough that the target transaction cannot settle on its own. They can do this by setting their ESA Sub-Limit at a level that maximises their RITS Active Balance while maintaining sufficient funds beneath the ESA Sub-Limit for their priority payments. Both Members then go into **ESA/Credit - Queue Mgt**, scroll through the System Queue until they find the agreed large transaction(s), and set the ESA Status to *active*.

Remember that the triggering transaction must have remained unsettled on the Queue for at least one minute for the Auto-Offset to proceed. It is preferable to let the one-minute elapse before Bulk Deferring your Queue.

Once the selected transactions have settled via Auto-Offset, return to **Bulk ESA Status** and Bulk Reinstate to reset all ESA Statuses and overrides to their original settings.

Please note that Bulk Deferral does not affect transactions whose ESA Status is not able to be changed at the time of Bulk Deferral (LVSS transactions locked in a multilateral run or transactions in a Reservation Batch). These will continue to be tested for settlement under the arrangements applying to those transaction types.



## 9. TARGETED BILATERAL OFFSET

### 9.1 What is the purpose of Targeted Bilateral Offset?

Targeted Bilateral Offset allows a Member to simultaneously settle multiple transactions on the System Queue with one other Member. It allows credit managers to match payments in and payments out of a client's account. It also allows liquidity managers to offset payments to achieve liquidity outcomes. For further details see the document *Targeted Bilateral Offset User Guide*.

### 9.2 How is a Targeted Bilateral Offset created?

A Targeted Bilateral Offset (TBO) is a group of selected transactions on the System Queue, between two Members (the Initiator and Confirmer), which RITS will attempt to settle simultaneously.<sup>5</sup>

The Initiator selects transactions to be included in a Targeted Bilateral Offset using the Targeted Offset-Selection menu in RITS.

The Confirmer is notified of the creation of a TBO via the Read Message facility.

The Confirmer then confirms or deletes the TBO.

When the TBO is confirmed the System Queue tests the transactions for simultaneous settlement.

Authorisations may be placed on the creation, confirmation and/or deletion of a Targeted Bilateral Offset.

Any updates regarding Targeted Bilateral Offset will be available via the *Read Message* facility (e.g. notification to the Confirmer of inclusion in a Targeted Bilateral Offset, notification to both the Confirmer and Initiator of deletion of an existing Targeted Bilateral Offset).

### 9.3 How is a Targeted Bilateral Offset settled?

Once a Targeted Bilateral Offset is confirmed and no transactions have a *deferred* Cash Account, Credit or ESA Status, it is tested for settlement if it is eligible for testing in the current session (refer to section 9.5 of this user guide).

There is no partial settlement of a Targeted Bilateral Offset – either all transactions are settled simultaneously, or none are settled.

Transactions that are in a confirmed TBO can only be settled as part of that TBO.

### 9.4 Testing Algorithm

The testing procedure for Targeted Bilateral Offset is as follows:

#### Test 1 - Check for confirmation

Is the Targeted Bilateral Offset confirmed?

**YES** Proceed to test 2.

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<sup>5</sup> RITS Allocation Transactions are not eligible for selection in a TBO.





### RITS

### Targeted Bilateral Offset

**NO** Leave all transactions included in the Targeted Bilateral Offset on the System Queue, and test them for normal individual settlement.

#### Test 2 - Check statuses

Do all transactions included in the Targeted Bilateral Offset have Cash Account, Credit and ESA Statuses of *active* or *priority*?

**YES** Proceed to test 3.

**NO** Leave all transactions included in the Targeted Bilateral Offset on the System Queue, and test those transactions without the *deferred* status for normal individual settlement.

#### Test 3 - ESA test

If all transactions included in the Targeted Bilateral Offset have an ESA Status of *priority*:

- does the payer's bank have sufficient Available RITS Balance to settle the Targeted Bilateral Offset?

Or, if at least one transaction included in the Targeted Bilateral Offset has an ESA Status of *active*:

- does the payer's bank have sufficient Available RITS Balance over and above the ESA Sub-Limit\* to settle the Targeted Bilateral Offset?

**YES** Proceed to test 4.

**NO** Leave all transactions included in the Targeted Bilateral Offset on the System Queue, and test next transaction.

\* If no ESA Sub-Limit is set, then there is no difference between an *active* and a *priority* ESA Status; transactions with both these statuses will be tested against the Available RITS Balance.

#### Test 4 - Cash Account Limit / Cash Account Sub-Limit test\*

If all transactions included in the Targeted Bilateral Offset have a Cash Account Status of *priority*:

- Will the outcome of the Targeted Bilateral Offset breach the paying branch's Cash Account Limit?

Or, if at least one transaction included in the Targeted Bilateral Offset has a Cash Account Status of *active*:

- Will the outcome of the Targeted Bilateral Offset breach the paying branch's Cash Account Sub-Limit?

**YES** Leave all transactions included in the Targeted Bilateral Offset on the Queue, and test next transaction.

**NO** Settle all transactions included in the Targeted Bilateral Offset simultaneously.

\* If Limit Processing is turned off, Cash Accounts will not be tested.



### **9.5 How are session rules applied?**

The session rules that apply to a transaction will also be applied to any Targeted Bilateral Offset that includes that transaction. For example:

- A Targeted Bilateral Offset that includes one or more transactions with the Post 9AM Flag will not be tested for settlement until the Daily Settlement Session opens.
- A Targeted Bilateral Offset that includes one or more transactions that do not have the Evening Transaction Flag will be extinguished at the end of the Settlement Close Session. The transactions included in that Targeted Bilateral Offset will be:
  - deleted if they have no Evening Transaction Flag; or
  - released onto the Queue if they do have an Evening Transaction Flag.
- A Targeted Bilateral Offset that includes only transactions that have an Evening Transaction Flag will continue to be tested for settlement during the Evening Settlement Session.

At the end of the Evening Settlement Session all remaining active Targeted Bilateral Offsets will be extinguished. All transactions included in these Targeted Bilateral Offsets will be assigned an *Unsettled* status.

### **9.6 How are the RITS menu items used?**

#### **9.6.1 Create a Targeted Bilateral Offset**

In **Targeted Offset – Selection**:

- first set the filter criteria by completing the relevant fields and select *Find*; and
- in the next screen, select transactions to be included in the Targeted Bilateral Offset by ticking the boxes on the rightmost column.

#### **9.6.2 Manage a Targeted Bilateral Offset**

In **Targeted Offset – Management**:

- select *Find* to display a list of Targeted Bilateral Offsets:
  - to confirm an unconfirmed Targeted Bilateral Offset, select that Targeted Bilateral Offset from the list and select Confirm; or
  - to delete a Targeted Bilateral Offset, select that Targeted Bilateral offset from the list and select Delete.

In **ESA/Credit – Queue Management** or **Cash Account – Queue Management**:

- All transactions included in a Targeted Bilateral Offset are marked with a hash (#). This makes it easier to identify transactions included in a Targeted Bilateral Offset with a *deferred* status that may be preventing a Targeted Bilateral Offset from settling.

In **Cash Account – Queue Management**:

- Select *Recall* to recall a Cash Transfer from the System Queue. Once the recall is successful the TBO will be extinguished, and the remaining transactions are returned to normal individual settlement.



### 9.6.3 View Targeted Bilateral Offset Report

In **Member Reports**:

- Select *Targeted Bilateral Offset Report* to view the Targeted Bilateral Offset Report.
- Tick the *Export* check box to export this report to Excel/PDF.



## 10. STANDING FACILITY REPOS

### Key points

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- The RBA provides intraday funding to eligible RITS Members via repurchase agreements known as intraday Standing Facility Repos. Under these intraday SF Repos a Member sells eligible securities to the RBA, with an agreement to reverse the transaction on the same day, to access RTGS liquidity. Intraday Standing Facility Repos carry no interest charge.
  - Eligible Counterparties may also be able to contract Standing Facility Repos without a maturity date; that is, the term of the repo may be 'open' up to a limit.
- 

### 10.1 Overview of liquidity facilities

The RBA provides liquidity to eligible RITS Members to facilitate efficient operation of RITS (for a definition of Eligible Counterparties refer to <https://www.rba.gov.au/mkt-operations/resources/tech-notes/eligible-counterparties.html>). This liquidity is provided via the RBA's Standing Facilities. The Standing Facility Repos (also referred to on the RITS User Interface screen as 'RBA Repos') involve the use of reciprocal purchase transactions (repos) with the RBA. A repo is an agreement between two parties to trade securities in exchange for funds and then, at a later time, to reverse the trade. In the first leg, the party requiring cash sells securities and receives an agreed amount of funds. In the second leg, these flows are reversed, with the party returning the cash also paying an agreed interest charge (if applicable).

Standing Facility Repos can provide liquidity on an intraday basis (intraday repos) or for longer periods (Open Standing Facility Repos).

The information provided in this chapter primarily relates to the functionality of Standing Facility Repos. In contrast, the repos used in open market operations (with various terms to maturity) are term repos and rely on different functionality, eligibility criteria and legal underpinnings to those of Standing Facility Repos (refer to [www.rba.gov.au/mkt-operations/resources/tech-notes/standing-facilities.html](http://www.rba.gov.au/mkt-operations/resources/tech-notes/standing-facilities.html)).<sup>1,2</sup>

### 10.2 Intraday Standing Facility Repos

Intraday Standing Facility Repos provide eligible RITS Members access to intraday funding from the RBA. These repos carry no interest charge. However, depending upon the method of settlement, the repurchase price may be adjusted for certain settlement fees (see [www.rba.gov.au/mkt-operations/resources/tech-notes/standing-facilities.html](http://www.rba.gov.au/mkt-operations/resources/tech-notes/standing-facilities.html))

Under normal circumstances, it is expected that the second leg of an intraday RBA Repo occurs on the same day that the repo is taken out (i.e. the ESA holder buys back the securities from the RBA later that day). However, if the ESA holder is unable to settle the second leg on the same day and the term of the intraday RBA Repo needs to be extended overnight, an interest rate is charged at 25 basis points above the RBA cash rate target. Overnight Standing Facility Repos are reported to APRA. This interest charge is included in the second leg cash consideration.

Should a Member become aware that it may not be able to settle the second leg of an intraday RBA Repo on the same day, it should immediately contact the Bank's Domestic Markets Desk

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<sup>1</sup> Open market operations are not limited to term repos and may also include outright transactions.

<sup>2</sup> In addition to Standing Facility Repos and open market operations, in exceptional circumstances the RBA may also provide eligible counterparties with Exceptional Liquidity Assistance (refer to [www.rba.gov.au/mkt-operations/domestic-market-ops-and-standing-facilities.html#exceptional-liquidity-assistance](http://www.rba.gov.au/mkt-operations/domestic-market-ops-and-standing-facilities.html#exceptional-liquidity-assistance)) for details.



(see [https://www.rba.gov.au/contact/enquiries.html#domestic\\_market\\_operations](https://www.rba.gov.au/contact/enquiries.html#domestic_market_operations)) to request an overnight extension. For information on RITS Session times in relation to the settlement of intraday Standing Facility Repos, see section 10.

### **10.3 Open Standing Facility Repos**

Eligible Counterparties are able to contract Standing Facility Repos without a maturity date; that is, the term of the repo will be 'open'.

Each ESA holder that is eligible to contract Open Standing Facility Repos has also been advised of a maximum amount that it may contract at a pricing rate equal to the rate on surplus ESA balances (as set by the Reserve Bank Board). The repurchase price for Open Standing Facility Repos within this limit will adjust with the rate on surplus ESA balances over their term. Open Standing Facility Repos that are taken out in excess of this limit will be contracted at a higher interest rate.

An ESA holder that is a Tier 1 BECS (direct settling) participant and/or NPP participant is required to maintain a minimum ESA balance to facilitate the settlement of after-hours payments arising from these payments systems. While maintaining a minimum Open Standing Facility Repo position for this purpose is not mandatory, eligible ESA holders are able to source additional ESA funds from these repos if they choose to do so.<sup>3</sup> Note that, ESA holders that are neither a Tier 1 BECS nor an NPP participant, may also be able to contract an amount of Open Standing Facility Repos with the agreement of the RBA.

Detailed information on Open Standing Facility Repos is available on <https://www.rba.gov.au/mkt-operations/resources/tech-notes/standing-facilities.html>.

To the extent that ESA holders retain matching funds against their open repo position, and meet any minimum ESA balance requirement for after-hours payments, those ESA balances earn the rate on surplus ESA balances. An allowance is made for variations in ESA balances arising from after-hours NPP and DE payments. Any remaining shortfall or surplus ESA balances attract interest at the appropriate rate. Detailed information on ESA Interest Rates is available on [https://www.rba.gov.au/rits/info/pdf/ESA\\_Interest\\_Rates.pdf](https://www.rba.gov.au/rits/info/pdf/ESA_Interest_Rates.pdf).

To arrange an Open RBA Repo transaction, the Bank's Domestic Markets Desk must be contacted. For contact details see ([https://www.rba.gov.au/contact/enquiries.html#domestic\\_market\\_operations](https://www.rba.gov.au/contact/enquiries.html#domestic_market_operations))

Under normal circumstances the RBA will terminate pre-existing Open Standing Facility Repos on the first business day of the month, allowing the collection of interest.<sup>4</sup> On this day, an ESA holder can elect to re-initiate the Open Standing Facility Repo using the same securities. This effectively involves the netting of the first and second legs of the Open Standing Facility Repo, thereby allowing the Open Standing Facility Repo to be rolled over and interest to be collected by the RBA.<sup>5</sup>

The RBA may agree to an ESA holder's request to substitute the securities used in an Open Standing Facility Repo and this may occur part way through a month (see <https://www.rba.gov.au/mkt-operations/resources/tech-notes/margins.html#substitutions>)

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<sup>3</sup> For details on changes made to minimum Open Standing Facility Repo requirements, please see: [www.rba.gov.au/publications/bulletin/2021/dec/recent-changes-to-the-reserve-banks-liquidity-operations.html](https://www.rba.gov.au/publications/bulletin/2021/dec/recent-changes-to-the-reserve-banks-liquidity-operations.html).

<sup>4</sup> Reimbursement of the Reserve Bank's Austraclear transaction costs is not required for Open Standing Facility Repos.

<sup>5</sup> In the case of a partial re-initiation, only part of the existing principal borrowed is re-initiated against the same securities, while the remaining portion of principal is matured, and the associated securities returned.



#### **10.4 Eligibility for Standing Facility Repos**

Detailed information regarding the eligibility of counterparties and eligible securities for Standing Facility Repos is provided on the RBA website at [www.rba.gov.au/mkt-operations/resources/tech-notes/index.html](http://www.rba.gov.au/mkt-operations/resources/tech-notes/index.html).\*

#### **10.5 Functionality for Open Standing Facility Repos**

After arranging an Open RBA Repo transaction with the Bank's Domestic Markets Desk, the transaction is entered in the Austraclear system using the functionality for an outright security transaction based on the securities being used in the repo. Refer to the relevant chapter 8 of the Austraclear System User Guide, which is available on the ASX website at [www.asxonline.com/public/documents/user-guides.html](http://www.asxonline.com/public/documents/user-guides.html).

#### **10.6 Functionality for Intraday Standing Facility Repos**

There are two types of facilities for intraday Standing Facility Repos, and each draws on different functionality within the Austraclear system. The first is a special semi-automated facility, using the Austraclear 'RBA Repo Trade' functionality, while the second is a manual repo trade facility, using the outright trade functionality in Austraclear. Instructions for accessing both of these facilities are provided in the Austraclear System User Guide, available at [www.asxonline.com/public/documents/user-guides.html](http://www.asxonline.com/public/documents/user-guides.html) (refer to section 8.6 and chapter 12 for the semi-automated facility and chapter 8 for outright security transactions using the manual trade facility).

More detailed pricing information (e.g. relating to margin ratios, margin calls and substitutions) is available by contacting the Bank's Domestic Markets Desk.

Regardless of the Austraclear functionality used, contact the Bank's Domestic Markets Desk (see [www.rba.gov.au/contact/enquiries.html#domestic\\_market\\_operations](http://www.rba.gov.au/contact/enquiries.html#domestic_market_operations)) immediately if an intraday RBA Repo needs to be extended overnight.

##### **10.6.1 Semi-automated facility**

- May only be used for intraday Standing Facility Repos.
- This facility is only available for certain eligible securities – typically a subset of securities classified as General Collateral may be used (see <https://www.rba.gov.au/mkt-operations/resources/tech-notes/standing-facilities.html> for details). The facility is unilateral or one-sided (i.e. the RBA does not need to match the trade) so contact with Bank's Domestic Markets Desk is not required.
- A margin ratio is applied, and ESA funds are available almost instantly at the reference price.
- The first and second leg considerations will be the same amount except where the intraday Standing Facility Repo extends overnight, when interest is included in the second leg.
- When ready, reverse the intraday Standing Facility Repo using the 'Reverse an RBA Repo Trade' functionality in Austraclear.
- Optional authorisations are also available on these Austraclear functions.

**10.6.2 Manual trade facility**

- Call the Domestic Markets Desk to arrange an intraday Standing Facility Repo and obtain pricing information prior to using the manual trade facility in Austraclear (i.e. using an outright security transaction in Austraclear).
- Any eligible securities can be used for intraday Standing Facility Repos using the manual trade facility. This facility should be used when accessing an intraday Standing Facility Repo for eligible securities that cannot be used with the semi-automated facility or for which no reference price is set.
- The transactions are two-sided trades in Austraclear. Enter first and second leg transactions through Austraclear. The RBA will enter its matching details.
- Reimbursement of the RBA's Austraclear settlement fees (including GST) is included in the second leg. Interest will also be included in the second leg for intraday Standing Facility Repos that are extended overnight.

**10.7 Legal underpinnings of Standing Facility Repos**

The provision and operation of Standing Facility Repos (including both intraday Standing Facility Repos and Open Standing Facility Repos) is governed by the RBA and the legal underpinnings are provided by the RITS Regulations ('the Regulations'). The Regulations define securities eligible for RBA Repo by the term Approved Securities. An ESA holder that enters into an intraday RBA Repo or an open RBA Repo agrees to the SIFMA/ICMA Global Master Repurchase Agreement, as amended and supplemented by Annexure A of the Regulations (see [www.rba.gov.au/payments-and-infrastructure/rits/legal-framework.html](http://www.rba.gov.au/payments-and-infrastructure/rits/legal-framework.html)). The terms and conditions of Standing Facility Repos are determined solely by the RBA at its discretion.

**10.8 Settlement fees for intraday Standing Facility Repos**

Transaction costs for the use of intraday Standing Facility Repos include transaction fees levied by Austraclear Limited and RITS.

**10.8.1 Austraclear Fees on intraday Standing Facility Repos**

Members using an intraday Standing Facility Repo pay their own Austraclear trade settlement fees. Where the intraday Standing Facility Repo is performed using the automated facility in the Austraclear System, there is no additional fee. However, where an intraday Standing Facility Repo is settled via the trade settlement functionality, the Member is required to reimburse the trade settlement fees incurred by the RBA. These are included in the unwind leg.

Members using Open Standing Facility Repos will pay their own Austraclear trade settlement fees, including for the opening of a new repo, any margin or collateral substitution cash transactions, monthly rolls and termination of a repo. The RBA will not seek reimbursement of its Austraclear trade settlement fees on Open Standing Facility Repos.

Charges for use of the Austraclear System may be found on the Australian Securities Exchange website, see [www.asx.com.au](http://www.asx.com.au).

**10.8.2 RITS Fees on Standing Facility Repos**

For both intraday Standing Facility Repos and Open Standing Facility Repos, Members will pay the RITS transaction volume fee on all settlements (including, for Open Standing Facility Repos, the opening of a new repo, any margin or collateral substitution cash transactions, monthly rolls and termination of a repo). The RITS transaction value fee is waived for these



transactions. For details of RITS fees see [www.rba.gov.au/payments-and-infrastructure/rits/membership/schedule-fees.html](http://www.rba.gov.au/payments-and-infrastructure/rits/membership/schedule-fees.html).

### **10.9 Standing Facility Repos and RITS Sessions**

Eligible counterparties will be able to contract Open Standing Facility Repos until the close of the SWIFT End Session in RITS, provided a prior approval for this transaction has been obtained from the Bank's Domestic Markets Desk. Either party to an Open Standing Facility Repo will be able to terminate the repo for same-day value until the close of the SWIFT End Session

First leg intraday Standing Facility Repo transactions typically occur in the morning. They can be settled prior to the close of the SWIFT End Session in RITS. The second leg of an intraday Standing Facility Repo must also be settled prior to the close of the SWIFT End Session, unless the Member has received approval to extend overnight (see [www.rba.gov.au/mkt-operations/resources/tech-notes/settlement-procedures.html](http://www.rba.gov.au/mkt-operations/resources/tech-notes/settlement-procedures.html) for further details).

Under normal circumstances, non-Evening Agreed Members will settle outstanding second leg intraday Standing Facility Repos before the end of the Settlement Close Session. If a non-Evening Agreed Member expects to settle a second leg intraday Standing Facility Repo in the Evening Settlement Session, the Domestic Markets Desk should be contacted prior to the end of the Settlement Close Session in RITS. The non-Evening Agreed Member must still settle the second leg prior to the close of the SWIFT End Session in RITS, unless the approval has been granted to extend the intraday RBA Repo overnight.

It is important to note that a second leg intraday Standing Facility Repo transaction of a non-Evening Agreed Member is removed from the System Queue as unsettled at the end of the Settlement Close Session. The transaction is returned to Austraclear where the obligation is restored. The second leg may be re-entered using the Austraclear system prior to the close of the SWIFT End Session, thereby allowing settlement to occur in RITS.

After the close of the SWIFT End Session, all unsettled Austraclear and SWIFT transactions that remain on the System Queue are removed. If a second leg of an intraday Standing Facility Repo is unsettled at this time it will be extended overnight. The Member must contact the Domestic Markets Desk if an intraday Standing Facility Repo will be taken overnight.





## 11. MEMBERS' RITS CREDIT MANAGEMENT

This section describes the functions available for the management of credit exposures in RITS.

### Key points

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From the menu:

- **ESA/Credit - Queue Mgt:** A credit manager's view of transactions on the System Queue with ability to change the Credit Status of one or more transactions.
  - **ESA/Credit - Override Status:** Set an override Credit Status for a branch, including Feeder System branches.
  - **ESA/Credit - Bulk Credit Status:** Change the Credit Status of many payments on the System Queue.
  - **Targeted Offset:** Select multiple transactions on the System Queue with one other Member to be settled simultaneously (refer to chapter 9 of this user guide).
  - **Cash Account Limit:** Set a Cash Account Limit on an account owned by the Member.
  - **System Reports:** Print interim and end-of-day Cash List and Cash Summary reports. Reports for the previous five business days are available.
  - **Unsolicited Advices:** Set up Automated Information Facility (AIF) SWIFT MT messages. Also see the RITS/SWIFT Interface User Guide.
  - **MX Unsolicited Advices:** Set up Automated Information Facility (AIF) ISO 20022 messages. Also see the RITS/SWIFT Interface User Guide.
- 

### 11.1 Overview of credit management in RITS

Members manage credit allocation in RITS to their own branches, for the Austraclear, SWIFT PDS and CHESS-RTGS Feeder Systems, by setting a RITS Cash Account Limit on the branch's RITS Cash accounts (e.g. BANK20, BANKA1, BANKS1 and BANKC1). At the individual Feeder System client level, Members may set Cash Account limits in the Austraclear and CHESS-RTGS Feeder Systems where the clients are active and may, if they choose, use manual or automated facilities in RITS to affect the settlement of clients' transactions in the Feeder System.

Members may also set an override Credit Status for each RITS branch, including the Feeder System branches (e.g. BANKA1, BANKS1, BANKC1). This will have the effect of overriding the Credit Status that is sent from the Feeder System.

Transactions in a Reservation Batch will be given a Credit Status of *priority*, regardless of the override set on the relevant cash account.

RITS Allocation Transactions will be given a Credit Status of *priority*, regardless of the override set on the relevant cash account.

To manage the credit of clients in the Austraclear and CHESS-RTGS systems, a Credit Status may be set in those systems on a client-by-client basis and this Credit Status is sent to RITS with the transaction details. The Member would set a 'null' override Credit Status for their Austraclear or CHESS-RTGS branches in RITS (BANKA1 and/or BANKC1) to allow the Credit Status sent from the Feeder System to be used.



Members may manage their clients' credit exposures by:

- setting a Credit Status of *deferred* on clients' transactions in the Austraclear and CHES-RTGS systems and manually changing the Credit Status once the transaction is on the System Queue; or
- setting an override Credit Status of *deferred* on the Austraclear and/or CHES-RTGS feeder branches in RITS; or
- using the AIF and their proprietary payments systems; or
- using Targeted Bilateral Offset.

In using the AIF, the Member would set a Credit Status of *deferred* on client's payments and use the AIF to receive details of each transaction via a SWIFT message to make a credit decision within the Member's own proprietary payments system. While the transaction has a Credit Status of *deferred* it will not settle. When the Member has approved the payment, it sends a SWIFT message to RITS to change the Credit Status of *deferred* to *active* or *priority*. Assuming the Member has sufficient RITS Balance, and the Cash Account and ESA Status are not *deferred*, then the transaction will settle. Refer to the *RITS/SWIFT Interface User Guide* for details of management using the AIF.

#### 11.2 Setting a Credit Status

The Credit Status may be entered and amended in the following ways:

- For SWIFT PDS\*, CHES-RTGS\*\* and Austraclear\*\*\* payments the Credit Status may be entered in the payment message by the paying Member.  
  
\* SWIFT PDS MT messages only. This functionality is not used for SWIFT PDS messages in ISO 20022 format.  
\*\* See the CHES Help Desk about setting a default Credit Status by CHES-RTGS client.  
\*\*\* See Austraclear about setting a default Credit Status by Austraclear client.
- For RITS Cash Transfers, the Credit Status applied to the transaction is the override Credit Status for the branch, if one is set.
- For Settlement-only message-entered batches, a Batch Administrator may enter the Credit status for a debit transaction in the batch as instructed by the paying Member involved.
- For Settlement-only Batches entered directly in RITS, the Credit Status applied to each transaction is the override Credit Status set for the paying Member's branch.
- Transactions in a Reservation Batch will always have a *priority* Credit Status applied by the System Queue that is not able to be overridden or modified.
- RITS Allocation Transactions will always have a *priority* Credit Status applied by the System Queue that is not able to be overridden or modified.
- When the transactions are on the System Queue, the Credit Status may be changed by using **Queued Payments Management – ESA/Credit Status/LVSS Settle Method** (select the ESA/Credit - Queue Mgt menu tab). This function permits changes to the Credit Status of one or more transactions in a single action.
- Members may use the Automated Information Facility (AIF) to change the Credit Status of queued transactions.



### RITS

### Members' RITS Credit Management

- An override Credit Status can be set in the RITS function **Override ESA/Credit Status/LVSS Settle Method** (select the ESA/Credit - Override Status menu tab) at the cash account level (e.g. all SWIFT payments, all Austraclear payments, and all CHES-RTGS payments). This will override any Credit Status sent with the payment.

#### 11.2.1 Setting the override Credit Status

Using **Override ESA/Credit Status/LVSS Settle Method**, the credit manager may apply an override Credit Status to each RITS branch. This means that an override Credit Status can be applied to all Austraclear Feeder System transactions (i.e. on the BANKA1 branch), all CHES-RTGS Feeder System transactions (i.e. on the BANKC1 branch), all SWIFT Payments (i.e. on the BANKS1 branch) and separately to each RITS branch (BANK20, BANK2E).

#### 11.2.2 How does the override work?

If an override Credit Status has been set, the override Credit Status will be applied to transactions as they arrive on the System Queue for testing.

#### 11.2.3 What happens if no override is set?

If no override Credit Status is set, the Credit Status applied before the transaction was sent to the System Queue will remain unchanged when the transaction arrives on the System Queue. Therefore:

- all transactions originating in RITS would default to *active*;
- the Credit Status set in Austraclear would apply to those transactions;
- the Credit Status set in CHES-RTGS would apply to those transactions;
- the Credit Status entered into a SWIFT Payment message\* would apply; and

\* SWIFT PDS MT messages only. This functionality is not used for SWIFT PDS messages in ISO 20022 format.

- the Credit Status entered into an LVSS transaction (FSI) would apply if the Originator is the Payer.

If a SWIFT, Austraclear, LVSS transaction, or CHES-RTGS Feeder System transaction arrives on the System Queue without a Credit Status, the transaction will be given the System default Credit Status of *Active*.

#### 11.2.4 Changing Credit Status in Queued Payments Management – ESA/Credit Status/LVSS Settle Method

In **Queued Payments Management – ESA/Credit Status/LVSS Settle Method**, select one or more transactions from the list of queued transactions and enter a new Credit Status for each one, and then **Submit** the changes.

#### 11.2.5 AIF Member setting/ changing the Credit Status

Members may use the Automated Information Facility (AIF) to change the Credit Status of individual transactions on the System Queue, using SWIFT messages.

Further details about AIF messages are available in the *RITS/SWIFT Interface User Guide*.



#### 11.2.6 Changing the Credit Status in Bulk Credit Status

In **Bulk Credit Status** the user may change the credit status of:

- all existing payments on the System Queue; or
- all new payments arriving on the System Queue; or
- all existing payments on the System Queue and all new payments arriving on the System Queue.

This may be done for all payments or for the payments of an individual branch.

**Bulk Credit Status** will not affect the Credit Status of a transaction in a Reservation Batch or of a RITS Allocation Transaction.

#### 11.3 How the Credit Status affects testing

There are three Credit Status settings, two of which perform the same function in RITS:

##### **Active and Priority**

A Credit Status of either *active* or *priority* will allow a transaction to be tested for settlement. Unlike Cash Account and ESA Status testing, a Credit Status of *priority* has no special meaning in RITS. A transaction with a Credit Status of either *active* or *priority* is treated in the same manner. The *priority* Credit Status is available in the event that Members' credit control areas wish to signal to their ESA management area that some payments have a higher priority than others.

##### **Deferred**

A transaction with a Credit Status of *deferred* will be passed over for settlement testing until its status is changed.

#### 11.4 RITS Cash Account Limits

##### **Key points**

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From the menu:

##### **Cash Account - Limit:**

- Set a limit or turn limit testing off.
  - Set a deferral block.
- 

A Participating Member may set a RITS Cash Account Limit for its own RITS Cash Accounts, including the Feeder System clearing branches (e.g. BANKA1), using **Cash Account - Limit**. The Cash Account Limit is the amount up to which the Participating Member will allow the balance of the Cash Account to go into debit.

The Cash Account Limit may be changed at any time. Where a Cash Account Limit is reduced below the Cash Account balance, the System will permit inflows to the Cash Account, but will prevent outflows until the cash position is brought back within the Cash Account Limit.

Many Members do not wish to manage their own transactions via a Cash Account Limit and elect to either set a very large limit or turn limit processing off. FSS Participants are advised to turn off RITS Cash Account Limit processing for the BANKFS branch.

**Important note:** Cash Account Limit testing must be turned **off** for cash accounts involved in Multilateral Run settlements, including the 9am settlement.



#### 11.4.1 Set a Cash Account Limit

In **Cash Account - Limit**:

- at the *Limit Processing* field select *YES* from the drop-down list; and
- at the *New Limit Amount* field enter the Cash Account Limit.

#### 11.4.2 Turn off the Cash Account Limit

In **Cash Account - Limit**:

- at the *Limit Processing* field select *NO* from the drop-down list.

In this case, no restriction is placed by RITS on the extent of overdrawing of the Cash Account. This setting is often used by Members for their Feeder System branches, BANKA1, S1 and C1.

#### 11.4.3 Set a Deferral Block on a Cash Account

In **Cash Account Limit**:

- at *Deferral Block* select *YES* from the drop-down list.

If the Deferral Block is set to *Yes*, it is not possible to return the Cash Account Status of a transaction from *active* or *priority* to *deferred*.

### 11.5 Targeted Bilateral Offset

Targeted Bilateral Offset allows a Member to select transactions with one other Member to be settled simultaneously. It allows credit managers to match payments in and payments out of a client's account. It also allows liquidity managers to offset payments to achieve liquidity outcomes (refer to chapter 9 of this user guide).



## 12. RITS OPERATIONS WITH CASH

### Key points

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#### RITS Cash Transfers

##### From the menu:

##### Cash Transfer/

- **Entry** - Enter Cash Transfer details.
- **Authorise** - Authorise Cash Transfers.
- **Amend or Delete** - Amend details or delete Cash Transfers.
- **Enquiry** - Enquire on RITS Cash Transfers.

Interest and maturity payments for CGS

- paid at 7.30 am (via Austraclear).

Batches in RITS

- See chapter 14 'Batch Facility' of this user guide.

#### Cash enquiries

##### From the menu:

- **Cash Account/Enquiry** - Branch's settled transactions enquiry.
  - **ESA Management/ESA Position** - ESA position enquiry (including RITS Balance and FSS Balance positions).
  - **ESA Management/Settled Payments** - RITS Settled Payments enquiry.
- 

### 12.1 Cash Transfer

Cash Transfers are used to make cash payments, including settlement of interbank money market transactions and to settle obligations arising from the low-value clearing stream and agency arrangements. Cash Transfers may also be used in contingency situations to make payments if one or more of the Feeder Systems are unavailable.

Both parties enter matching details in **Cash Transfer/Entry**, make corrections and delete entries in **Amend or Delete**, and complete authorisations, if required, in **Authorise**. Use **Cash Transfer/Enquiry** to see the status of the transaction. Once matched, the transaction will be sent to the System Queue for settlement testing.

Users must be linked to branches to perform Cash Transfers and enquire on Cash Transfers.

### 12.2 End-of-day posting to Member accounts

#### Key points

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Members may print or data download end-of-day Cash Account balances using the:

- *Cash List Report*, which groups Cash Account balances by State; or
  - *Cash Summary Report*, which includes the balances of all cash accounts for a Member nation-wide.
  - These reports are available from **Reports/System Reports**.
- 

The Cash List and the Cash Summary Reports are available within 15 minutes after the finish of the Settlement Close Session, and at the end of the Evening Settlement Session. Members that are not involved in Evening Settlement Session activity might choose to use the reports that are available after the end of the Settlement Close Session. Members that are actively involved in the Evening Session may use the final Cash List and Cash Summary Reports.



## 13. LOW VALUE SETTLEMENT SERVICE (LVSS)

### Key points

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- Settlement of low value clearing obligations arising from cheques, some credit and debit cards, and some direct entry obligations is performed in a single multilaterally netted settlement at around 9am each day, referred to as the 9am Settlement. Mastercard's AUD domestic obligations and eftpos scheme (point-of-sale) transactions are not part of the 9am Settlement and are settled separately via the Mastercard batch and the eftpos batch respectively.
  - Settlement of obligations arising from non-Government direct entry payments is also performed on a multilaterally netted basis, in five multilateral runs during the Daily Settlement and Evening Settlement Sessions
  - Settlement of obligations arising from Government direct entry payments must be settled in the Morning Settlement Session prior to 08:15. These transactions do not use the Multilateral Runs for settlement and must have an LVSS Settlement Method of I (Individual).
  - Paying Members must ensure that LVSS transactions that are to be included in a Multilateral Run are settlement ready (i.e. they have no *deferred* statuses) at the start time of the Multilateral Run.
  - Members must ensure their RITS Balance is sufficient to fund their position in 9am Settlement before the Morning Settlement Session closes for 9am Settlement at 8.45am. If a Member is an FSS Participant, it must ensure that it has provisioned for FSS Top-up/s which can occur during the 9am multilateral run's locking and testing periods.
  - Members must ensure they have sufficient funds for settlement of an intraday (i.e. non-9am) Multilateral Run prior to the end time of that Multilateral Run being reached, and preferably as soon after the start time as possible.
  - Clearing interest is automatically calculated and settled on relevant LVSS transactions in the 9am Settlement.
  - Members send File Settlement Instructions (FSIs) for settlement of obligations, and File Recall Instructions (FRIs) to recall an FSI from the warehouse or the System Queue.
  - FSIs may be marked for individual (I) or multilateral (M) settlement. The payer can update the settlement method once the FSI is queued.
  - Members can receive advices during processing of FSIs, and responses for FSIs and FRIs when processing is completed. Members must advise routing requirements for these advices and responses.
  - In a contingency, Members can manually enter FSIs and FRIs into RITS, or upload a file of FSIs to RITS. Refer to the Manual FSI/FRI Entry User Guide and the Bulk FSI Upload User Guide respectively for details.
  - Messages are generated by RITS when time parameters are changed for a Multilateral Run or when a Multilateral Run is terminated.
- 

### 13.1 Overview

Low value clearing obligations for cheques, direct entry payments, and some debit and credit cards are advised to RITS as bilateral LVSS transactions.

Other than same-day direct entry obligations, these are settled the next business day in a single multilaterally netted settlement called the 9am Settlement. Eligible obligations for 9am Settlement are selected and locked at 08:15, and settlement testing begins at 08:45 when the Morning Settlement Session closes. Clearing System Interest Adjustments are also included in the 9am Settlement.



### RITS

### Low Value Settlement Service (LVSS)

Low value clearing obligations for bulk Non-Government direct entry payments are settled in RITS on a same-day basis. These obligations are settled during the day in 9am Settlement and in Multilateral Runs commencing at 10:45, 13:45, 16:45, 19:15 and 21:15.<sup>6</sup>

Government direct entry payments settle individually prior to 08:15 in the Morning Settlement Session.

RITS Members send File Settlement Instructions (FSIs) for settlement of obligations and can send File Recall Instructions (FRIs) to recall an FSI from the warehouse or the Queue. RITS Members can receive advices while the instruction is being processed, and responses concerning the final outcome of processing. LVSS transactions are tested for settlement against the Member's RITS Balance.

#### 13.2 Settlement of Low-Value Clearing Obligations

Paying Members must ensure that all LVSS transactions that are intended for inclusion in the 9am Settlement are settlement ready (i.e. there are no *deferred* statuses) by 8:15. Likewise, LVSS transactions intended for inclusion in the 10:45, 13:45, 16:45, 19:15 or 21:15 multilateral run should be settlement ready by that time.

Members can use the **ESA Position** enquiry to view their position in the 9am Settlement or any other multilateral runs once the position has been 'locked'. For the 9am Settlement this occurs at 8:15am. For other multilateral runs it occurs at the respective commencement time (i.e. 10:45, 13:45, 16:45, 19:15 or 21:15). Prior to 8.15 am or the commencement of a multilateral run, Members will be able to view their projected obligation in the LVSS Multilateral Position and LVSS Bilateral Position Summary enquiries.

When the ESA Position enquiry shows a Current LVSS MR Position, it will also show a Projected Available RITS Balance after MR Posting. This is the sum of the Member's RITS Balance and the Member's position in the current multilateral run. Members must ensure that it is in credit by 8.45 am for 9am Settlement. If the Projected Available RITS Balance after MR Posting is not in credit, actions should be taken to bring it into credit - that is, **a Member must ensure that it has sufficient RITS Balance to meet its Settlement obligation in each multilateral run.**

Members that are FSS Participants must be aware of their ESA liquidity position during the 9am multilateral run's locking and testing periods. The RITS Transaction leg of an FSS Top-up can settle at any time during this period altering their RITS Balance. **FSS Participants are required to provision their RITS Balance such that it caters for their 9am position and for any FSS Tops-Ups that could arise.**

Members must **turn off Cash Account Limits Testing** for all branches used in LVSS multilateral settlements, including the 9am Settlement.

#### 13.3 Getting into Credit by 8.45 am/Commencement of a Multilateral Run

To ensure that the Projected Available RITS Balance after MR Posting is in credit by the 8.45 am cut-off/after the commencement of a multilateral run, Members may:

- trade in Standing Facility Repos of eligible securities using the **Austraclear System**;
- contact the Domestic Markets Desk to arrange an RBA Repo in Approved Bank and Other Securities in the **Austraclear System**; or
- perform Cash Transfers in RITS.

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<sup>6</sup> Direct entry obligations from the 22:30 official exchange and some other late, bilaterally-agreed exchanges settle in the 9am Settlement the next day.





Where a Member has technical or other difficulties preventing it from taking actions to get the Projected Available RITS Balance after MR Posting into credit by 8.45 am/after the commencement of a multilateral run, that Member should contact the RITS Help Desk immediately on 1800 659 360.

### **13.4 What transactions are included in RITS 9am Settlement?**

9am Settlement obligations arise from the low value clearing systems – that is, CS1 (Australian Paper Clearing System) for cheques, certain CS2 (Bulk Electronic Clearing System) obligations<sup>7</sup>, CS3 (AusPayNet's Issuer and Acquirer Community (IAC) Code) for ATM, Visa and Medicare refund transactions, the Cashcard Closed User Group for ATM transactions, and the Government Funds Sweep. Clearing System Interest Adjustments are also included in the 9am Settlement.

### **13.5 What transactions are included in Multilateral Runs subsequent to the 9am Settlement?**

CS2 (Bulk Electronic Clearing System) obligations are settled in the multilateral runs scheduled after the 9am Settlement.

Note that Government direct entry obligations are settled individually rather than as part of the 9am Settlement or subsequent multilateral runs.

### **13.6 Clearing system interest**

RITS will calculate and settle clearing system interest on eligible LVSS transactions that settle as part of the 9am Settlement each day. The interest is calculated for the number of days elapsed between the date of exchange (Payment Date, as included in the FSI) and the date of interbank settlement across ESAs at the Reserve Bank (Settlement Date, as included in the FSI). The rate used to calculate clearing system interest is the Rate on Surplus ESA Balances. This rate may vary from time to time. The latest information on ESA Interest Rates is available on [www.rba.gov.au/rits/info/pdf/ESA\\_Interest\\_Rates.pdf](http://www.rba.gov.au/rits/info/pdf/ESA_Interest_Rates.pdf).

RITS creates a clearing interest transaction based on the net sum of LVSS transactions included in the 9am Settlement between each pair of participants by clearing system. Clearing interest transactions are created and included as part of the 9am Settlement. LVSS transactions that settle outside of the 9am Settlement will not have clearing interest automatically applied.

### **13.7 Roles and Functions**

Password Administrators must allocate LVSS roles to users to enable them to use LVSS functions. Users must also be linked to the branches used for LVSS transactions. Members can request the RITS Help Desk to set an authorisation on a function. See Section 17 of this user guide for details of LVSS-related roles and functions.

### **13.8 LVSS Messages**

The LVSS message types include the following, which can be selected for receipt in the LVSS Message Selection screen (available from the Unsolicited Advices function). Rejection responses are mandatorily sent by RITS.

- FSI (File Settlement Instruction);

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<sup>7</sup> Obligations from the 22:30 official exchange and some other late, bilaterally-agreed exchanges will settle in the 9am Settlement the next day.



- FRI (File Recall Instruction);
- FSRs (File Settlement Response Settled), optional;
- FSRU1 (File Settlement Response Rejected), mandatory;
- FSRU2 (File Settlement Response Recalled), optional;
- FSRU3 (File Settlement Response Unsettled at EOD), optional;
- FRRS (File Recall Response Recalled), optional;
- FRRU1 (File Recall Response Rejected), mandatory;
- FRRU2 (File Recall Response Failed), optional;
- FSA1 (File Settlement Advice – Accepted), optional; and
- FSA2 (File Settlement Advice – Changed SM), optional.

### **13.9 Validation of FSIs and FRIs**

Validation of all FSIs and FRIs ceases at the first validation failure and a reject code is recorded against the instruction. The sender receives a reject response, including details of the rejected message, reject code and reason for rejection. Existing RITS reject codes (as used for the SWIFT PDS and Automated Information Facility and in RITS enquiry screens) are used as well as some LVSS-specific reject codes. See the RITS/SWIFT User Interface Guide for a list of reject codes and their descriptions.

### **13.10 Recalling an FSI**

An FRI can be sent to RITS to recall a warehoused FSI or an FSI that is on the RITS Queue (and has not already settled, been recalled, or is locked in a Multilateral Group).

### **13.11 RITS Handling of FSIs and FRIs During SYSCLOSE Session**

FSIs that arrive at RITS prior to the end of each day for settlement on a future RITS business date are validated, then either rejected, or accepted and warehoused subject to the RITS allowable warehousing period. FSIs can be stored up to 5 settlement days in advance. FSIs and FRIs that arrive at RITS during the Overnight Session will be validated and responded to with an appropriate advice, if requested. No settlement processing occurs in the Overnight Session. Warehoused FSIs are placed on the System Queue on the settlement date.

### **13.12 Updating, Enquiring and Reporting on LVSS Transactions**

Users can update an FSI's LVSS Settlement Method (see below) in the Queued Payments Management – ESA/Credit Status/LVSS Settle Method function.

Users can manage ESA Status, Cash Account Status, and Credit Status on FSIs in the same manner as for other transactions in RITS (see below for more information on management).

Users can enquire upon information in RITS about individual LVSS transactions they have sent, or to which they are a counterparty, in the LVSS Transaction Enquiry, Settled Payments Enquiry, Transaction Enquiry and LVSS File Enquiry. This last function allows the user to view the message content of FSIs, FRIs, and Advices and Responses.

The LVSS Bilateral Position Summary provides RITS Member users with a summary of their LVSS transactions by Payment Service and by another Member.

The Clearing Interest Enquiry allows Members to view details of a clearing interest transaction, including the multiple FSIs to which each clearing interest transaction relates.

**RITS****Low Value Settlement Service (LVSS)**

Details of LVSS transactions are reported in the Queued Payments Management ESA/Credit Enquiry Report, Settled Payments Enquiry Report, and Transaction Enquiry Report.

The LVSS Multilateral Position Summary allows the user to view their multilateral net position arising from LVSS transactions selected for settlement in a multilateral run and details of any ESA or Cash Account limit failures. The RITS Member's RITS Balance, ESA Sub-limit, and RITS Active Balance are also displayed in this function.

Manually entered FSIs can be enquired upon in the Manual FSI Enquiry function.

Manually entered FRIs can be enquired upon in the Manual FRI Enquiry function.

**13.13 Selection of Advices and Responses**

Members can indicate whether they wish to receive Advices for FSIs and Responses for FSIs and FRIs. (Note that Responses are mandatorily sent by RITS where the FSI or FRI has been rejected.) Advices and Responses are selected from the LVSS Message Selection screen, accessible via the Unsolicited Advices function. See the Member Administration User Guide for information on using this function.

**13.14 ESA, Credit and Cash Account Statuses**

The recording of the ESA, Credit and Cash Account Statuses in RITS is determined by whether the Originator in the FSI is the Payer or Payee.

<b>Where Originator = Payer</b>	<b>Where Originator = Payee</b>
RITS records ESA Status from FSI (if provided).	RITS records ESA Status as Deferred.
RITS records Credit Status from FSI (if provided).	RITS does NOT record Credit Status.
RITS records Cash Account Status from FSI (if provided).	RITS does NOT record Cash Account Status.

RITS uses the LVSS Settlement Method from the FSI (if provided) regardless of whether the Originator is the Payer or Payee. The Settlement Method may subsequently be changed by the Payer.

**13.15 Multilateral Settlement of LVSS Transactions**

Multilateral settlement allows groups of LVSS transactions to be settled simultaneously by the System Queue, with only the net debit position for an account having to be funded.

The sender of an FSI flags the Settlement Method as either 'I' (individual) or 'M' (multilateral). If the FSI is marked with 'I', it will be tested as a single transaction on the System Queue. 'M' marks the FSI as eligible for settlement in a Multilateral Group at a scheduled time. The Payer may override the LVSS Settlement Method applied to its FSIs as they arrive on the System Queue. Overrides can be set from the Queued Payments Management – ESA/Credit Status/LVSS Settle Method function. The Payer may also change the Settlement Method of an individual LVSS transaction while it is on the Queue. See the ESA Management user guide for more information.

**13.15.1 LVSS Transactions 'Locked' in Multilateral Group**

LVSS transactions with an LVSS Settlement Method of 'M' are not tested as part of normal queue processing. Instead, at the time(s) nominated for a multilateral run, the Queue will search for all eligible LVSS transactions, 'lock' them into a Multilateral Group, and attempt to settle them all as a single multilaterally offset group of transactions. An LVSS transaction is



eligible for inclusion in a multilateral run if, at the commencement of the multilateral run, the LVSS transaction has a LVSS Settlement Method of 'M', and its Cash Account, Credit and ESA statuses are set to either *active* or *priority*. Once a Multilateral Group is locked, it cannot be added to, or have transactions removed. The Cash Account, Credit, or ESA statuses, or LVSS Settlement Method cannot be changed for an LVSS transaction locked in a multilateral run.

The locked Multilateral Group settlement position allows Members to then determine any funding requirements with certainty. Members will have the period of time until the end of the scheduled testing time of that multilateral run to ensure that they have funded their obligation.

### **13.15.2 LVSS Clearing Interest Transactions**

Clearing interest transactions are created for FSIs that are selected for inclusion in the 9am Settlement.

Clearing interest transactions are created on a bilateral-sum basis, by Payment Service, and are settled in the 9am Settlement process. That is, for each pair of participants for each Payment Service, there will be a single net clearing interest transaction. For example, if there are four FSIs for the APCE Payment Service between two banks, clearing interest on those four transactions will be bilaterally summed to a single clearing interest transaction. This amount could be \$0.00.

The Payment Service for clearing interest transactions is 'CINT'. Clearing interest transactions are placed on the System Queue with ESA, Cash Account, and Credit statuses of *priority*, which cannot be amended by RITS Members.

FSIs that have a settlement amount of \$0.00 will be included in the calculation of net clearing interest transactions and will be reported on in Clearing Interest Enquiry.

The SMT028/camt.054 Pre-Settlement Advice (Credit Level), SMT029 Pre-Settlement Advice (ESA Level), SMT036/camt.054 Post-Settlement Advice Debit Interbank, and SMT037/camt.054 Post-Settlement Advice Credit Interbank are available for clearing interest transactions.

### **13.15.3 Multilateral Group Failing to Settle**

A Multilateral Group will not settle if one or more payers have not funded their obligation. If the Multilateral Group fails to settle by the end test time, it is disbanded and its FSIs are released to the System Queue. All clearing interest transactions in the Multilateral Group are automatically removed from the System Queue.

The released FSIs retain the LVSS Settlement Method of 'M', so they may settle in the next multilateral run of the day, if there is another run scheduled.

If the Member changes the Settlement Method of a released FSI from 'M' to 'I', the FSI can potentially settle immediately, depending upon its status settings, funding and the session that RITS is in, but the Member and its counterparty must make their own arrangements concerning the payment of any clearing interest, as clearing interest transactions are only applied on transactions that settle in the 9am Settlement.

All FSIs that have not settled at end-of-day, whether marked with LVSS Settlement Method 'I' or 'M', are removed from the System Queue and a File Settlement Response Unsettled at EOD (FSRU3) is sent to the Originator and Counterparty, if they have selected it.

### **13.15.4 Multilateral Run Times**

The Reserve Bank enters into RITS a schedule of Multilateral Run times. Each Multilateral Run has a start time and an end time. These times are available to Members via RITS session



times enquiry screens. If a session time is changed, Members will be advised via the RITS Read Message facility. A Message will also be posted in the event that a new Multilateral Run is set up by the RBA, or an existing one is removed.

### **13.16 Managing LVSS Settlement Method: Overrides**

Through the use of status and override functionality, Members can retain control over the timing of any debits to their ESAs.

The Member sending an FSI (i.e. the Originator of the FSI) is optionally able to indicate LVSS Settlement Method. However, the Payer may set an override LVSS Settlement Method on its relevant branch/Cash Account, allowing it control over this parameter. If no LVSS Settlement Method is set in the FSI or via an override, a system default LVSS Settlement Method of 'I' is applied. Once an FSI is on the System Queue, the LVSS Settlement Method is controlled by the Payer, and may be changed via the Queued Payments Management – ESA/Credit Status/LVSS Settle Method function in RITS.

### **13.17 Managing LVSS Settlement via Cash Account Limits**

Each LVSS transaction is posted to a Cash Account of the Payer and a Cash Account of the Payee. The Payer is able to control settlement at the Cash Account level through the use of Cash Account Limit, Cash Account Sub-Limit and Cash Account Status. Members that do not wish to use cash account limits for transaction management should ensure that Cash Accounts limits processing is turned off for their LVSS Cash Accounts.

Members must turn off Cash Account Limit processing for all branches used in the 9am Settlement. Members are recommended to turn off Cash Account Limit processing for all branches used for the LVSS.

### **13.18 LVSS Transaction Management by the Payer**

LVSS transactions on the System Queue can be managed by the Payer in a similar manner as for other queued RITS transactions. This includes the ability to change the ESA, Credit or Cash Account Status or to perform a recall. In addition, the Payer has the ability to amend the LVSS Settlement Method using RITS on-line functionality. Status changes can be made using the AIF or on-line using RITS.

- Where the Payer is not the Originator, the Payer will need to change the ESA Status to Active or Priority in order for the FSI to be eligible for settlement. This may be done by setting an override ESA Status on the relevant branch, which will be applied as the transaction is placed on the System Queue, or by changing the status of the queued transaction via the RITS user interface or the AIF.
- LVSS transaction management for items included in a multilateral group can only occur up until the lock time for that multilateral settlement. After the lock time, no status changes or recall requests can be performed.

### **13.19 Automated Information Facility (AIF) and LVSS**

LVSS transactions are included in ESA Interim and Final Statements delivered via the AIF (MT942/camt.052 and MT950/camt.053). The Payment Service, rather than a Feeder System ID, will populate the Transaction Type field in these statements.

Members can elect to receive AIF Pre- and Post-Settlement Advices for LVSS transactions, including clearing interest transactions. The Payment Service, rather than a Feeder System ID, will populate tag 908 (Transaction Type) or tag Prtry (Proprietary). For clearing interest transactions the Payment Service is 'CINT'.

**RITS****Low Value Settlement Service (LVSS)**

Members can use AIF commands to change the ESA, Credit and or Cash Account Status of an LVSS transaction where they are the Payer. Unsolicited Change Status Advices will be sent, if selected, for status changes effected via RITS screens. The ESA, Credit and or Cash Account Status of an LVSS transaction cannot be changed when the transaction has been locked for settlement in a Multilateral Run.

There is no AIF command to change the LVSS Settlement Method of a queued LVSS transaction. This action must be performed by a RITS user using online queued payments management functionality. The LVSS Settlement Method of an LVSS transaction cannot be changed when the transaction has been locked for settlement in a Multilateral Run.

Members cannot use an AIF Recall Command to recall an LVSS transaction. Recall of LVSS transactions can only be done via submission of a File Recall Instruction (FRI). However, if an LVSS transaction is recalled via an FRI, an AIF Unsolicited Recall Advice will be sent (if selected). Note that an FSI cannot be recalled when the transaction has been locked for settlement in a Multilateral Run.

**13.20 Setting Up RITS Branches for LVSS**

The FSI contains only the 4-character RITS mnemonics of the two parties to the settlement transaction. However, transactions in RITS require a branch (identified by a 6-digit mnemonic) and Cash Account. Members that participate in the LVSS are required to nominate which branches they will use for LVSS transactions. Members are able to use the same branches for all Payment Services or will be able to use different branches for each Payment Service (including the Payment Service used for clearing interest postings).

Members must ensure that users allocated LVSS roles are assigned to LVSS branches.

See the *LVSS Participant Set-Up Guide* for more information.

**13.20.1 Postings to Credit Items Branch and Debit Items Branch**

Where the Originator nominates that they are the Payer in an FSI (i.e. the FSI represents a clearing file or obligation that contains only credit items, or where the value of credit items exceeds the value of debit items), the transaction will be recorded against the branches nominated as the Credit Items Branch for *both* parties to the transaction.

Where the Originator nominates that they are the Payee in an FSI (i.e. the FSI represents a clearing file or obligation that contains only debit items, or where the value of debit items exceeds the value of credit items) the transaction will be recorded against the branches nominated as the Debit Items Branch for *both* parties to the transaction.

For a particular Member, outgoing payments (i.e. ESA payments) arising from clearing files or obligations that it originated will be recorded in its Credit Items Branch, while outgoing payments arising from clearing files or obligations that it received will be recorded in its Debit Items Branch. This allows different management methods to be used if desired.

Incoming payments for a particular Member (i.e. ESA receipts) arising from clearing files or obligations that it originated will be recorded in its Debit Items Branch, while incoming payments arising from clearing files or obligations that it received will be recorded in its Credit Items Branch. As receipts, these payments do not need to be managed.

See the *LVSS Participant Set-Up Guide* for an example.



## 14. BATCH FACILITY

### Key points

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- A batch is a group of net interbank obligations that settle simultaneously.
  - Batches are entered by a Batch Administrator.
  - Participant Members do not need to confirm their payments in RITS.
  - The CHES, eftpos, Mastercard and Reservation Batches use this facility.
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### 14.1 Overview

A batch is a group of net interbank obligations, called batch transactions, which are settled simultaneously in a multilateral or central party batch.

Batch transactions arise from a Batch Stream. A Batch Stream is a defined category of financial transactions arising from a real or financial business. Batches in the stream are processed independently of other batch streams and other transactions. The Batch Administrator for a Batch Stream calculates a net settlement obligation for each participant, and enters the amounts due to be received or paid by participating Members.

There are two types of Batches used in RITS, Settlement-only Batches and Reservation Batches.

Settlement-only Batches are entered into RITS for settlement, with no prior reservation of RITS Balance. An Activation Time may be set by the Batch Administrator, in which case the batch is automatically passed to the System Queue for settlement testing against the RITS Balance at that time.

For Reservation Batches, funds are initially reserved in the RITS Balances of paying Members in the batch. This is followed by further upstream business operations, after which the Batch Administrator sends a Settlement Request, at which time the batch is passed to the System Queue for immediate settlement.

Entry of Settlement-only batches can be done by SWIFT messages or directly in RITS. Entry of Reservation Batches can only be done via XML-formatted file transmitted over the COIN.

Where a batch is normally entered by SWIFT messages, entry directly in RITS may be used if SWIFT message entry is not possible. The Batch Administrator uses the functions **Batch Admin/Entry** to enter the batch and **Batch Admin/Management** to monitor the progress of the batch.

In Settlement-only batches entered via SWIFT message, the Cash Account, Credit and ESA statuses are entered into the message as nominated by the batch participants.

For Reservation batches, the Cash Account, Credit and ESA statuses are set to *priority* by RITS. These values cannot be modified or overridden by participants.

RITS override Cash Account, Credit or ESA Statuses can also be set for the branch through which the batch transactions are channelled. The chosen status setting will be automatically applied to the batch transactions by RITS as they are placed on the System Queue (except for transactions in Reservation Batches). Statuses contained in the SWIFT batch entry message are also overridden.



The Batch Administrator monitors the progress of the batch on the System Queue. The batch will settle when all debit obligations are funded. The System Queue will simultaneously post the relevant amounts to the ESA and RITS Cash Account of each participating Member.

#### **14.2 The CHESB Batch**

The CHESB Batch is a Settlement-only, central party batch where the Batch Administrator is the ASX.

A single CHESB Batch will be run only on ASX-designated CHESB settlement days, generally when both Sydney and Melbourne are open, for settlement in the middle of the day.

#### **14.3 The eftpos Batch**

The eftpos Batch is a Settlement-only, multilateral batch where the Batch Administrator is eftpos Payments Australia Limited. This batch provides for settlement of eftpos scheme transactions.

A single eftpos Batch will be run each RITS business day for settlement during the Morning Settlement Session.

#### **14.4 The Mastercard Batch**

The Mastercard Batch is a Settlement-only, multilateral batch where the Batch Administrator is Mastercard International Incorporated. This batch provides for settlement of Mastercard's domestic AUD obligations.

A single Mastercard Batch will be run each RITS business day for settlement during the Morning Settlement Session.

#### **14.5 The PEXA Batch**

The PEXA Batch is a multilateral batch where the Batch Administrator is Property Exchange Australia Limited. It provides for the settlement of interbank obligations arising out of electronic conveyancing of property transactions.

Many such batches will be run each RITS business day, commencing in the Daily Settlement Session.

#### **14.6 The ASX Financial Settlements Batch**

The ASX Financial Settlements Batch is a multilateral batch where the Batch Administrator is ASX Financial Settlements Pty Limited. It provides for the settlement of interbank obligations arising out of electronic conveyancing of property transactions completed using the electronic conveyancing system managed by Sympli Australia Pty Limited.

Many such batches will be run each RITS business day, commencing in the Daily Settlement Session.





## **15. FAST SETTLEMENT SERVICE (FSS)**

### **Key points**

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- The FSS is a service of RITS supporting real-time gross settlement of payments from the NPP Feeder System, allowing transactions to be settled individually on a continuous basis, in close to real time. The FSS provides irrevocable and unconditional settlement of transactions.
  - Each valid Settlement Request received by the FSS is tested for settlement against the paying ESA holder's FSS Balance, and either settles if there are sufficient funds, or is rejected. Rejected payments are not queued for retesting.
  - The FSS sends a Settlement Notification to the sending and receiving NPP clearing participants, that is, the payer and payee ESA holders or their nominated agents. FSS Participants may elect to include in the Settlement Notification the resulting FSS Balance for each Back Office (BO) Service in which they participate.
  - Optional Allocation Transfer Settlement Notifications and/or Periodic FSS Balance Notifications may be sent to the ESA holder or their agent via the NPP.
  - The RITS user interface provides functionality to allow an FSS Participant to manage their ESA liquidity across its RITS Balance and its FSS Balance. FSS Participants can transfer ESA funds across these balances via Allocation Transfers.
  - During RITS settlement hours, when ESA funds are allocated between RITS and FSS, FSS Participants need to ensure they allocate sufficient ESA funds to the FSS by setting a precautionary minimum buffer as their Lower Trigger. This can be done using the FSS Allocation Management function in the RITS user interface.
  - Optional FSS alerts are available to ESA holders via email and/or SMS.
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### **15.1 Overview**

The NPP provides infrastructure that allows Australian government entities, businesses and consumers to make fast, versatile and data-rich payments to each other on a continuous basis. The NPP includes the Basic Infrastructure (BI) and Overlay Services. The BI is provided by SWIFT, and consists of: network services, switch services (payment application gateways (PAGs)), and an addressing service. Overlay Services are able to use the BI to transmit payments.

The FSS is a RITS Service that provides for the settlement of NPP payments in ESA funds. The FSS provides line by line settlement of individual Settlement Requests, testing each request against the paying ESA holder's FSS Balance. If testing is successful, settlement occurs irrevocably and unconditionally.

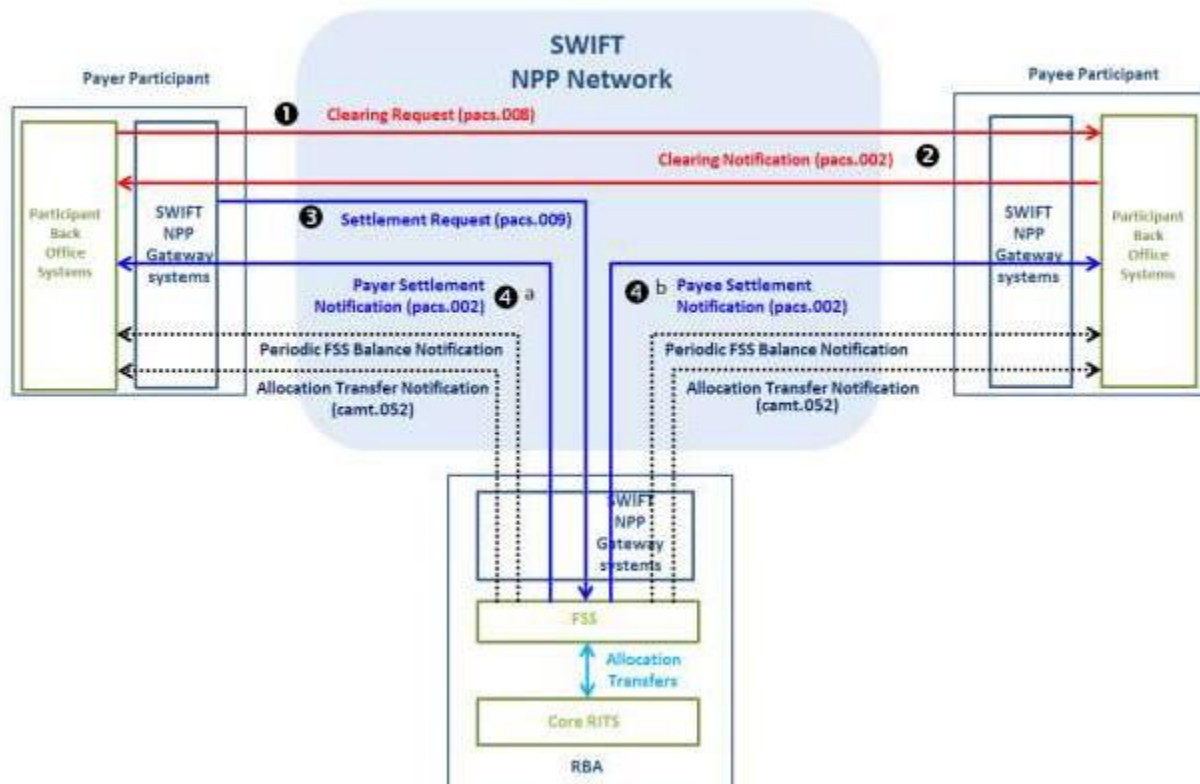
### **15.2 NPP Business Flows**

The figure below provides a simplified view of the clearing before settlement model used to settle NPP Payments. The model has a simple view of a Payer/ Payee Participant flow with no agents. Each credit payment instruction sent by the Payer Participant is validated by the SWIFT PAG and then sent over the domestic SWIFT network to the Payee Participant (Flow 1). The Payee Participant's back-office system confirms that it has received a valid payment for processing (including confirmation of a valid payee account) and responds with a confirmation to the Payer Participant (Flow 2) within a specified timeframe. This is passed to the Payer Participant's back-office system for processing. The Payer Participant's PAG then automatically creates and sends a Settlement Request to the FSS (Flow 3). The FSS validates the Settlement Request and checks that the Payer Member has sufficient FSS Balance, before debiting the FSS Balance of the Payer Member and crediting the FSS Balance of the Payee Member. Settlement Notifications are generated by the FSS indicating the result of the



Settlement Request. These are returned via SWIFT to the Payer Participant and Payee Participant (Flows 4a and 4b).

If elected by an FSS Participant, the FSS sends optional FSS Notifications (Periodic FSS Balance Notification and/or Allocation Transfer Notification) via the NPP.



### 15.3 NPP Participant Types

In the NPP, the NPP Participant Types which are relevant to FSS include: Full Participant, Clearing Participant or Settlement Participant:

- A Full Participant connects directly to the BI or is hosted on another Participant's infrastructure for the purposes of clearing NPP Payments and is also a RITS Member.
- A Clearing Participant connects directly to the BI for the purpose of sending and receiving NPP Payments but may not necessarily be a RITS Member.
- A Settlement Participant is not connected to the BI but has an arrangement with an NPP Participant to clear NPP Payments on its behalf. It is a RITS Member.

In RITS, only active RITS Members with an ESA can apply to join the FSS, i.e. to be set up as an FSS Participant for purposes of settling NPP Payments. In the NPP, an FSS Participant is recognised as either a Full or Settlement Participant.

Only Full Participants and Clearing Participants can send Settlement Requests to the FSS and receive Settlement Notifications from the FSS. A Settlement Participant may appoint a Full or Clearing Participant to send Settlement Requests and receive Settlement Notifications, FSS notifications and the FSS End-of-Day Settled Transactions Report (end-of-day report) on its behalf.



### **15.4 Settlement Process**

Each eligible Settlement Request is validated and tested for settlement against the Payer Member's FSS Balance in the FSS.<sup>8</sup> Upon successful settlement, the Payee Member's FSS Balance is credited simultaneously with the debiting of the Payer Member's FSS Balance. If a Settlement Request fails due to insufficient funds or any other validation error, it is rejected, and settlement is not completed. There is no provision for a failed Settlement Request to be queued and retested within the FSS. It is also not possible to recall an NPP payment or an FSS Allocation Transaction, since the FSS settles or rejects it very quickly and has no queue management facilities.

Members are encouraged to ensure that they always maintain a sufficient level of ESA funds in the FSS for the settlement of NPP Payments.

### **15.5 FSS Messages**

The FSS receives and sends ISO 20022 messages in exchange with the NPP and follows the NPPAU message usage guidelines in validating and creating these messages. The following messages are exchanged between the FSS and NPP Participants:

- **Settlement Request:** This message is automatically created and sent to the FSS by the Payer Member's or their nominated agent's PAG, after the successful receipt of the Payee's Clearing Notification. The purpose of this message is to request interbank settlement of an NPP Payment in ESA funds. The ISO 20022 message definition to be used for this purpose is the pacs.009 message.
- **Settlement Notification:** For each valid Settlement Request received, the FSS creates a separate Settlement Notification for both the sending and receiving NPP Participant involved in clearing (that is, the paying and receiving ESA holders or their nominated agent). The purpose of this message is to advise the outcome of the Settlement Request. The ISO 20022 message definition to be used for this purpose is the pacs.002 message.
- **Allocation Transfer Settlement Notification:** ESA holders may optionally elect to receive an Allocation Transfer Settlement Notification. The purpose of this message is to advise the successful completion of the FSS transaction leg of an Allocation Transfer. The ISO 20022 message definition to be used for this purpose is the camt.052 message.
- **Periodic FSS Balance Notification:** The optional Periodic FSS Balance Notification message is sent 24/7 at periodic intervals, advising ESA holders periodically of their FSS Balance. The ISO 20022 message definition to be used for this purpose is the camt.052 message.

### **15.6 FSS Validations**

Each eligible Settlement Request is validated and tested for settlement against the payer ESA holder's FSS Balance. If a Settlement Request fails due to insufficient funds or any other validation error, it is rejected, without the settlement being completed. The sender receives a Settlement Notification notifying the rejection, including the reject code and reason. See the Information Paper FSS Message Specifications, which is available in the RITS Information Facility, for more details on FSS validations, as well as a list of reject codes and their description.

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<sup>8</sup> Note that Settlement Requests are tested in the FSS and not on the System Queue in RITS.



### 15.7 FSS Participant management of ESA funds

The ESA holder's RITS Balance is used for funding high-value payments and multilaterally netted settlements. The FSS Balance is used for funding the real-time settlement of NPP Payments. The RITS and FSS Balances combined constitute the total ESA Balance.

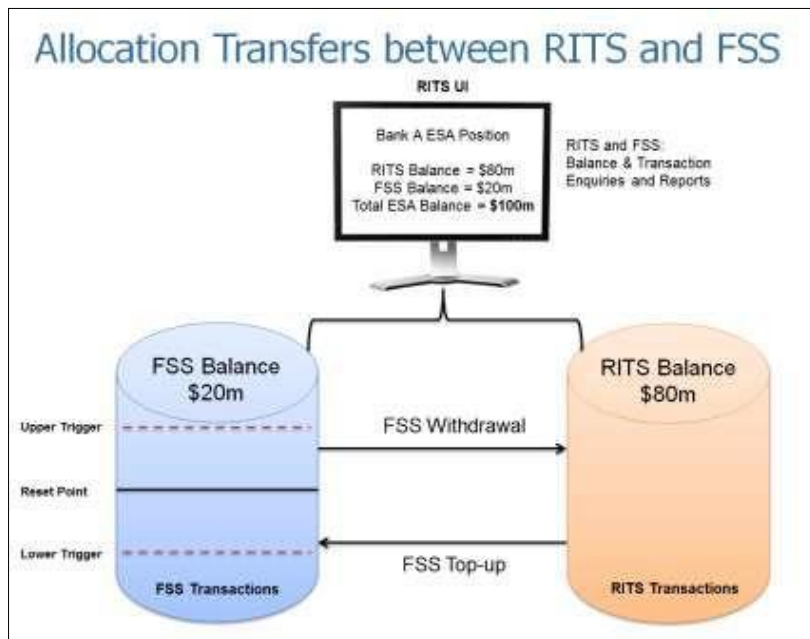
The movement of ESA funds between the RITS and the FSS Allocation is called an 'Allocation Transfer'. Allocation Transfers change the amount of ESA funds available in RITS and in the FSS – they do not change the overall ESA Balance.

At all times during RITS settlement hours an FSS Participant can only have one Allocation Transfer in progress at any one time.

RITS Members are able to set Upper and Lower Trigger Points, and set a nominated Reset Point (which must be between these Trigger Points) to automatically allocate ESA funds to or from the FSS (see the figure below) so that:

- An 'FSS Top-up' Allocation Transfer is automatically created if the FSS Balance falls below the Lower Trigger point (in the example below, \$10 million). The funds required to top up the FSS balance to the Reset Point amount are debited from the RITS Balance and credited to the FSS Balance.<sup>9</sup>
- An 'FSS Withdrawal' Allocation Transfer is automatically created if the FSS Balance rises above the Upper Trigger point (in the example below, \$50 million). Funds above the Reset Point are automatically debited from the FSS Balance and credited to the RITS Balance.

The use of Upper and Lower Trigger Points to automatically top-up or withdraw funds between RITS and the FSS only occurs during RITS settlement hours, i.e. from the commencement of the RITS Morning Settlement Session at 7.30 am until shortly after the start of the RITS Reports session at 10.00 pm (refer to section 4). This helps ensure that funds are available for RITS settlement during RITS operating hours while maintaining a sufficient FSS Balance for settlement of NPP transactions. All ESA funds are transferred to the FSS at the commencement of the Reports Session for use during RITS non-settlement hours, that is, at night and at the weekend.



<sup>9</sup> The Reset Point is a 'target' FSS Balance after settlement of the FSS leg of an Allocation Transfer, as the FSS Balance will constantly be changing as payments continuously settle.



ESA holders are able to manually request during RITS settlement hours that their FSS Balance is returned to their nominated Reset Point. This is done via the RITS user interface.

#### **15.7.1 No Allocation Transfers during RITS Non-Settlement Hours**

During RITS non-settlement hours i.e. from shortly after the start of the RITS Reports session at 10.00 pm until the commencement of the RITS Morning Settlement Session at 7.30 am the following business day, a Member's entire ESA funds balance is held in the FSS. No Allocation Transfers occur during this period. That is, during the evening, at weekends and on public holidays when RITS is closed, the FSS has access to an ESA holder's entire ESA Balance.

#### **15.7.2 Allocation Transfers at RITS Start of Day**

Prior to the opening of RITS, the RITS Balance for each FSS Participant is \$0.00, with all ESA funds being held in the FSS. At the start of the RITS Morning Settlement Session, at approximately 7.30 am, the FSS Balance that is above the nominated Reset Point is transferred to the RITS Balance via a start-of-day Allocation Transfer. The funds in the RITS Balance are then available for RITS settlements (including those that occur at the commencement of the RITS operating day).

If there are insufficient ESA funds in the FSS (i.e. the FSS Balance is lower than the nominated Reset Point) then no start-of-day Allocation Transfer takes place. This leaves the RITS opening balance at \$0.00. Consequently, transactions on the System Queue remain unsettled until ESA funds are obtained e.g. via an intraday Standing Facility Repo, a RITS Cash Transfer with another Member, or an inbound payment.

#### **15.7.3 Allocation Transfers at End of Day**

After the end of the RITS settlement day i.e. following the commencement of the RITS Reports Session at 10.00 pm, the entire RITS Balance for each eligible FSS Participant is transferred to their FSS Balance via an Allocation Transfer. This leaves the closing RITS Balance for each FSS Participant at \$0.00.

#### **15.7.4 Settlement of FSS Allocation Transactions**

FSS Allocation Transactions (i.e. the FSS leg of an Allocation Transfer) are sent to the FSS for settlement testing. FSS Withdrawals debit the FSS Participant's FSS Balance. FSS Top-ups credit the FSS Participant's FSS Balance. If elected by the FSS Participant, an Allocation Transfer Settlement Notification is sent via the NPP when the FSS Balance changes as a result of an Allocation Transfer.

#### **15.7.5 RITS Queue Processing of an Allocation Transfer**

RITS Allocation Transactions (i.e. the RITS leg of an Allocation Transfer) are processed on the System Queue with a *Priority* ESA, Credit and Cash Account Status **at all times** throughout the RITS business day. This includes the 9am settlement period (8.45 am to 9.15 am). This means that the RITS Balance may change during the period immediately preceding the 9am settlement.

It is not possible for FSS Participants to change the *Priority* statuses of RITS Allocation Transactions.

#### **15.7.6 FSS Top-up and sufficient RITS Balance**

A RITS Allocation Transaction for the RITS leg of an FSS Top-up remains unsettled on the System Queue if there is an insufficient RITS Balance to settle the transaction. The Allocation Transfer remains pending until the RITS Allocation Transaction settles, or is recalled in RITS by the FSS Participant, or is automatically deleted as unsettled from the System Queue at end-of-day. If a RITS Allocation Transaction remains on the System Queue for an extended



period, the FSS Participant's FSS Balance may deplete resulting in NPP Payments being rejected due to insufficient funds.

#### 15.7.7 Recall an FSS Top-up from the System Queue

The capability to Recall a pending RITS Allocation Transaction from the System Queue is provided in the RITS user interface using **FSS/ Recall RITS AT**.

#### 15.7.8 Allocation Transfers - Maximum Size of Transfer

Allocation Transfers are subject to a maximum amount limit which is set at \$9.9 billion. For Start of Day and intraday Allocation Transfers, if the calculated Allocation Transfer amount exceeds the limit, an Allocation Transfer is processed only for a maximum \$9.9 billion amount. Subsequent additional Allocation Transfers are generated if the FSS Balance still falls outside of the FSS trigger range.

For end-of-day Allocation Transfers, if the closing RITS Balance is greater than \$9.9 billion, a series of single, consecutively-generated Allocation Transfers occur until the RITS Balance reaches \$0.00.

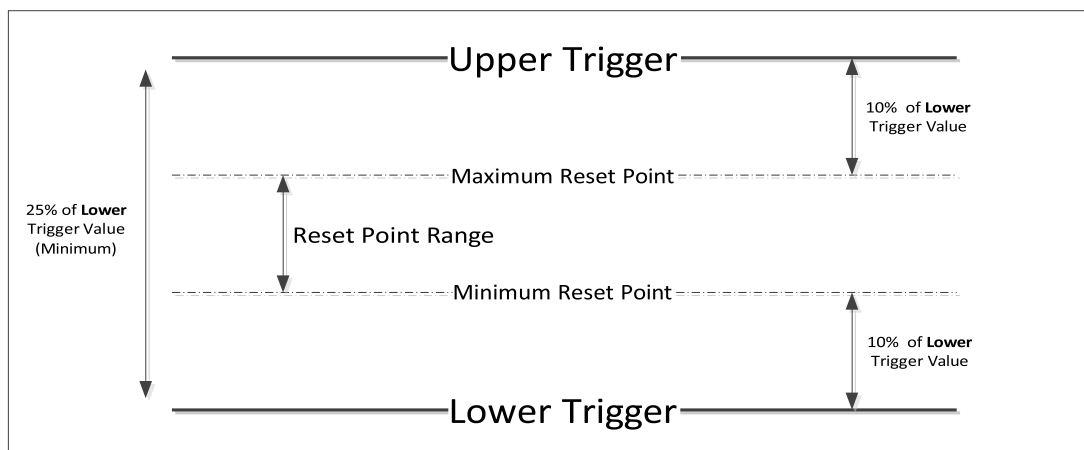
#### 15.7.9 FSS Triggers

Using **FSS/Allocation Mgt** an FSS Participant is able to enter Upper and Lower Trigger Point values via the RITS user interface and to manually return its FSS Balance to the nominated Reset Point during RITS settlement hours.

#### 15.7.10 FSS Trigger Validations

FSS Trigger Validations are set by the RBA and apply to FSS Participant-defined triggers entered by an FSS Participant via the RITS user interface to ensure that Upper and Lower Triggers are sufficiently far apart.<sup>103</sup> These validations ensure that a custom Reset Point (if chosen by an FSS Participant over the default midpoint of the Trigger Point values) falls sufficiently far from the Upper and Lower Trigger Point values.

For illustrative purposes the figure below uses 25% above the Lower Trigger value as the minimum difference permitted between the Upper and Lower Triggers and 10% of the Lower Trigger value as the minimum difference between the Upper and Lower triggers as the range within which a 'custom' Reset Point may be set.



<sup>10</sup> Note that these FSS Trigger Validations apply globally and cannot be changed by an FSS Participant.

**15.7.11 Allocation Transfer Counterparty**

In the RITS user interface and FSS reports shows the counterparty for all Allocation Transfers are shown as FSS Participant themselves.

**15.7.12 Transactions Types**

There are two Transaction Types for Allocation Transfers and these are shown in all relevant RITS enquiry screens and reports:

- FSSTU - for an FSS Top-up
- FSSWD - for an FSS Withdrawal.

**15.7.13 RITS Cash Account and FS Branch**

To facilitate the processing of Allocation Transfers, each FSS Participant has to set up a dedicated RITS FS Branch and Cash Account. These are used in all relevant RITS and FSS on-line enquiries and reports.

RITS Password administrators must ensure that users who are allocated FSS roles are assigned to the FS branch.

**15.8 9am Settlement and Allocation Transfers**

The processing of the 9am Settlement occurs immediately after the close of the RITS Morning Settlement Session. The 9am Settlement obligation of each RITS Member is locked in at 8.15 a.m.

ESA holders should be aware that the FSS Allocation is not available to fund their 9am Settlement obligation. Only the RITS Balance is used to test for sufficient funds when the 9am Settlement period commences.

In addition, FSS Participants should be aware that automated Allocation Transfers between RITS and the FSS occur at all times during RITS settlement hours, including the settlement period between 8.45am and 9.15am that is used for 9am Settlement. This means that the RITS Balance may change during the period immediately preceding the 9am settlement. FSS Participants need to make provision for 9am obligations and for any FSS Top-ups that may arise. Additional monitoring is required in this period to ensure that sufficient funds remain available in RITS to meet the 9am Settlement obligation.

**15.9 Online Enquiries**

FSS Participants have access to a number of real-time enquiry functions related to their FSS activity. These are made available via the RITS user interface.

Access to the functions is controlled via allocation of roles. A RITS password administrator can assign roles to users of relevant areas (e.g. operations) as necessary. This includes roles that have enquiry-only functions.

For most of the RITS functions listed below, the capability to download queried data in CSV format is available. The ability to view historical data for all calendar days up to and including the last five RITS business days is also available.

**15.9.1 FSS Allocation Transfer Enquiry**

The **FSS Allocation Transfer Enquiry** function enables Members to:



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- Enquire on completed Allocation Transfers
- Enquire on the current processing status of an Allocation Transfer
- Enquire on the completion status of RITS and FSS Allocation Transactions

#### 15.9.2 FSS Settled Payments

The **FSS Settled Payments** function enables Members to:

- Enquire on FSS Settled Payments. It is possible to filter a query by transaction type, direction, other bank/member, Transaction ID, FSS Trans ID, settlement date, amount, time, BO Service Identifier and Clearing System Reference.
- View details of the selected payment e.g. FSS Trans ID, Amount etc.
- View or download limited range of transactions from the screen at a time (about 10,000)

#### 15.9.3 FSS Position Summary

The **FSS Position Summary** function enables Members to:

- For the current day, view a summary of their FSS settlement activity so far that day, including:
  - aggregate value and volume of settled NPP Payments
  - aggregate value and volume of completed FSS Allocation Transfers
  - ESA/RITS/FSS Balances
- View opening and closing ESA/RITS/FSS Balances and volume/value activity for the last five RITS business days

#### 15.9.4 Rejected FSS Message Enquiry

The **Rejected FSS Message Enquiry** function enables Members to:

- Enquire on Settlement Requests rejected by the FSS due to a failed validation. It is possible to filter a query by other bank/member, Transaction ID, reason code, date, amount and time.
- Enquire on Settlement Requests detected as duplicates by the FSS (using the Reason Code 'DUPL').

### 15.10 RITS/FSS Reports and AIF Advices

RITS generates end-of-day reports for transactions settled in the FSS. These include a daily listing of all settled NPP transactions and all completed Allocation Transfers. There is also an FSS Cashlist report.

ESA Statements sent at Interim and Reports Sessions are 'RITS only' statements. Consolidated end-of-day ESA Statements (SWIFT MT950s or camt.053s) are sent seven days a week shortly after midnight. These statements include two-line items representing the net value of completed FSS Allocation Transactions and the net value of settled NPP transactions for each calendar day.





FSS Participants may request Automated Information Facility (AIF) Post-Settlement Advices for the RITS Allocation Transactions.

### **15.10.1 Daily End-of-Day FSS Settled Transactions Report**

RITS produces a daily (7 days a week) End-of-Day FSS Settled Transactions Report shortly after midnight. This report contains all FSS Transactions settled by the FSS and all FSS Allocation Transactions for the previous calendar day.

FSS Participants are able to obtain this report in a CSV format by either:

- making a formal request to the RITS Help Desk for the automatic delivery of the daily file via the existing COIN or SWIFT File-Act channels (to either itself or its appointed Agent), or
- downloading it directly via the RITS user interface using the **System Reports** function.

Given the potentially large size of this file, the RBA provides this report to all FSS Participants as a compressed (zip) file for delivery via COIN or Swift File-Act.

### **15.10.2 ESA End of Day Statements (MT950/camt.053) for FSS participants**

For FSS participants, an End-of-Day ESA Statement is produced and sent seven days a week shortly after midnight (designated the **MT950 SMT222/camt.053**). The content of this statement is similar to the MT950 SMT999 produced shortly after 10:00 pm, but the opening and closing balances are consolidated ESA Balances (i.e. FSS and RITS Balances) and the statements include two additional line items that represent the net value of completed FSS Allocation Transactions and the net value of settled NPP transactions for that calendar date.

An ESA Statement End of Day Summary Advice (MT950 SMT111/camt.053), to be sent seven days a week shortly after midnight, is also available for selection. This advice does not duplicate the full listing of the day's RITS transactions (as contained in the MT950 SMT999/camt.053), but provides an opening and closing consolidated ESA Balance as well as entries for the net value of completed FSS Allocation Transactions and the net NPP movement.

RITS Members should be aware that delays to the receipt of post-midnight MT950/camt.053 statement messages may occasionally occur due to planned SWIFT maintenance windows.

### **15.10.3 SWIFT Post-Settlement Advice for RITS Allocation Transaction**

If an FSS Participant is a member of the RITS AIF closed user group, it may elect to be notified of the completion of a RITS Allocation Transaction via an existing SWIFT Post-Settlement Advice. The following Post-Settlement Advices can be selected for the 'FS' branch from the **Unsolicited Advices/MX Unsolicited Advices** function:

- Intrabank Debit (**MT198 SMT936** or **camt.054**) – for the RITS Allocation Transaction leg of an FSS Top-up
- Intrabank Credit (**MT198 SMT937** or **camt.054**) – for the RITS Allocation Transaction leg of an FSS Withdrawal.

Note: For Post-Settlement Advices in MT format, the MT198 SMT936/SMT036 and MT198 SMT937/SMT037 are for the purpose of differential selection of advices between interbank and intrabank transactions via the RITS user interface. Where MT198 SMT936 is selected, the actual advice (message type) sent is the Interbank Debit (MT198 SMT036). Where MT198 SMT937 is selected, the advice sent is Interbank Credit (MT198 SMT037). For Post-Settlement Advices in MX format, the Additional Information field (tag AddtlInf) in the camt.054 specifies whether the transaction is a debit or a credit and whether the transaction is intrabank or interbank.

The Trans Type (tag 908)/Proprietary (tag Prtry) field is populated with either:

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- **FSSTU** - for an FSS Top-up, or
- **FSSWD** - for an FSS Withdrawal.

The balance/Amount field (tag 32A in MT or <Amt> in ISO 20022) in the MT198/camt.054 Post-Settlement Advices reflects the resulting RITS Balance.

**15.11 Alerts**

A number of optional FSS alerts are available to ESA holders via email and/or SMS. To receive an alert, a one-off selection for that alert must be made via the RITS user interface using the **FSS Notifications** function.

Note: As successful delivery of email/ SMS notification messages is dependent upon external factors, this service is provided as a 'best efforts' service by the RBA and should not take the place of internal FSS Participant monitoring.

<b>Notification Name</b>	<b>Description</b>	<b>Relevant Time Period</b>
Unsettled Allocation Transfer	Notifies that the System Queue was not able to immediately complete a RITS Allocation Transaction for an FSS Top-up (e.g. due to insufficient RITS Balance)	RITS settlement hours only
Settlement Test Failed	Notifies the paying FSS Participant that the FSS rejected a Settlement Request due to insufficient FSS Balance.	24x7
Low FSS Balance Notification	Notifies that the FSS Balance has fallen below a nominated amount.	RITS non-settlement hours only

Each FSS Participant is able to select the alerts they wish to receive and to nominate alert recipients. FSS Participants are able to nominate one email address and up to 10 mobile phone numbers for each selected alert.



## 16. PASSWORD, CERTIFICATE AND USER ADMINISTRATION

### 16.1 Detailed user guides

Detailed instructions on the use of the functions used in password, user and certificate administration are contained in the *Member Administration User Guide*.

Detailed instructions on the process of obtaining digital certificates are provided in *RITS Access and Security Guide*.

### 16.2 The role of the Password/Certificate Administrator

Password/Certificate Administrators are vital 'gatekeepers' in the RITS security structure. They are important to the maintenance of security of access to RITS for the users of each Member.

The roles of a Password/Certificate Administrator include the issuance and ongoing maintenance and oversight of users' RITS digital certificates and their RITS tokens. However, to provide flexibility in allocating these responsibilities to separate users, these responsibilities are contained in separate roles.

The Member may choose to assign both the password administration responsibilities and the certificate responsibilities to one person or separately assign the responsibilities to different people within the membership.

There are three roles (which contain functions) that may be allocated to Password/ Certificate Administrators.

The role **Password Administrator** includes password management, maintenance of user status, the allocation of roles to users, as well as functionality for linking users to branches to perform certain transaction related activities and assigning privileges to authorise actions.

Two other roles provide the functionality to perform certificate management. **Activation Code Entry** is used in the process to obtain digital certificates and **Revoke Certificate** is used in certificate management.

A staff member with the role **Password Administrator** will be able to view the status of certificates but will not be able to act upon them.

A staff member with the roles **Activation Code Entry** and/or **Revoke Certificate**, but not **Password Administrator**, will be able to act on the certificates, but will have view only access to user details, status, role allocations etc.

The **Password Administrator** role is allocated by the RITS Help Desk. Users with this role are then able to allocate the certificate roles to other users.

### 16.3 Password and user administration

The role **Password Administrator** provides the functionality necessary to:

- change a user's password (in the function **Password Admin**);
- in the function **User Privileges**:



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- manage a user's status;
- set an extended session time-out for users (if required);
- establish a user's link to a branch(es) to undertake certain branch transaction related activities;
- allocate functions (via roles) to users;
- specify the function(s) that a user may authorise; and
- enquire on the status of a user's digital certificate.

#### 16.4 Certificate administration

Two roles provide the functionality to the administrator users' digital certificates:

- Activation Code Entry

This is the last step in the provisioning of a RITS digital certificate. The process to obtain a digital certificate is described in the *RITS Access and Security User Guide*, which is available in the RITS Information Facility.

- Revoke Certificate

This role enables the revocation of a digital certificate.

#### 16.5 Setting passwords

Chapter 3.8 of this user guide describes the situations that lead to a user being locked out due to a number of failed login attempts, the expiry of the user's password after a set number of days and the actions that need to be taken to re-activate the user and enter a new password.

#### 16.6 Managing a user's status

The user with the role **Password Administrator** can set a user's status to *Active*, *Inactive* or *Inactive/Revoke Certificate*.

If a user's status is set to *Inactive*, the user will not be able to access RITS. However, if the status is returned to *Active* access will be regained.

If the user is already logged in and the status is changed to *Inactive*, only enquiry functions may be used. When the user's session is timed out, necessitating the re-entry of the username and password, the user will not be able to regain access to RITS.

If a user's status is set to *Inactive/Revoke Certificate*, the user's digital certificate will be automatically revoked, and the user's status will be inactive.

#### 16.7 Setting an extended session time-out

After 15 minutes of inactivity (the default setting) in a RITS login session, the user is automatically logged out. The Password Administrator can extend this 30 minutes or 60 minutes, depending on the needs of the users.



Because extended settings impact system performance and raise potential security risks, it is recommended that Administrators allocate extended session time-outs to selected users only.

Users who have been granted extended session time-out should ensure the security of their RITS login by removing the token when they leave their PC.

The approach adopted by Members should be consistent with their own internal security policies.

#### 16.8 Establishing user/branch links

User/branch links are set in the function **User Privileges**.

**All users must be linked to a branch to be able to login to RITS.**

Establish a link for every user to your **main operational branch**, usually the 2E branch. User/branch links can be changed (see the examples below) but there **must** always be one in place.

User/branch links, in conjunction with role allocation, are also used to provision specific users with the ability to enter into certain branch related transactions for branches to which the user is linked.

For the linked branch the user can enter into the following activities, subject to the appropriate roles being allocated to the user:

- enter and amend or delete Cash Transfers (role: Cash Transfer Entry);
- authorise Cash Transfers (role: Authorise Cash Transfer Entry);
- enquire upon Cash Transfers (role: Member Enquiries);
- manage the Cash Account Status of queued transactions (role: Cash Account Status Queue Management);
- set the override Cash Account Status (role: Override Cash Account Status – Set Override);
- set the Cash Account Sub-Limit (role: Cash Account Sub-Limit – Set Sub-Limit);
- participate in batches in the batch facility (role: Member Enquiries); and
- be the Batch Administrator in the batch facility (roles: Batch Entry, Batch Commit, Batch Manage).

These transactions can also be conducted for other branches by linking users to these branches. The following examples show how user/branch links and roles can be used to provision users for these activities.

#### Examples:

1. a user is required to enter Cash Transfers for the 2E branch. Establish the user/branch link to the 2E branch and allocate the role 'Cash Transfer Entry'.
2. the same user is also required to enter Cash Transfers for the 20 branch. In addition to the link to the 2E branch, establish another user/branch link to the 20 branch.



3. a user is required to enter Cash Transfers for the 20 (or 30 branch) branch but not the 2E branch. Change the user/branch link from the 2E (if one has been established earlier) and establish a link to the 20 or 30 branches as required.
4. a user who is responsible for authorising Cash Transfers must be linked to all of the branches that the user is responsible for, and the role 'Authorise Cash Transfer Entry' must be allocated.
5. a user who needs to view the Cash Transfer enquiry must be linked to the branches that are to be viewed and the role 'Member Enquiries' must be allocated.
6. a user who is responsible for managing the Cash Account Status of queued transactions must be linked to the branches that own the transactions and the role 'Cash Account Status Queue Management' must be allocated.

Changes to user/branch links can be made at any time but do not take effect until after the user's next login.

Other activities that affect the whole bank (e.g. ESA and Credit Status management of queued transactions, setting the ESA Sub-Limit, setting Cash Account Limits and making enquiries on settled payments), do not require specific user/branch links. To engage in these activities, it is sufficient to allocate the appropriate roles.

### 16.9 Allocating functions (via roles) to users

Functions are allocated via roles. Roles are designed to provide users with the functions required to fulfil their business tasks. Roles are allocated singly and any combination of roles is possible.

Newly allocated roles, and roles removed from the user, take effect after the user's next login to RITS.

Password/Certificate Administrators cannot allocate roles or set up authorisation privileges for themselves.

#### 16.9.1 Suggested role allocations

The following examples show how roles can be allocated to users. There is a high degree of flexibility provided and the roles allocated to a user can be closely tailored to the user's business responsibilities.

- Mandatory for every user (except for users that will only have the **Overnight Enquiry, Limited Overnight Enquiry, FSS Enquiry or Limited FSS Enquiry** role)- **All Users**. This role provides a user with basic functions and also access to the menu of functions.
- ESA (and liquidity) managers – Member Enquiries, ESA Status Queue Management, Override ESA Status – Set Override, ESA Sub-Limit – Set Sub-Limit, LVSS Settlement Method – Set Override, LVSS Settlement Method Queue Management, FSS Reset Point Return, FSS Triggers, Recall RITS Allocation Transaction, FSS Notifications.
- Credit managers - Member Enquiries, Credit Status Queue Management, Override Credit Status – Set Override, Cash Account Limit – Set Limit.
- Authoriser – Authoriser, Authorise Cash Transfer Entry, Manual FSI Authorisation, Manual FRI Authorisation, Member Enquiries.



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- Back Office transaction entry – Cash Transfer Entry, Manual FSI Entry, Manual FRI Entry, Batch Entry, Member Enquiries.
- Password Administrator – **Password Administrator** (and possibly **Activation Code Entry** and **Revoke Certificate** if the same person is to do both password and certificate management).
- Certificate Administrator (if a separation of duties with the Password Administrator is required) – **Activation Code Entry** and **Revoke Certificate**.

#### 16.10 Allocating authorisation privileges

To set-up a user to authorise Cash Transfers simply allocate the role **Authorise Cash Transfer Entry**. To set-up a user to authorise Manual FSIs simply allocate the role **Manual FSI Authorisation**. To set-up a user to authorise Manual FRIs simply allocate the role **Manual FRI Authorisation**.

For all other authorisations two steps are required.

- Firstly, allocate the role – **Authoriser**.
- Then, in the User Details screen of the function **User Privileges** select the **Authorisations** button. This opens the list of functions that the Member requires to be authorised. Tick the boxes provided as required and select Submit.

#### 16.11 Verifying authorisation levels

It is the Password Administrator's responsibility to ensure that the Member's requirements for the authorisation of functions have been correctly entered into **Authorisations by Function** by the RITS Help Desk.

#### 16.12 Keeper of RITS tokens

The Member is responsible for the safekeeping of supplies of RITS tokens.

Tokens may be obtained by sending a signed *User Access Request Form* to the RITS Help Desk.

#### 16.13 Obtaining digital certificates

The process to be followed by the Password/Certificate Administrators and the users to obtain a token and a digital certificate is described in detail in the *RITS Access and Security Guide*, which is available from the RITS Information Facility.

To summarise:

1. The Password/Certificate Administrator or the user fills in the *User Access Request Form*, which must be signed by two RITS authorised signatories and sends it to the RITS Help Desk. Delivery by fax must be arranged in advance.
2. The user obtains a token from the Password/Certificate Administrator or other designated staff member.
3. The user formats the token and sets a Token Codeword. To do this, double click on the **RITS Icon** on your desktop. On the next screen, select the link **Click here to enter**.

This opens the RITS login page. On this page, select the link to **RITS Token Management**.



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4. On receipt of the *User Access Request Form*, the RITS Help Desk pre-enrols the user. RITS sends an email to the user's email address. The email contains a **Private Reference Code** and a link, **enrol for a RITS certificate**.
5. At the same time the RITS Help Desk phones the Password/Certificate Administrator to advise the **secret password**, which is to be passed to the user.
6. The user inserts the formatted token into the USB port of the PC and clicks the '**enrol for a RITS certificate**' link located in the email.
7. In the **RITS Certificate Enrolment** screen that opens, follow the instructions to download a certificate on to the token. The user is required to enter the **Private Reference Code**.
8. When this is completed, the user returns to the **RITS Token Management** page (see point 3 above) where they select the new certificate and copies the **activation code** and passes it (by email is ok) to the Password/Certificate Administrator.
9. The Password/Certificate Administrator uses the function **User Privileges** and selects the user from the list. On the next screen, select the **Certificate Administration** button and enter the **Activation Code**.
10. The process for obtaining a digital certificate is complete. The user can now login to RITS. The **secret password**, which was passed to the user by the Password/Certificate Administrator, is entered into the **Password** field. After successfully logging on, the user is required to change the password.

#### 16.14 Certificates and access to RITS Production and Pre-Production environments

The same RITS digital certificate is used to access both the RITS Production and Pre-Production environments.

To give the user access to the RITS **Production** environment, enter the Activation Code into the **User Privileges** function in that environment.

To give the user access to the RITS **Pre-Production** environment, enter the same Activation Code into the **User Privileges** function in that environment.

Certificates can only be revoked from RITS Production. Consequently, the role **Revoke Certificate** is not available in the Pre-production environment.

#### 16.15 The role of the RITS Help Desk

The RBA is responsible for the following tasks, which it carries out on instruction from Members:

- setting up branches, including assigning cash accounts;
- placing authorisations on functions;
- the creation of new users; and
- the enrolment of users to obtain a RITS digital certificate.

The Help Desk can also be requested to do other tasks normally done by the Password/Certificate Administrators. Requests of this nature must also be advised on the appropriate form (refer to chapter 8 of the *RITS Access and Security User Guide* for details on the different forms available).





## 17. ROLES AND FUNCTIONS

The structure of roles and functions and the relationship of functions to the menu of functions are described in this section.

### 17.1 Same screen – multiple privileges

A number of function screens that are accessed from the **Main Menu** provide both update and/or enquiry only access. The update action is only available to users who have been allocated the relevant roles.

The key to determining what a user can do in the screen are the functions that have been allocated to the user via roles. For example, the menu item **ESA/Credit - Queue Mgt** opens a screen called **Queued Payments Management – ESA/Credit Status/LVSS Settle Method**. The functions that control what the user can do in this screen are:

Function name	In the role
ESA Status Queue Management	ESA Status Queue Management
ESA Status – Bulk Status Change	ESA Status Queue Management
ESA Status Queue Management - LVSS	ESA Status Queue Management - LVSS
Credit Status Queue Management	Credit Status Queue Management
Credit Status – Bulk Status Change	Credit Status Queue Management
LVSS Settlement Method Queue Management	LVSS Settlement Method Queue Management
LVSS Settlement Method - Bulk Change	LVSS Settlement Method Queue Management
ESA Status Queue Enquiry	Member Enquiries
Credit Status Queue Enquiry	Member Enquiries
LVSS Settlement Method Queue Management Enquiry	Member Enquiries

A user who has the role **ESA Status Queue Management**, but not **Credit Status Queue Management** or **LVSS Settlement Method Queue Management**, is able to update the ESA Status, but not the Credit Status or LVSS Settlement Method.

A user who has none of those roles, but has the **Member Enquiry** role, will be able to view the ESA and Credit Statuses and the LVSS Settlement Method, but will not be able to change any of them.

A user with none of Queue management or Member Enquiry roles will not be able to access these functions as they will not be available on the user's menu.

Note that a user cannot concurrently be allocated the role ESA Status Queue Management and the role ESA Status Queue Management – LVSS.

**RITS****Roles and Functions****17.1.1 Action buttons**

Some functions provide the framework for other actions to be undertaken within that function.

For example, the function **User Privileges** is available to users with the role **Password Administrator**. If the same user has also been allocated the roles **Activation Code Entry** and **Revoke Certificate**, the action buttons for these functions become available within **User Privileges**. This is why there are more functions than items in the menu.

**17.2 Roles and functions mapped to the RITS Menu**

The roles, the functions contained in the roles, a description of the functions and the associated menu item are listed in the following table.

Functions for which an authorisation may be required are marked with an asterisk.

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
<b>All Users</b>	Authorisations by User Enquiry	An enquiry on the functions that the user can authorise.	User Privileges
	Evening Agreed Member Enquiry	An enquiry on the Members that have agreed to participate in the Evening Session.	Evening Members
	Holiday Enquiry	Shows the dates on which RITS is closed.	Holiday Enquiry
	Member Authorisations Enquiry	An enquiry on the functions that the Member requires to be authorised.	Auth by Function
	Member Reports	An online reporting facility.	Member Reports
	Outstanding Authorisations List Enquiry	View the list of outstanding authorisations.	Authorisation List
	Password – Change Own Password	Change Own Password.	Password
	Read Message	View the list of messages sent by RITS processors or by the RITS System Administrator.	Message Enquiry
	RITS Member Enquiry	A list of the Members of RITS.	Member Enquiry
	Roles Enquiry	Enquire on the roles available to the Member and the functions contained in the roles.	Roles
	SWIFT BICs	A list of the SWIFT BICs used by Members in the SWIFT Payments Delivery System.	SWIFT BICs

**R I T S****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
	Session History	A history of the opening and closing of RITS sessions throughout the day and changes made to session closing times by the RITS Help Desk.	Session History
	System Reports	A function that provides access to the reports generated by the RITS system.	System Reports
	User Privileges Enquiry	An enquiry into users' details and status, links to branches, roles allocated, authorisation privileges and certificate statuses.	User Privileges
	Users by Branch Enquiry	An enquiry into users' links to branches by branch.	User Privileges
<b>Activation Code Entry</b>	Certificate – Enter Activation Code *	Used by the Password/Certificate Administrator to activate a user's certificate.	User Privileges
<b>Authorise Cash Transfer Entry</b>	Authorise Cash Transfer Entry	Authorise Cash Transfers entry and amendment.	Cash Transfer - Authorise
<b>Authoriser</b>	Outstanding Authorisation List	Empowers a user to authorise transactions in the functions specified in Authorisations by User.	Authorisations List
<b>Batch Entry</b>	Batch Enter BIN *	The first step in entering a batch.	Batch Admin - Entry
	Batch Enter/Amend Transactions	Enter or amend batch transactions.	Batch Admin - Entry
	Batch Delete *	Delete a batch.	Batch Admin - Entry
	Batch Amend Activation Time *	Amend the activation time of a batch.	Batch Admin - Entry
<b>Batch Commit</b>	Batch Commit *	Used to commit a batch.	Batch Admin - Entry
<b>Batch Manage</b>	Batch Recall All by Batch Stream *	View the progress of a batch and recall batches if necessary.	Batch Admin - Management
	Batch Recall Specific Batch *	Recall a batch.	Batch Admin - Management
<b>Bulk FSI Authorisation</b>	Bulk FSI Authorisation	Authorise an uploaded Bulk FSI File.	Bulk Authorise
	Bulk FSI Enquiry	Enquire on uploaded Bulk FSI Files.	Bulk Enquiry
<b>Bulk FSI Upload</b>	Bulk FSI Delete *	Delete an uploaded Bulk FSI File.	Bulk Delete



## R I T S

## Roles and Functions

Role name	Functions in the role	Function Description	Menu item
	Bulk FSI Enquiry	Enquire on uploaded Bulk FSI Files.	Bulk Enquiry
	Bulk FSI Upload *	Upload a Bulk FSI File.	Bulk Upload
<b>Cash Account Limit – Set Limit</b>	Cash Account Limit – Set Limit *	Set a limit on a Cash Account.	Cash Account - Limit
<b>Cash Account Status Queue Management</b>	Cash Account Status Queue Management *	Update the Cash Account Status of queued transactions.	Cash Account - Queue Mgt
	Cash Account Status – Bulk Status Change *	Update the Cash Account Status on queued transactions in bulk.	Cash Account - Bulk Status
<b>Cash Account Sub- Limit – Set Sub-Limit</b>	Cash Account Sub-Limit – Set Sub-Limit *	Set a sub-limit on a Cash Account.	Cash Account - Sub-Limit
<b>Cash Transfer Entry</b>	Cash Transfer Entry *	Enter Cash Transfers.	Cash Transfer - Entry
	Cash Transfer Amend/Delete *	Amend or delete Cash Transfers.	Cash Transfer - Amend or Delete
<b>Credit Status Queue Management</b>	Credit Status Queue Management *	Update the Credit Status of queued transactions.	ESA/Credit - Queue Mgt
	Credit Status – Bulk Status Change *	Update the Credit status of queued transactions in bulk.	ESA/Credit - Bulk Credit Status
<b>ESA Status Queue Management</b>	ESA Status Queue Management *	Update the ESA status of queued transactions.	ESA/Credit - Queue Mgt
	ESA Status – Bulk Status Change *	Update the ESA status of queued transactions in bulk.	ESA/Credit - Bulk ESA Status
<b>ESA Status Queue Management - LVSS</b>	ESA Status Queue Management - LVSS	Update the ESA status of queued LVSS transactions only.	ESA/Credit – Queue Mgt
<b>ESA Sub-Limit – Set Sub-Limit</b>	ESA Sub-Limit – Set Sub-Limit *	Set ESA Sub-Limit.	ESA Position

**RITS****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
	ESA Position Enquiry	(This function is part of the ESA Sub-Limit – Set Sub-Limit role to provide access to the screen in which the Change Sub-Limit link is located).	ESA Position
<b>Evening Agreement Maintenance</b>	Evening Agreement Maintenance	A function to establish or cancel an evening agreement.	Evening Agreement
<b>FSS Enquiry</b>	Change Own Password	Change own password.	Password
	ESA Interest Accrued Enquiry	View daily ESA interest accrual details.	Interest Accrued
	FSS Allocation Management Enquiry	View FSS Balance, FSS Allocation Triggers and Pending Allocation Transfers.	Allocation Mgt
	FSS Allocation Transfer Enquiry	View Allocation Transfers.	AT Enquiry
	FSS Notification Enquiry	View details of FSS Notification Maintenance.	FSS Notifications
	FSS Position Summary	View the FSS Balance and daily aggregate values and volumes of NPP transactions and FSS Allocation Transactions.	FSS Position
	FSS Settled Payments	View settled FSS payments.	Settled Payments
	Outstanding Authorisations List Enquiry	View the list of outstanding authorisations.	Authorisation List
	Rejected FSS Message Enquiry	View rejected FSS messages.	Rejected Messages
	RITS Home Page	View updated RITS Home Page.	Main
	System Reports	A function that provides access to the reports generated by the RITS system.	System Reports
<b>FSS Notifications</b>	FSS Notification Maintenance *	Select FSS Notifications and manage email and SMS recipients.	FSS Notifications
<b>FSS Reset Point Return</b>	FSS Allocation Management – Return to Reset Point *	Allows a Member User to select Return to Reset Point.	Allocation Mgt

**RITS****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
<b>FSS Triggers</b>	FSS Allocation Management – FSS Triggers *	Allows a Member User to set and amend their FSS Allocation Management Triggers.	Allocation Mgt
<b>Limited FSS Enquiry</b>	ESA Interest Accrued Enquiry	View daily ESA interest accrual details.	Interest Accrued
	FSS Allocation Management Enquiry	View FSS Balance, FSS Allocation Triggers and Pending Allocation Transfers.	Allocation Mgt
	FSS Allocation Transfer Enquiry	View Allocation Transfers.	AT Enquiry
	FSS Notification Enquiry	View details of FSS Notification Maintenance.	FSS Notifications
	FSS Position Summary	View the FSS Balance and daily aggregate values and volumes of NPP transactions and FSS Allocation Transactions.	FSS Position
	FSS Settled Payments	View settled FSS payments.	Settled Payments
	Outstanding Authorisations List Enquiry	View the list of outstanding authorisations.	Authorisation List
	Rejected FSS Message Enquiry	View rejected FSS messages.	Rejected Messages
	RITS Home Page	View updated RITS Home Page.	Main
<b>Limited Overnight Enquiry</b>	Holiday Enquiry	Shows the dates on which RITS is closed.	Holiday Enquiry
	LVSS File Enquiry	View LVSS FSIs, FRIs, LVSS Advices and Responses.	File Enquiry
	Password – Change Own Password	Change own password.	Password
<b>LVSS Settlement Method – Set Override</b>	LVSS Settlement Method – Set Override *	Set an override LVSS Settle Method.	ESA/Credit – Override Status
<b>LVSS Settlement Method Queue Management</b>	LVSS Settlement Method Queue Management *	Change the LVSS Settlement Method of an LVSS transaction.	ESA/Credit – Queue Mgt

**RITS****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
	LVSS Settlement Method – Bulk Change *	Change the LVSS Settlement Method of queued LVSS transactions in 'bulk'.	ESA/Credit – Bulk Settle Method
<b>Manual FRI Authorisation</b>	Manual FRI Authorisation	Authorise manually entered FRIs	FRI Authorise
	Manual FRI Enquiry	Enquire on manually entered FRIs.	FRI Enquiry
<b>Manual FRI Entry</b>	Manual FRI Entry	Manually enter an FRI	FRI Entry
	Manual FRI Enquiry	Enquire on manually entered FRIs.	FRI Enquiry
<b>Manual FSI Authorisation</b>	Manual FSI Authorisation	Authorise manually entered FSIs	FSI Authorise
	Manual FSI Enquiry	Enquire on manually entered FSIs.	FSI Enquiry
<b>Manual FSI Entry</b>	Manual FSI Entry	Manually enter an FSI	FSI Entry
	Manual FSI Amend/Delete	Amend or delete a manually entered FSI	FSI Amend/Delete
	Manual FSI Enquiry	Enquire on manually entered FSIs.	FSI Enquiry
<b>Member Enquiries</b>	AIF Message Enquiry	An enquiry on commands, enquiries and unsolicited advice messages in MT format exchanged between Members and RITS. Also covers CHES-RTGS and Batch messages.	AIF Enquiry
	AIF MX Message Enquiry	An enquiry on commands, enquiries and unsolicited advice messages in ISO 20022 format exchanged between Members and RITS.	AIF MX Enquiry
	Batch Management Enquiry	For the Batch Administrator.	Batch Admin – Management
	Batch Transactions Enquiry	For the Batch Participant.	Batches – Enquiry
	Bulk FSI Enquiry	Enquire on uploaded Bulk FSI Files.	Bulk Enquiry
	Cash Account Enquiry	Enquire on the Cash Accounts of the Member.	Cash Account – Enquiry
	Cash Account Limit Enquiry	Enquire on the Cash Accounts limits of the Member.	Cash Account – Limit

**R I T S****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
	Cash Account Status – Override Status Enquiry	Enquire on the override settings for Cash Account Status.	Cash Account – Override Status
	Cash Account Status Queue Enquiry	An enquiry on queued payments.	Cash Account – Queue Mgt
	Cash Account Sub-Limit Enquiry	Enquire on Sub-Limits set for the Cash Accounts of the Member.	Cash Account – Sub-Limit
	Cash Transfer Enquiry	Enquire on Cash Transfers.	Cash Transfers – Enquiry
	Credit Status Queue Enquiry	An enquiry on queued payments.	ESA/Credit – Queue Mgt
	ESA Interest Accrued Enquiry	View daily ESA interest accrual details.	Interest Accrued
	ESA Interest Paid Enquiry	View monthly ESA interest payments.	Monthly Interest
	ESA Position Enquiry	View the factors that affect a Member's ESA position.	ESA Position
	ESA Status Queue Enquiry	An enquiry on queued payments.	ESA/Credit – Queue Mgt
	ESA Sub-Limit Enquiry	Enquire on the ESA Sub-Limit.	ESA Position
	ESA/Credit Status – Override Status Enquiry	Enquire on the override settings for ESA and Credit Statuses.	ESA/Credit – Override Status
	Evening Agreement Maintenance Enquiry	An enquiry into a Member's evening agreement maintenance function.	Evening Agreement
	Forward Dated Payments Enquiry	Forward-dated SWIFT payments.	Transaction Enquiry
	LVSS Bilateral Summary	Enquire on LVSS transactions by Payment Service and/or by other bank.	Bilateral Summary
	LVSS Clearing Interest Enquiry	Enquire on details of settled clearing interest transactions.	Interest Enquiry
	LVSS File Enquiry	View LVSS FSIs, FRIs, LVSS Advices and Responses.	File Enquiry
	LVSS Multilateral Position Summary	View the Multilateral Run(s) and details of any account limit failures.	Multilateral Position
	LVSS Message Selection Enquiry	View which LVSS Advices and Responses have been selected.	Accessed from Unsolicited Advices



**R I T S****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
	LVSS Settlement Method Queue Management Enquiry	View LVSS Settlement Method for FSIs on the System Queue.	ESA/Credit Status – Queue Mgt
	LVSS Settlement Method – Set Override Enquiry *	Enquire on override settings for LVSS transactions.	ESA/Credit – Override Status
	LVSS Transaction Enquiry	Enquire on individual LVSS transactions.	Transaction Enquiry (under LVSS tab)
	Manual FRI Enquiry	Enquire on manually entered FRIs.	FRI Enquiry
	Manual FSI Enquiry	Enquire on manually entered FSIs.	FSI Enquiry
	Member Billing Enquiry	Enquire on invoices.	Billing Enquiry
	Member Invoice Enquiry	View charges and payments.	Invoice Enquiry
	Reservation Batch File Enquiry	Enquire on files exchanged between a Reservation Batch Administrator and RITS.	Res File Enquiry
	Reservation Batch Message Enquiry	Enquire on batch messages exchanged between a Reservation Batch Administrator and RITS.	Res Message Enquiry
	Reservation Batch Summary	Enquire on aggregates of Reserved Inward and Reserved Outward values for Reservation Batches.	Res Summary
	Reservation Batch Rejections	Enquire on Reservations failed due to insufficient funds in a paying Member's account.	Res Rejections
	Settled Payments Enquiry	Enquire on settled payments, both inter and intrabank.	Settled Payments
	SWIFT Payment Message Enquiry	An enquiry on SWIFT payment messages.	SWIFT Enquiry
	Transaction Enquiry	Enquire on all transactions of the Member.	Transaction Enquiry (under main ESA Management tab)
	Unsolicited Advices Enquiry	Enquire on the Member's set-up for unsolicited advices in MT format.	Unsolicited Advices

**R I T S****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
		Enquire on the Member's set-up for unsolicited advices in ISO 20022 format.	MX Unsolicited Advices
<b>Overnight Enquiry</b>	Bulk FSI Enquiry	Enquire on uploaded Bulk FSI Files.	Bulk Enquiry
	Holiday Enquiry	Shows the dates on which RITS is closed.	Holiday Enquiry
	LVSS Bilateral Summary	Enquire on net LVSS obligations by Payment Service and/or by other bank.	Bilateral Summary
	LVSS Clearing Interest Enquiry	Enquire on details of settled clearing interest transactions.	Interest Enquiry
	LVSS File Enquiry	View LVSS FSIs, FRIs, LVSS Advices and Responses.	File Enquiry
	LVSS Transaction Enquiry	Enquire on individual LVSS transactions.	Transaction Enquiry (under LVSS tab)
	Password – Change Own Password	Change own password.	Password
<b>Override ESA Status – Set Override</b>	ESA Status – Set Override Status *	Set override ESA Status.	ESA/Credit – Override Status
<b>Override Credit Status – Set Override</b>	Credit Status – Set Override Status *	Set override Credit Status.	ESA/Credit – Override Status
<b>Override Cash Account Status – Set Override</b>	Cash Account Status – Set Override Status *	Set override Cash Account Status.	Cash Account – Override Status
<b>Password Administrator</b>	Authorisations by User	Specify the functions that a user may authorise.	User Privileges
	Password Administration – Change User's Password	Change a user's password.	Password Admin
	User Privileges *	Update a user's details and status, links to branches, and specify functions that can be authorised. View certificate status.	User Privileges
	User Role Maintenance *	Allocate roles to a user.	User Privileges

**R I T S****Roles and Functions**

<b>Role name</b>	<b>Functions in the role</b>	<b>Function Description</b>	<b>Menu item</b>
<b>Recall RITS Allocation Transaction</b>	Recall RITS Allocation Transaction *	Allows the Member User to recall a RITS Allocation Transaction (where Member is the Payer) from the System Queue.	Recall RITS AT
<b>Revoke Certificate</b>	Certificate – Revoke Certificate *	Revoke a user’s certificate.	User Privileges
<b>Reservation Batch Management</b>	Manual Settlement Request	Allows the Batch Administrator of a Reservation Batch Stream to submit a settlement request for Reservation Batches currently in a Status of <i>Reserved</i> .	Manual Set. Request
<b>Targeted Bilateral Offset</b>	Targeted Bilateral Offset – Entry	Create a Targeted Bilateral Offset	Targeted Offset – Selection
	Targeted Bilateral Offset – Confirmation	Confirm a Targeted Bilateral Offset	Targeted Offset – Management
	Targeted Bilateral Offset – Deletion	Delete a Targeted Bilateral Offset	Targeted Offset – Management
<b>Unsolicited Advices Maintenance</b>	Unsolicited Advices Maintenance	Set up and maintain the unsolicited advices in MT format that the Member elects to receive in the AIF.	Unsolicited Advices
		Set up and maintain the unsolicited advices in ISO 20022 format that the Member elects to receive in the AIF.	MX Unsolicited Advices
	LVSS Message Selection *	Select or change selection of specific LVSS Advices and Responses.	Accessed from Unsolicited Advices



## 18. REPORTS AND PRINTING/DOWNLOADING

RITS provides two reporting facilities.

One accesses reports that are generated by RITS in overnight processing or as part of the cashlist suite (System Reports) and the other which provides online access to data (Member Reports).

The *Reports User Guide* provides details of how to access the reports and data files.

### 18.1 System reports

#### 18.1.1 Key points

- Access reports that are generated by RITS in overnight processing or during the Interim Session and the Reports Sessions, when the cash list reports are generated.
- For reports in report file format:
  - View the report content in a HTML page.
  - Save the reports in PDF format to print in Adobe Acrobat Reader.
- For reports in data file (csv) format:
  - View the report content in a HTML page.
  - Save the reports to Excel to print or manipulate the data.
- Reports saved to your system are automatically named by RITS.

#### 18.1.2 Available reports

Report Name	Description	Format
<b>BLIMIT Audit Report</b>	This report logs changes made to Cash Account Limits.	PDF
<b>Sub-Limit Changes Audit Report</b>	This report lists changes made to the Cash Account Sub-Limit and ESA Sub-Limit.	PDF
<b>Cash Transfers Activity Log</b>	Lists all RITS Cash Transfers entered during the previous day and each step undertaken on those Cash Transfers until settlement.	PDF
<b>Warehoused Cash Transfer Report</b>	This report shows matched RITS Cash Transfers, which are due to settle each day of the warehoused period (i.e. for the future 5 days).	PDF
<b>Member Audit Details Report</b>	Records changes made to a range of Member details, including branches, users, and passwords.	PDF
<b>Interim Cash List: State Based</b>	This report lists end-of-day Cash Account balances for posting to clients' bank accounts. The report is normally available within 5 minutes after the finish of the Settlement Close Session.	PDF and data file format (csv)



Report Name	Description	Format
<b>Interim Cash Summary: All States</b>	This report includes all end-of-day RITS Cash Accounts balances for a Member nation-wide. This report is available normally within 5 minutes after the end of the Settlement Close Session.	PDF and data file format (csv)
<b>EOD Cash List: State Based</b>	This report lists end-of-day Cash Account balances for posting to clients' bank accounts. The report is normally available within 5 minutes after the finish of the Evening Settlement Session.	PDF and data file format (csv)
<b>EOD Cash Summary: All States</b>	This report includes all end-of-day RITS Cash Accounts balances for a Member nation-wide. This report is available normally within 5 minutes after the end of the Evening Settlement Session.	PDF and data file format (csv)
<b>Batch Feeder Audit Report</b>	This report covers Settlement-only Batches in the batch facility (both SWIFT message and RITS user interface entered). It is available to Batch Administrators.	PDF
<b>EOD FSS Settled Payments Report</b>	This report includes all transactions settled by the FSS and the FSS legs of Allocation Transfers for the previous calendar day.	Data file format (csv)
<b>FSS Daily Cashlist Summary Report</b>	This report includes an entry for the net value of completed FSS Allocation Transactions, an entry for the net value of settled NPP transactions in the FSS, and an entry for the total daily Net FSS movement.	
<b>FSS Trigger Changes Audit Report</b>	This report includes the old and new values submitted for the given report date for the following actions: <ul style="list-style-type: none"><li>• Updates to FSS Triggers (Lower Trigger, Upper Trigger and Reset Point)</li><li>• Return to Reset Point (note that Old and New values will be the same for this action)</li></ul>	

### 18.1.3 Report file format delivery options

System Reports in report file format may be:

- viewed in PDF format (in a HTML browser page). This is suitable for a quick view of the report where printing of the report is not required. Note that printing the report from the HTML page may result in problems with page size formatting. If printing is required use the next option.
- saved in PDF format and then opened in Adobe to view or print.

### 18.1.4 Data file format delivery options

System Reports in data file format (CSV) may be:

- viewed in an Excel format (in a HTML browser page). This is suitable for a quick view of the data where printing or data manipulation is not required.



- saved to Excel and then opened in Excel to view, print or manipulate the data. In Excel the CSV format can be separated into columns in the spreadsheet using the **Data/Text to Columns** wizard.

## 18.2 Member reports

### 18.2.1 Key points

- An online facility to view, print and download reports.
- The report functions are similar to the Member Enquiry functions.
- Filter criteria (optional) are available to refine the search for data.
- Data can be:
  - viewed and printed onscreen
  - saved and printed in PDF format
  - downloaded to Excel.
- Reports saved to your system are automatically named by RITS.
- The report function export filter is defaulted to download the data in PDF or Excel format. To view the data onscreen you will need to untick the **Export** box.

### 18.2.2 Available reports

Report Name	Description	Format
<b>Authorisation Details Report</b>	A report covering authorisations of Cash Transfers and general authorisations.	PDF only
<b>Batch Administrator Transaction Enquiry Report</b>	A report for Batch Administrators, showing details the transactions in the batches administered.	PDF and Excel
<b>Batch Participant Transaction Enquiry Report</b>	A report for participants in batches, showing details of their transactions in the batch.	PDF and Excel
<b>Cash Account Enquiry Report</b>	A report of transactions posted to Cash Accounts.	PDF and Excel
<b>Cash Transfer Enquiry</b>	A report of Cash Transfers in any status.	PDF and Excel
<b>Queued Payments Management Cash Account Enquiry Report</b>	A report of queued payments at the time the report was requested.	PDF and Excel
<b>Queued Payments Management ESA/Credit Enquiry Report</b>	A report of queued payments at the time the report was requested.	PDF and Excel
<b>Settled Payments Enquiry</b>	A report of settled payments.	PDF and Excel
<b>Transaction Enquiry</b>	A report covering all transactions.	PDF and Excel
<b>Targeted Bilateral Offset</b>	A report covering Targeted Bilateral Offsets.	PDF and Excel



Report Name	Description	Format
User Privileges Report	A report covering the RITS access privileges granted to users – functions, authorisations, password status and session time-out setting.	PDF

#### 18.2.3 Report file format delivery options

Member Reports in report file format may be:

- Viewed onscreen and printed (using the **printer icon**) after entering filter criteria and **Find**.
- Exported in PDF format and then saved and opened in Adobe to view or print.

#### 18.2.4 Data file format delivery options

Member Reports in data file format may be:

- Opened in Excel in read only format. The data can be viewed, analysed, manipulated and saved if required, using the **Save As** feature.
- Saved in Excel (automatically named by RITS) and then opened in Excel to view, print or manipulate the data.



## 19. GLOSSARY

<b>9am Settlement</b>	Net interbank obligations arising in the low-value clearing streams that settled on a net deferred basis. These are cheques (CS1), some direct entry obligations (CS2), credit and debit cards (CS3), the Cashcard closed user group and the Government Funds Sweep by transactional bankers to the Commonwealth.
<b>AIF - Automated Information Facility</b>	A RITS enquiry and reporting service used by ESA holders to perform ESA credit and liquidity management and to receive ESA statements and other RITS data.
<b>AIF MT CUG</b>	AIF MT Closed User Group. This is the closed user group of RITS Members that participate in the AIF and use the FIN Service on SWIFTNet to exchange messages in MT format.
<b>AIF ISO 20022 CUG</b>	AIF ISO 20022 Closed User Group. This is the closed user group of RITS Members that participate in the AIF and use the InterAct Service on SWIFTNet to exchange messages in ISO 20022 format.
<b>AIF Messages</b>	Message-based commands, enquiries and unsolicited advices sent to/from RITS over SWIFT.
<b>Allocation Transfer (AT)</b>	The transfer of a Member's ESA funds between the Member's RITS Balance and the Member's FSS Balance.
<b>Available RITS Balance</b>	The RITS Balance available to settle <i>priority</i> transactions and to make new reservations via the System Queue.
<b>AusPayNet</b>	Australian Payments Network (formerly the Australian Payments Clearing Association)
<b>Austraclear System</b>	The system owned and operated by Austraclear Limited. Austraclear Limited is owned by ASX Limited. The Austraclear System facilitates settlement of government, semi-government and private-sector debt securities transactions.
<b>Bank</b>	A bank is defined in these documents as an institution that conducts an ESA at the RBA and includes other ESA holders.
<b>Basic Infrastructure (BI)</b>	The network, switching and addressing infrastructure and systems developed by or on behalf of NPPA. These all comprise the 'New Payments Platform', which supports the exchange of non-value messages between NPP Participants and NPP Connected Institutions and facilitates the clearing of NPP Payments between NPP Participants and their submission to the FSS for Settlement.
<b>Batch Administrator</b>	A Batch Administrator is defined as an entity that will, with the authority of participant Members, the upstream business operator and the Reserve Bank, send to RITS net interbank obligations of participant Members that are to be settled in a batch.
<b>Batch Amount</b>	The amount to be applied to an ESA resulting from a Batch Settlement.
<b>Batch Facility</b>	The Batch Settlement functionality. Batches can be entered directly into RITS, by SWIFT message or via the COIN depending on the type of batch. There are two types of Batches:





	<ul style="list-style-type: none"> <li>Settlement-only Batches (CHESS, eftpos and Mastercard)</li> <li>Reservation Batches</li> </ul>
<b>Batch Settlement</b>	A group of bilateral obligations, which has been multilaterally netted to determine the amounts owing from and owing to each Member.
<b>Batch Stream</b>	A batch stream is a defined category of financial transactions arising from a real or financial business that are collated into net interbank positions and settled in RITS.
<b>BIC - Bank Identification Code</b>	The code used to identify a Member within a SWIFT message.
<b>Branch - RITS Branch</b>	<p>RITS branches are the functional entities on RITS that undertake transactions on the System in cash. All Members have a trading branch, and banks have:</p> <ul style="list-style-type: none"> <li>an ESA Participant – '2E' branch;</li> <li>a SWIFT branch – 'S1' branch; and</li> <li>an Austraclear Feeder System branch - the 'A1' branch; and, if applicable,</li> <li>a CHESS-RTGS Feeder System branch – the 'C1' branch.</li> </ul>
<b>Cash Account</b>	Each branch in RITS has at least one Cash Account to record transactions settled on the System Queue. All transactions are recorded against a Cash Account (intrabank and interbank) and all interbank transactions also against an ESA.
<b>Cash Account Limit</b>	The amount (if any) by which a Participating Member has authorised a Cash Account to be in debit.
<b>Cash Account Status</b>	Each transaction on the System Queue will contain a Cash Account Status (of <i>active</i> , <i>deferred</i> or <i>priority</i> ) set by the Paying Member, which determines how the transaction is processed by RITS.
<b>Cash Account Sub-Limit</b>	Where a Cash Account Sub-Limit is set in SLIMIT, any Cash Account balance below the Sub-Limit may only be spent by a transaction with a <i>priority</i> Cash Account Status. Any balance over the Cash Account Sub-Limit is available to transactions with an <i>active</i> or <i>priority</i> Cash Account Status.
<b>Cash Element</b>	For a transaction, the Cash Element is the specified amount of money for payment by one party to the other.
<b>Cash Transfer</b>	Enables the payment of cash between Members. RITS Cash Transfers are two-sided (i.e. matching entries must be made in RITS).
<b>Central SWIFT Interface (CSI)</b>	RITS interface to the SWIFT network.
<b>CGS</b>	Commonwealth Government Securities (i.e. Treasury Notes, Treasury Bonds, Treasury Indexed Bonds and Treasury Adjustable Rate Bonds).
<b>CHESS</b>	Clearing House Electronic Sub-Register System, owned and operated by the Australian Stock Exchange (ASX). CHESS records its Members' trading in equities and determines the resulting settlement obligations for its client banks.
<b>CHESS-RTGS</b>	Facility for RTGS settlement of selected CHESS transactions.



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<b>COIN</b>	Community of Interest Network, COIN is a network for secure transmission of payments files and messages between payment participants. COIN is administered by AusPayNet.
<b>Clearing interest transaction</b>	A transaction calculated and created by RITS to settle an obligation for clearing interest on eligible FSIs in the 9am Settlement. There will be a single net clearing interest transaction for each pair of LVSS participants for each Payment Service.
<b>CLS (Continuous Linked Settlement)</b>	The settlement of eligible foreign currency transactions on a payment-versus-payment basis across the books of CLS Bank International.
<b>Credit Status</b>	A Credit Status is allocated to each payment by the paying Member (i.e. <i>active</i> , <i>deferred</i> or <i>priority</i> ) to determine how it is processed by RITS.
<b>CS 1 – Clearing System 1</b>	The AusPayNet Australian Paper Clearing System (APCS) for paper payment instruments (e.g. cheques and warrants), settled as part of the 9am Settlement.
<b>CS 2 – Clearing System 2</b>	The AusPayNet Bulk Electronic Clearing System (BECS) for exchange of bulk electronic transactions (direct entry) (e.g. salaries and pensions).
<b>CS 3 – Clearing System 3</b>	The AusPayNet's Issuers and Acquirers Community (IAC) Code for ATM, Visa and Medicare refund transactions.
<b>Delivery versus Payment (DvP)</b>	Transfer of ownership of securities provided at the same instant as the irrevocable payment for those securities.
<b>Depository</b>	The area of the RBA that, in an emergency, may perform RITS transactions on behalf of Members. Members' data entry and authorising passwords must be supplied. Audit trail reports monitor actions.
<b>ESA - Exchange Settlement Account</b>	An account held at the RBA used for the settlement of interbank obligations.
<b>ESA Status</b>	An ESA Status is allocated to each interbank payment by the Paying Member, (i.e. <i>active</i> , <i>deferred</i> or <i>priority</i> ), to determine how it is processed by RITS.
<b>Fast Settlement Service (FSS)</b>	The FSS is a new service of RITS, providing line by line settlement of individual Settlement Requests received from the New Payments Platform (NPP).
<b>Feeder System</b>	A system external to RITS, which sends interbank obligations directly to RITS for testing on the System Queue, to ensure that the paying Member has sufficient credit funds in its ESA for a transaction to proceed. Systems include the SWIFT PDS, Austraclear and CHES-RTGS.
<b>File Recall Instruction (FRI)</b>	A message sent by a Low Value Settlement Service (LVSS) participant (or its agent) to RITS to recall a File Settlement Instruction (FSI) from the System Queue or warehouse.
<b>File Settlement Instruction (FSI)</b>	A message sent by a Low Value Settlement Service (LVSS) participant (or its agent) to RITS to advise of settlement details for a bilateral payment obligation associated with low-value clearings.



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<b>FIN-Copy Message User Group</b>	A group of Members who use the SWIFT FIN-Copy service to access RITS for the purpose of making SWIFT Payments.
<b>FSS Allocation</b>	That component of an ESA Holder's ESA balance which is available to test FSS Transactions for Settlement and to Settle FSS Transactions.
<b>FSS Allocation Transaction</b>	The FSS Allocation transaction 'leg' of an Allocation Transfer, which is tested and settled on the FSS Settlement Engine.
<b>FSS Participant</b>	A Member which has been approved by the RBA to use the FSS.
<b>FSS Triggers</b>	Lower Trigger, Upper Trigger and Reset Point
<b>FSS Transaction ID</b>	The unique identifier assigned to a transaction processed by the FSS as displayed in RITS user interface.
<b>FSSTU</b>	Allocation Transfer Type: FSS Top-up
<b>FSSWD</b>	Allocation Transfer Type: FSS Withdrawal
<b>Irrevocable</b>	The obligation and its underlying transaction cannot be cancelled.
<b>ISO 20022</b>	An ISO message standard for banking, securities and other financial services.
<b>Low Value Clearing Service (LVCS)</b>	The RITS service that facilitates exchange of low-value clearing files between participants.
<b>Low Value Settlement Service (LVSS)</b>	The RITS service that allows settlement of a bilateral payment obligation associated with low-value clearings.
<b>LVSS Settlement Method</b>	An attribute of a File Settlement Instruction (FSI) that indicates whether it will settle in RITS on a multilateral basis (i.e. net settlement) or an individual basis (gross settlement).
<b>Message entered batch</b>	A batch that is entered into RITS via a SWIFT message.
<b>MT/SWIFT MT</b>	SWIFT Message Type (MT) messages.
<b>MX/SWIFT MX</b>	SWIFT ISO 20022 messages.
<b>National Collator</b>	The person appointed by AusPayNet, in consultation with the RBA, to receive and collate national settlement figures for entry to RITS as 9am Settlement amounts.
<b>New Payments Platform (NPP)</b>	The NPP is a new national, open access payments infrastructure. It gives consumers, businesses and government departments a secure and efficient platform which they can use to make fast, versatile and data-rich payments.
<b>NPP Payment</b>	NPP Payment has the meaning given to that term in the NPP Regulations.
<b>Other ESA holder</b>	A body corporate that is not a bank that conducts an ESA with the Reserve Bank.
<b>Payment Alliance Gateway (PAG)</b>	Is the interface between a Participant's back-office application and the Basic Infrastructure.
<b>Proprietary Payments System (PPS)</b>	PPS is a generic term to describe the variety of bank systems that may interface to RITS via SWIFT.
<b>RBA</b>	Reserve Bank of Australia

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<b>RBA Repo</b>	Repurchase agreements executed under the Reserve Bank's standing facilities.
<b>Reason Code</b>	A code applied to any Settlement Request/Notification message that failed validation and was rejected.
<b>Recall</b>	These are payments that are removed from the System Queue during the day.
<b>Repo</b>	Reciprocal Purchase Agreement transaction.
<b>Reservation Batch</b>	A batch, entered into RITS by a Batch Administrator, where funds are first reserved in the ESAs of paying participants. The batch is then settled at the request of the Batch Administrator, using previously Reserved Funds.
<b>Reservation Batch Settlement End Time</b>	<p>The time, as specified by the Reserve Bank, at which Reservation Batch payments will be deleted from the System Queue and any outstanding Reservations will be released.</p> <p>Requests for Settlement of Reservation Batches will not be accepted after this time.</p>
<b>Reservation End Time</b>	The time, as specified by the Reserve Bank, after which new Reservation Batches will no longer be accepted by RITS.
<b>Reserved Funds</b>	Funds that have been quarantined in the ESA of paying Members in a Reservation Batch for settlement of Reservation Batches and that cannot be used for settlement of other transactions.
<b>Reset Point</b>	The desired FSS Balance value that is targeted to restore the FSS Balance to, after settlement of an FSS leg of an Allocation Transfer (start-of-day or intraday). Reset Point can be customised between Upper and Lower Triggers or left at the default midpoint.
<b>RITS</b>	The Reserve Bank Information and Transfer System. RITS is Australia's RTGS System. The SWIFT PDS, FINTRACS and CHES are systems external to RITS.
<b>RITS Active Balance</b>	The amount of funds available to settle transactions on the System Queue with an active status.
<b>RITS Allocation</b>	That component of an ESA Holder's ESA balance which is available to test RITS transactions for settlement and to settle RITS transactions.
<b>RITS Allocation Transaction</b>	The RITS Allocation Transaction 'leg' of an Allocation Transfer, which is tested and settled on the System Queue.
<b>RTGS - Real-Time Gross Settlement</b>	Individual settlement, in real time, of payments out of credit funds in ESAs. The debit to the paying Member's ESA and the credit to the receiving Member's ESA are made simultaneously.
<b>Settlement</b>	Settlement occurs when ESAs have been debited and credited. For transactions that do not create an interbank obligation, Settlement occurs when the transaction is deemed 'completed' by the System Queue and entries posted to relevant Cash Accounts.
<b>Settlement-only Batch</b>	A batch that is entered into RITS for settlement, without prior reservation of RITS Balance.



<b>Settlement Sessions</b>	The operating day is broken into settlement sessions, which apply the business rules for the eligibility of transaction to be processed.
<b>Sub-Limit</b>	Where a Cash Account or ESA Sub-Limit is set, any balance below the Sub-Limit may be only spent by a transaction with a <i>priority</i> Status. Whereas any balance over the Sub-Limit will be available to transactions with an <i>active</i> or <i>priority</i> Status.
<b>SWIFT</b>	Society for Worldwide Interbank Financial Telecommunication, owned by the international banking community. It provides communication services and automated financial data processing.
<b>SWIFT CBT</b>	SWIFT Computer Based Terminal, also known as a SWIFT Gateway.
<b>SWIFT FIN Service</b>	Standard SWIFT network for payment messages in MT format.
<b>SWIFT FIN-Copy Service</b>	SWIFT FIN-Copy is the name of the service provided by SWIFT which encompasses a number of message copy options, including T-Copy and Y-Copy. In normal operations, the partial Y-Copy mode is used for the exchange of SWIFT MT Payments between Members' SWIFT CBTs and the CSI.
<b>SWIFTNet Copy service over InterAct</b>	SWIFTNet Copy service is the name of the service provided by SWIFT which encompasses a number of message copy options, including T-Copy and Y-Copy. In normal operations, the partial Y-Copy mode over InterAct is used for the exchange of SWIFT ISO 20022 Payments between Members' SWIFT CBTs and the CSI.
<b>SWIFT Payment</b>	A SWIFT PDS payment (i.e. a SWIFT Payment) is a one-sided payment sent either via the SWIFT FIN-Copy service or SWIFTNet Copy service over InterAct in partial Y- mode to be applied against ESAs upon settlement in RITS. SWIFT Payments include customer details, which are removed by the SWIFT FIN-Copy service or SWIFTNet Copy service, with only interbank settlement details passed to RITS for settlement testing on System Queue.
<b>SWIFT PDS</b>	The SWIFT Payment Delivery System is a closed user group of ESA holders for sending SWIFT Payments to RITS either via the SWIFT FIN-Copy service or the SWIFTNet Copy service over InterAct in partial Y-Copy mode. AusPayNet administers the SWIFT PDS.
<b>SWIFT PDS ISO 20022 Closed User Group (CUG)</b>	The closed user group of RITS members that participate in the High Value Clearing System (HVCS) and use the SWIFTNet Copy service over InterAct in Y mode for exchanging payments in an ISO 20022 format.
<b>SWIFT PDS MT/SWIFT MT Closed User Group (CUG)</b>	The closed user group of RITS members that participate in the High Value Clearing System (HVCS) and use the SWIFT FIN-Copy service in Y mode for exchanging payments in a SWIFT MT format.
<b>System Administrator</b>	The RBA is the System Administrator for RITS and is responsible for oversight of the System, including such matters as establishing Member and opening and closing times, etc.

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<b>System Queue</b>	The System Queue in RITS in which all transactions are tested to ensure that paying Members have sufficient funds.
<b>Targeted Bilateral Offset</b>	RITS functionality that allows a Member to simultaneously settle multiple transactions with one other Member.
<b>Transaction ID</b>	Unique ID assigned to a transaction within RITS.
<b>Transaction Reference Number (TRN)/ Instruction ID/ Return ID</b>	Unique ID assigned by the sender to messages sent over the SWIFT network.
<b>Transaction Type</b>	A Transaction Type is an abbreviated description of a transaction used in reports and enquiry functions. Transaction Types include 9AMCR, CASHT, CHESS, etc.
<b>Transaction(s) or payment(s)</b>	Value transactions affecting Cash Accounts and ESAs.
<b>Unsettled Transaction</b>	Transactions that are on the System Queue at the end of the RITS day and have not been settled.
<b>Unsolicited Advices</b>	Message-based advices (SWIFT messages) created by RITS and sent to Members as required.
<b>Upstream Business Operator</b>	An upstream business operator (which may or may not be the business owner) is the entity that assembles financial transactions arising from a real or financial business and transmits these to the Batch Administrator for management of the consequential interbank settlement process.
<b>Warehoused Transactions</b>	Transactions entered into RITS ahead of the settlement date. RITS allows for up to 5 business days ahead of settlement date.