RESERVE BANK OF AUSTRALIA

eftpos Batch

Information Paper for RITS Members

Payments Settlements Department

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Contents

Document Change History

Version	Date Completed	Comments
1.0	November 2016	Initial version (unnumbered)
1.*n*	2016 to October 2021	Various historical updates (unnumbered)
2.0	November 2024	Updates to include the migration of Automated Information Facility (AIF) messages to ISO 20022 format. 'Document Change History' section added.

1   Introduction

In 2017, eftpos Payments Australia Limited (ePAL) introduced new settlement arrangements for obligations arising from eftpos scheme card payments processed through the eftpos Hub, with the resulting settlement obligations settled via the eftpos Settlement Service. As a result, ePAL joined the Reserve Bank Information and Transfer System (RITS) as a Batch Administrator. The eftpos Batch provides for the entry of a number of multilateral net payment obligations (including interchange, scheme and dispute/chargeback processing fees) arising between Batch Participants for settlement simultaneously by a batch process in RITS.

eftpos members holding an ESA can apply to be a Batch Participant and settle directly in the eftpos Batch. Those eftpos members not settling directly will need to make arrangements for one of the Batch Participants to act as settlement agent on their behalf.

This paper describes the eftpos settlement arrangements in RITS, discusses contingency arrangements that Participants need to be aware of, describes RITS Member technical set-up requirements, and presents the options for Batch Participants to monitor the eftpos Batch. The focus of the paper is on arrangements related to the operation of the eftpos Batch in RITS – for other matters related to the clearing and settlement of eftpos obligations, such as ePAL settlement advices, please refer to the eftpos Scheme Rules and eftpos Technical, Operational and Security Rules.

Capitalised words not otherwise defined in this document have their meaning set out in the following RITS user guides: Overview of Functionality; ESA Management; and Batch Participant.

2   Operational Arrangements

2.1   Overview

The eftpos Batch is managed by ePAL**.** The Batch contains multilateral net settlement instructions (including interchange, scheme and dispute/chargeback processing fees) and uses the standard batch feeder functionality in RITS. For each Batch Participant, ePAL calculates a net credit or debit amount (which also includes any obligations from other financial institutions for which the Batch Participant settles transactions on behalf of as a settlement agent). The sum of credits and debits in the Batch must equal zero for the Batch to be accepted by RITS. ePAL does not act as central counterparty to the Batch. Under normal operating conditions, ePAL will submit one Batch per day, prior to the opening of RITS, which will be tested for settlement in the RITS Morning Settlement Session.

Prior to settlement, ePAL will advise each Batch Participant of the details of the financial transactions of their customers and their settlement obligation. Any disputes between Batch Participants and ePAL about the monetary obligation will be resolved as set out in the eftpos Scheme Rules and the eftpos Technical, Operational and Security Rules. Importantly, these disputes will not alter the eftpos Batch Participant's obligation to settle the calculated obligation.

On the day of settlement, ePAL will send a Batch Settlement Request message via SWIFT and the Automated Information Facility (AIF) to RITS prior to the opening of the RITS Morning Settlement Session. If the SWIFT message cannot be sent or received, ePAL can manually input the eftpos Batch details via the RITS User Interface. The eftpos Batch will be validated, placed on the RITS System

Queue, and tested for settlement in the Morning Settlement Session. The eftpos Batch will only settle when all net-payers have sufficient funds in their accounts.

Batch obligations will be submitted to RITS with Cash Account, Credit and Exchange Settlement Account (ESA) status settings of *priority*. In order to ensure timely settlement, the RBA and ePAL recommend Batch Participants do not override these settings.

Batch Participants with net paying positions must ensure that they have sufficient funds for settlement of their eftpos obligation in the Morning Settlement Session. Under normal operation, where the Batch obligation has a *priority* ESA Status, it will be tested against the full ESA balance. If the Batch obligation has been assigned an *active* ESA Status, the Participant will need to ensure that they have sufficient Active Balance (i.e. excess over the ESA Sub-Limit) and may need to alter their ESA Sub-Limit. If a Batch Participant has insufficient ESA funds to cover a required net-payment by 8.00 am, ePAL as the Batch Administrator will liaise with that Batch Participant to resolve the problem. Any delay of Batch settlement past 8.00 am will also be escalated to the RITS Help Desk.

When the eftpos Batch settles, RITS will send a Batch Settlement Response to ePAL. Batch Participants will be able to view the progress of the eftpos Batch via the RITS User Interface and may also elect to receive AIF Post-Settlement Advices from RITS.

2.1.1 Relationship to other batch feeders

Batch Participants participating in both the eftpos Batch and the Mastercard Batch should note that both Batches have separate activation times. While the eftpos Batch has an activation time of around 7.40 am, the Mastercard Batch will normally settle around 10.00 am (AEST) or 12.00 pm (AEDT). Batch Participants will need to ensure that funds are available in RITS to settle their aggregate obligation in each Batch. There is no netting between the two batches. Batch Participants should familiarise themselves with arrangements for both Batches.

The two batch feeder arrangements are distinct batch feeder streams in RITS. This separation is reflected in the RITS User Interface (e.g. when using Batch enquiry and Batch administration functions) as well as in member reports and advices. The Batch Stream ID will be 'ESSB' for the eftpos Batch and is 'MCAU' for the Mastercard Batch.

2.2 The RITS Operating Day and Session Eligibility

RITS is open for settlement on any day that is a normal banking business day in either Sydney or Melbourne, or both.

2.2.1 Public holidays

ePAL will follow the RITS calendar in its operations. Under normal operating conditions, ePAL will submit one eftpos Batch on each day that RITS is open, which includes NSW bank and public holidays in August and October, and Victorian and Melbourne public holidays in March and November. eftpos Batches will not be submitted on days that RITS is closed, including the King's birthday holiday in June, as it is observed as a public holiday in every state except WA and QLD.

Multiple eftpos Batches per day will not be submitted except under particular contingency situations when, for example, a Batch does not settle due to a Batch Participant not having sufficient funds for settlement (refer to section 5.5). In the case of a batch not being transmitted on the day it is meant to

settle, ePAL will provide a single batch on the next day that RITS is open that covers both new obligations and unsettled obligations from the previous day.
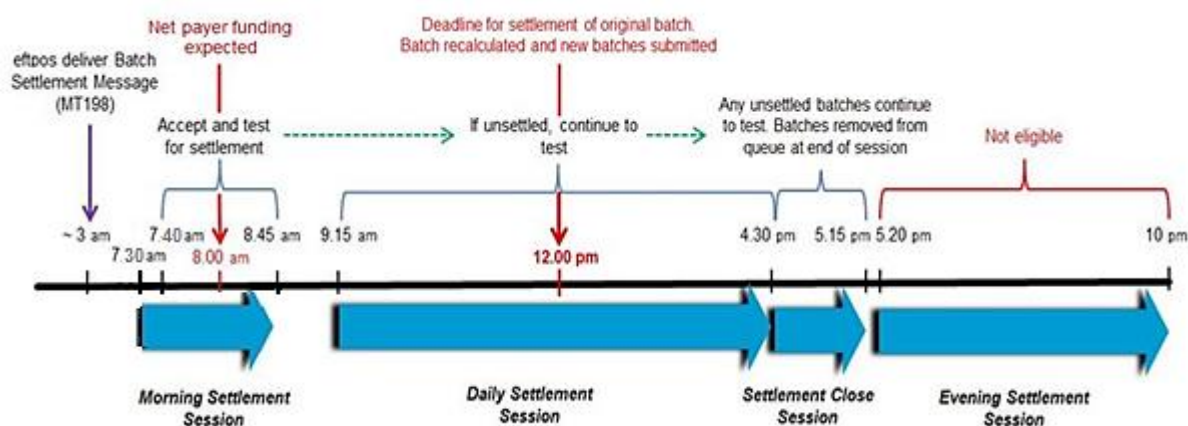
2.2.2 Session eligibility

As the Batch Administrator for the eftpos Batch, ePAL will be responsible for the entry of the eftpos Batch transactions into RITS and the on-going monitoring and management of the eftpos Batch until settlement. ePAL will submit the eftpos Batch obligations to RITS prior to the start of the RITS Morning Settlement Session. The eftpos Batch will be given an activation time of 7.40 am, which is 10 minutes after the normal start time for the Morning Settlement Session. The eftpos Batch will settle once all debit positions are funded.

Net paying Batch Participants are expected to be ready for settlement (with no deferred status and sufficient ESA funds) prior to 8.00 am. If an eftpos Batch is delayed due to a Batch Participant having insufficient ESA funds, ePAL is expected to liaise with that Batch Participant by no later than 8.00 am. If the Batch has not settled by 8.00 am, ePAL is also required to inform the RITS Help Desk and liaise with them until the issue is resolved.

The eftpos Batch will not be tested in the 9am Settlement Session between 8.45 am and 9.15 am.

In the unlikely event that the eftpos Batch has not settled by the close of the Morning Settlement Session, it will continue testing for settlement in the Daily Settlement Session. If the eftpos Batch has not settled by 12.00 pm, ePAL will then withdraw the Batch and initiate contingency arrangements. This would usually involve splitting the batch obligations into two new batches (refer to section 5.5). If an eftpos Batch has not settled by the end of the Settlement Close Session (usually 5.15 pm), it will be removed from the queue. However, this situation should not arise under normal operations.

The following figure summarises the timeline for operation of the eftpos Batch in RITS.

2.3 ES Funds

All Batch Participants, particularly those whose eftpos AUD domestic obligations generally result in a net paying position, will need to ensure they have sufficient funds in their ESA. They will also need to ensure that their override status (or manual status management) and ESA Sub-Limit settings allow settlement during the Morning Settlement Session.

2.4 Clearing Interest

RITS will settle the amounts indicated in the eftpos Batch message. Calculations of overnight clearing interest will be made by ePAL and included in the settlement amounts in the Batch message that is submitted to RITS.

ePAL will calculate clearing interest at the rate payable by the RBA on overnight credit balances of ESAs held with the RBA. Batches submitted on Monday will have three day's clearing interest applied, as Monday Batches settle obligations from Friday, which incur the extra two day's clearing interest over Saturday and Sunday. In the case of public holidays, eftpos transactions authorised on the last RITS business day prior to the public holiday will be settled as part of the Batch on the first RITS business day after the public holiday, with clearing interest applying to all intervening calendar days. For example, transactions authorised on the Thursday before Good Friday will be settled on the following Tuesday, with 5 days of clearing interest applied.

Each Batch Participant will receive a Member Settlement Batch Report from ePAL each RITS business day, which will outline the clearing interest between the Batch Participant and each other Batch Participant, as well as a total clearing interest for that Batch Participant. See the eftpos Technical, Operational and Security Rules for more information.

2.5 Management of the Batch - Recalls

ePAL, as the Batch Administrator, may recall an unsettled eftpos Batch at any time. This would generally only be done under a contingency scenario – for example, if a Batch Participant was declared insolvent and ePAL needed to submit a recalculated Batch with that Batch Participant removed. Under the scenario of a Batch Participant operational incident preventing settlement of the Batch, ePAL may need to submit two new batches (one with obligations involving the delayed Participant and one with the remaining obligations; refer to section 5.5). Revised Batches may be submitted during the same day.

In general, if an eftpos Batch fails to settle on a day, ePAL will submit on the following RITS day a new Batch combining previously unsettled obligations and new obligations, with an interest re-calculation. An exception to this is the special case of a 'DSEP' Batch, which will continue to be resubmitted as a separate Batch (see section 5.5).

eftpos Batch Participants will not be permitted to recall their eftpos Batch transaction from the RITS System Queue. Batch Participants can change the status of transactions to 'deferred' to prevent settlement, but the RBA strongly recommends against this, as it would prevent settlement of the entire eftpos Batch (all Batch obligations must be settled simultaneously). It may also constitute a violation of the eftpos Rules for settlement of obligations.

3 RITS System Queue Processing

Once RITS receives the eftpos Batch Settlement Request, it will be validated and put on the RITS System Queue.

An eftpos Batch Participant that uses the RITS Automated Information Facility (AIF) can elect to receive Pre-Settlement Advices for their eftpos branch by selecting them from the RITS UI (see section 7.6).

These Advices are generated when the eftpos Batch is placed on the Queue. Available Pre-Settlement Advices are: MT198 SMT028 or camt.054 (PRAC) Credit Level, MT198 SMT029 ESA Level and MT198 SMT041 Pending Credit.[1] The RITS System Queue applies override ESA, Credit and Cash Account statuses if set by Batch Participants in RITS. Batch Participants are, however, encouraged by both the RBA and ePAL **not** to override the priority settings applied by ePAL to eftpos Batch transactions (see section 7.4).

When all transactions in the eftpos Batch have *active* or *priority* ESA, Credit and Cash Account statuses, the RITS System Queue tests each transaction against the appropriate Cash Account Sub-Limit or Limit and the ESA Sub-Limit or Limit (see also section 7.3.2).

All transactions that make up a specific Batch are tested as a group. If one transaction is not able to settle, then the Batch cannot settle. If all transactions pass limit testing, all transactions are settled simultaneously. On settlement, the Cash Accounts and the ESAs of the Participants are updated.

If selected, Post-Settlement Advices (MT198 SMT036 or camt.054 (PODE) Interbank Debit, and MT198 SMT037 or camt.054 (POCE) Interbank Credit) are generated when the Batch is successfully settled.

Batch transactions are not included in Auto-Offset or Targeted Bilateral Offset processing, and are not included in RITS LVSS multilateral runs.

4   Participation

4.1   Participant Eligibility Criteria

ePAL as the Batch Administrator will be responsible for setting the business rules for eligibility as a Batch Participant. ePAL will identify those Participants it is prepared to accept as eftpos Batch Participants.

The RBA is responsible for setting the operational requirements for direct participation in a Batch stream. These include that direct Participants must be a RITS Member and must hold an active ESA.

Those eftpos members who are not currently ESA holders or who currently settle indirectly may make arrangements to settle indirectly in the eftpos Batch, using another direct Participant as their settlement agent. Participants without an ESA or Participants who elect to settle via a settlement agent will not participate in the eftpos Batch settlement process; settlement of obligations with their settlement agent will occur outside of the Batch. There are no requirements on indirect Participants to be a member of RITS or hold an ESA.

4.1.1   Establishment of new eftpos Batch Participants

An ESA holder that is an eftpos member, or that ePAL confirms qualifies for eftpos membership, may submit a request to ePAL to become a Batch Participant. Liaison will need to occur with the RBA in

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[1] After the migration of AIF messages to ISO 20022 format is complete, the MT198 SMT029 and MT198 SMT041 advices will be retired.

relation to the setup testing and other on-boarding activities. This would include the establishment and allocation of branches and the creation of new users.

The RBA will liaise with the eftpos Batch Participant for all aspects relating to its RITS membership to ensure the ESA holder is appropriately configured in RITS, including entry into the Closed User Group – see section 7. The RBA, ePAL and eftpos Batch Participant will agree on a go-live date.

4.1.2 eftpos Batch Participant withdrawal from the eftpos Batch
Withdrawal of a Batch Participant from the eftpos Batch will be governed by the eftpos Rules.

Once the RBA has been notified of a withdrawal from the eftpos Batch, the RBA will liaise with ePAL and the Batch Participant regarding its withdrawal from the Closed User Group and the timing of relevant administration entries in RITS.

5 Contingency Arrangements

5.1 Management of Contingencies

5.1.1 Roles and responsibilities
The RBA is responsible for management of events affecting RITS, which includes operation of the Batch facility in RITS, including for the eftpos Batch.

ePAL as the Batch Administrator will be responsible for the management of events affecting the preparation and transmission of eftpos Batch advices to Batch Participants. ePAL will also be responsible for entering details of Batch transactions into RITS.

5.1.2 Communication with other parties
If a disruption to the eftpos Batch continues for an extended period, the responsible party will advise the Batch Participants of the contingency and when normal processing is expected to be restored. This may be done by telephone, facsimile, e-mail or a RITS broadcast message.

5.2 Manual Entry of the Batch

Under normal operation, the eftpos Batch will be submitted by SWIFT message. Under certain contingency events, for example if connectivity to SWIFT is unavailable, the eftpos Batch may be entered by ePAL via the RITS User Interface. Once the eftpos Batch has been manually entered, the eftpos Batch will be processed in the same way as when submitted by SWIFT – in particular, the eftpos Batch is always settled simultaneously.

Unlike normal Batches submitted via SWIFT message, the manually entered eftpos Batch will not be assigned priority ESA status. This means that net paying Participants with no ESA status override on the branch used for eftpos Batch may need to either manually change the ESA status of their Batch obligation to *priority* or ensure their ESA Sub-Limit setting allows settlement.

5.3 Rescheduling the eftpos Batch

In normal operations, the eftpos Batch will be input prior to the commencement of the Morning Settlement Session and will settle during the Morning Settlement Session.

In a contingency event, the eftpos Batch may be submitted for settlement at any time during the Morning Settlement Session, Daily Settlement Session or Settlement Close Session.

ePAL will liaise with Batch Participants to provide progress updates if contingency arrangements are invoked.

5.4 Extension to eftpos Batch Hours

The eftpos Batch must be settled by the end of the Settlement Close Session. It is expected that extensions to normal RITS operating hours will not be granted solely for the eftpos Batch, except under exceptional circumstances.

If settlement has not been completed by the end of the Settlement Close Session, all Batch transactions will be removed from the RITS queue. Settlement will not be completed on that day and any unsettled obligations will roll over to the next RITS business day.

5.5 Inability to Settle eftpos Batch on Day

5.5.1 Single Participant failing to settle

The eftpos Batch will normally be submitted prior to the commencement of the Morning Settlement Session and start testing for settlement at 7.40 am. If the Batch has not settled by 12.00 pm, due to a 'Fail to Settle' (FTS) event as defined in the eftpos Scheme Rules (not including an insolvency or suspension event), ePAL will withdraw the Batch from RITS and initiate contingency arrangements. This involves submitting two new Batches:

- a Secondary Batch which comprises obligations for all of the Batch Participants, except the Participant suffering from a FTS event; and

- a Direct Settler Excluded from the Primary (DSEP) Batch which comprises the obligations of the Batch Participant causing the FTS event against each other Batch Participant.

There will be no netting of the two Batches for Batch Participants with a net pay position in one Batch and a net receive position in the other Batch. In this situation, the Batch Participant will need to fully fund its pay obligation.

The Secondary Batch is likely to settle quickly. If the Batch participant that caused the FTS has resolved its funding or operational issue, the DSEP Batch will also eventually settle. If, however, one or both of these Batches failed to settle by the end of the day, this would be handled as follows:

- If the Secondary Batch does not settle by the end of the day, ePAL will submit to RITS on the following RITS business day a combined Secondary Batch which contains the outstanding unsettled obligations from the previous day's Secondary Batch as well as new settlement obligations due for settlement that day.

- If the DSEP Batch does not settle by the end of the day, eftpos will re-submit the DSEP Batch, as a separate batch, on the following day. That is, in addition to the normal daily batch, ePAL will submit to RITS on the following RITS business day a DSEP Batch containing the outstanding obligations from the FTS event from the previous day with interest adjustments.

If both the Secondary Batch and DSEP Batch settle by the end of the day, then the eftpos Batch on the next RITS business day is a normal Primary Batch.

5.5.2   Multiple Participants Failing to Settle

The above arrangements describe the case of one Batch Participant suffering an FTS event; however, in extreme scenarios it is also conceivable that there might be more than one Batch Participant having difficulty settling their obligation. In this situation, the original Batch will be recalled and settlement may be deferred. If deferred, ePAL would apply the principle that settlement should occur on the earliest possible RITS business day after the transaction date. Settlement may continue to be deferred for up to three days until there are no longer multiple participants suffering the FTS event.

If settlement is deferred for more than three days, participants will be directed to settle their obligations via RTGS transactions (e.g. cash transfers). These alternative settlement arrangements will be determined by ePAL in consultation with the RBA and APRA.

5.5.3   Participant insolvency

In an insolvency event other than statutory management when the Batch Participant is formally suspended from RITS, ePAL will withdraw the original Batch and submit a revised Batch, exclusive of the insolvent participant. The revised Batch will be submitted as soon as possible, which may be on the same RITS business day or on a subsequent business day. If a DSEP Batch has already been submitted, that Batch will be cancelled.

If a Batch Participant is placed under statutory management, ePAL will allow the eftpos Batch to continue to test for settlement as normal. If the Batch has not settled by 12:00 pm, ePAL will recall the Batch and submit two Batches (a Secondary and DSEP Batch), in the same manner as for a single participant delaying settlement under Section 5.5.1. If the Batch Participant under statutory management is subsequently declared insolvent and suspended from RITS, the DSEP Batch will be cancelled.

For further information please refer to the eftpos Scheme Rules and Technical, Operational and Security Rules.

5.5.4   Operational incident

If the eftpos Batch does not settle because of a technical problem with RITS or the eftpos Settlement Service, the RITS Help Desk and ePAL may choose to abandon RITS processing for the day. In this case, ePAL will advise the Batch Participants and recall the eftpos Batch. On the next RITS business day, ePAL will submit a single eftpos Batch, which will contain the unsettled obligations from the previous day as well as the new settlement obligations due for settlement that day. To ensure that correct interest amounts have been applied, ePAL will conduct an interest re-calculation process prior to the submission of the Batch.

6   Industry Testing Arrangements

6.1   RITS Pre-Production Environment

The RITS Pre-Production Environment is available for use by the RBA, ePAL and Batch Participants for testing of the eftpos Batch.

Batch Participants should note the following points in respect of the RITS Pre-Production Environment:

- This environment provides full Batch Participant functionality and is set up to mirror production conditions.

- This test environment is open for settlement processing between the hours of 7.30 am and 10.00 pm each business day when either Sydney or Melbourne is open. These are the same hours as RITS Production. However, the eftpos Batch will only be eligible for settlement in the Morning Settlement Session, Daily Settlement Session and Settlement Close Session.

- RITS users will be able to access Batch enquiry functionality in RITS at any time during the normal RITS day. This is subject to the user being granted the necessary roles by their RITS Password Administrator.

- Support for eftpos Batch testing will be provided by the RITS Help Desk during normal RITS settlement hours. There will be no support for any eftpos Batch testing undertaken outside of normal business hours. Members must contact the RITS Help Desk in advance to arrange an appropriate time to make use of the RITS Pre-Production test environment (e.g. to ensure that the environment is available, and that RBA Operations staff are on hand to provide support, if required).

- Funds used in RITS Pre-Production are not real funds. They are generated specifically for the test environment and can be acquired by request to the RITS help desk.

7 RITS Technical Set-up Requirements

7.1 Introduction

This section provides information to RITS Members on the arrangements and administrative tasks required to begin participation in the eftpos Batch.

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

It is recommended that Batch Participants consult with existing RITS users within their organisation as part of their review of the required set-up activities. RITS user guides are available on the public version of the RITS Information Facility: https://www.rba.gov.au/rits/info/. A general RITS Overview of Functionality is also available from this site.

7.2 Overview of RITS Set-up Activities

To prepare for participation in the eftpos Batch, Batch Participants must complete a number of set-up activities. The key set-up activities are as follows, with the entity that undertakes the activity shown in brackets. Each of these activities is discussed in greater detail below.

- Establish new RITS branches and Cash Accounts, if required, for eftpos Batch transactions (RITS Help Desk, based on the Batch Participants instruction).

- Nominate a branch to be used for eftpos settlement (Member – using the *Branch Allocation* form).

- Set up the override statuses for Cash Account, Credit and ESA Status to priority or null to facilitate unimpeded settlement of eftpos Batch transactions. (Member – user with the following roles: Override Cash Account Status - Set Override; Override Credit Status – Set Override; Override ESA Status – Set Override).

- Check that Cash Account limit processing is set to OFF for the Cash Account used in the eftpos Batch Settlement process (Member – user with role Cash Account Limit – Set Limit).

- Set up users and roles for eftpos Batch monitoring (Member – RITS Password Administrator).

- Select AIF messages (e.g. Pre-settlement Advices or Post-settlement Advices), as required (Member - user with 'Unsolicited Advices' role).

7.3 Branch and Cash Account Setup

This section covers requirements for the set-up of RITS branches and Cash Accounts to facilitate the processing of eftpos Batch transactions.

Each Batch Participant needs to:

- assess the need for new RITS branches and Cash Accounts;

- instruct the RITS Help Desk to set up new RITS branches and Cash Accounts as required; and

- nominate a RITS branch to be used for the eftpos Batch.

7.3.1 RITS branches for eftpos Batch transactions

RITS branches are the functional entities that undertake transactions in RITS. They are identified by a 6-character mnemonic (e.g. BANKAA). As a Batch Message only contains the 4-character RITS mnemonics of the party to the settlement transaction, a lookup table in RITS will match the Batch Stream and identify the correct branch for the Batch Participants.

The RBA recommends Batch Participants establish a new branch for the eftpos Batch. The RBA encourages Batch Participants to use the Branch suffix EB (e.g. BANKEB).

A Batch Participant will need to complete a standard RITS form (the *Feeder, Batch and Other Branches* form, available under Standard Forms on the [RITS Information Facility](#)) to add any new branches (and Cash Accounts – see next section) required for the eftpos Batch.

All Batch Participants will need to complete the new *Branch Allocation* form to allocate their designated branch to the eftpos Batch. (For setup in the Pre-Production Environment an email is also sufficient.)

Please note that each form will need to be signed by the Batch Participant's RITS Authorised Signatories.

Batch Participants that wish to monitor their eftpos Batch transactions using AIF Pre-settlement Advices, or that wish to receive AIF Post-settlement Advices for posting or reconciliation purposes, should note that these advices are selected at the branch level – see section 7.6 for further details.

7.3.2   RITS Cash Accounts for eftpos Batch transactions

The RBA recommends that Batch Participants set up a new RITS Cash Account for eftpos Batch transaction processing. This will help to minimise the impact on existing RITS arrangements and allow the separate selection of override statuses.

Each branch in RITS has at least one Cash Account to record transactions. All transactions are recorded against a Cash Account, and, for interbank transactions, also against an Exchange Settlement Cash Account. The nominated Cash Account maybe a real bank account that exists in the Batch Participant's own banking application and/or links that links to their general ledger.

There are a number of RITS reports and AIF messages that use the Cash Account to identify a transaction:

- The Cash Account is used to identify transactions in AIF Pre-settlement Advices, which may be used by AIF banks for the management of eftpos Batch transactions.

- The Cash Account is used to identify transactions in Post-settlement Advices, which may be used by AIF banks for the posting or reconciliation of eftpos Batch transactions.

- The Cash Account is used to identify the transaction in the MT950/camt.053 ESA Statement, which may be used by AIF banks for the reconciliation of eftpos Batch transactions.

- The net end-of-day balance for each Cash Account is shown in the Cashlist Report, which may be used by the Batch Participant for internal posting or reconciliation purposes.

If a Batch Participant chooses to use its existing 2E branch and Cash Account, it must ensure that it is able to manage its eftpos Batch transactions appropriately.

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

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

7.4   Transaction Management Setup

This section covers set-up requirements for overrides on transaction status and Cash Account limit processing.

ePAL will normally enter the transactions in the eftpos Batch with ESA, Credit and Cash Statuses set to *priority*.

The RBA recommends that Batch Participants set the override statuses for Cash Account, Credit and ESA Status to *priority* or *null* to facilitate the unimpeded settlement of all transactions.

7.4.1   Override ESA Status set on Cash Account

The override ESA Status is set at the Cash Account level. A Batch Participant that intends to use its 2E branch for eftpos Batch transactions should ensure that the current override ESA status setting in its 2E branch is not inconsistent with its eftpos Batch transaction management requirements.

Please refer to the ESA Management User Guide for more information on setting an override ESA status.

7.4.2   Cash Account limit processing turned OFF

The RBA requires that all Batch Participants turn Cash Account limit processing to Off for all Cash Accounts used in the eftpos Batch settlement process.

Batch Participants that elect to use their 2E branch for Batch transactions should be aware that this setting may affect the processing of other transactions settling across their 2E branch.

7.5   User Setup

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

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

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

7.5.1   Linking users to branches

Batch Participants that set up new branches for eftpos Batch transactions will need to ensure that users are linked to those branches in order to view and perform updates on transactions in those branches (for example, set the override Cash Account Status) and to amend settings on those branches (for example, to set Cash Account sublimit processing). This is in addition to users having the relevant role(s).

Batch Participants using an existing branch will need to ensure that users are linked to the relevant branch.

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

Please refer to the [RITS Overview of Functionality](#) for more information.

7.6   Automated Information Facility (AIF) Messages

The RITS AIF is 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. eftpos Participants who are Swift Members can access this CUG by [submitting an application](#) to Swift. Applications are approved by the RITS Help Desk and processing of the application by Swift typically takes up to three weeks. Please contact the RITS Help Desk for more information on joining the AIF.[2] Apart from the Recall Request (MT 198 SMT 001 or camt.056), which is only available to ePAL as the Batch Administrator, all commands and enquiries provided by the AIF are available to participants for eftpos Batch transactions.

A RITS UI user must select **Unsolicited Advices** or **MX Unsolicited Advices** from the **Member Admin** tab on the RITS UI menu to elect the unsolicited advice AIF messages they wish to receive. Note the eftpos Batch will not appear as a transaction source; participants will need to nominate the branch to identify eftpos Batch transactions.

eftpos Batch Participants can choose to receive Pre-Settlement Advices via the AIF when their Batch transactions (paying or receiving) are passed to the System Queue, and to receive Post-Settlement Advices when each eftpos Batch is settled. The following table shows the AIF messages that, if selected, will be produced for eftpos Batch related transactions. Pre- and Post-Settlement Advices are selected at the branch level.

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[2] There are currently two AIF CUGs: the AIF MT CUG, which uses the SWIFT FIN Service, and the AIF ISO 20022 CUG, which uses the SWIFTNet service over InterAct. RITS will accept both MT and ISO 20022 (MX) message formats from November 2024 until the end of the MT/MX co-existence period in November 2026. After the end of the co-existence period only MX AIF messages will be accepted. Please refer to RITS Advice 06/2023 for further information on the AIF ISO 20022 migration.

MT Message Type	MT Sub Message Type	ISO 20022 Message	RITS Message code	Description	Selection Level
198	028	camt.054	PRAC	Pre-Settlement Advice (Credit Level)	Branch
198	029	N/A (retired)	N/A	Pre-Settlement Advice (ESA Level)	Branch
198	041	N/A (retired)	N/A	Pre-Settlement Advice – Pending Credit	Branch
198	036	camt.054	PODA	Post-Settlement Advice Debit Interbank	Branch
198	037	camt.054	POCE	Post-Settlement Advice Credit Interbank	Branch

Batch Participants should note that the Transaction Type field (MT tag 908 or Local Instrument Proprietary field in ISO 20022) in AIF Pre- and Post-Settlement Advices will contain the Batch Stream ID – 'ESSB'.

Batch Participants that receive an ESA Statement (MT942 RITS ESA Intraday or camt.052 (SINR), MT950 or camt.053) will see the eftpos Batch transaction as a separate statement line, and the Transaction Type element of the statement line (MT tag 61 or Local Instrument Proprietary field in ISO 20022) in ESA statements will contain the Batch Stream ID – 'ESSB'.

For further information about MT and ISO 20022 unsolicited advices, please refer to the Member Administration User Guide and the RITS/SWIFT Interface User Guide.

7.7 Readiness Declaration

Prior to commencing Batch operations in production, Batch Participants must complete, sign and return the eftpos Batch Readiness Declaration. This form must be returned to the RITS Help Desk at least ten business days before the target date for activation in the Batch. The form confirms that the institution:
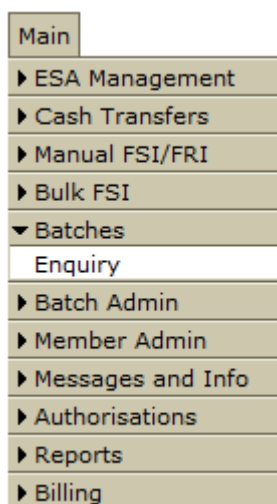
- has satisfactorily completed testing of the settlement arrangements relating to its participation in the eftpos Batch;

- has reviewed the eftpos Batch Information Paper for RITS Members (this paper);

- has finalised its RITS Production setup for the eftpos Batch;

- has updated all relevant procedures and communicated these to all operational staff involved in processing relating to the eftpos Batch, particularly in respect of management of Batch transactions during the RITS Morning Settlement Session (7.30 am to 8.45 am), including any funding that is required; and

- is operationally ready for activation of the new arrangements.

8   Monitoring the eftpos Batch in RITS

A Batch Participant can monitor their own eftpos Batch transactions using the **Enquiry** function in RITS. For further information, see the Batch Participant User Guide available on the RITS Information Facility.

8.1   RITS Batch Enquiry Function

From the RITS Main menu, select the **Batches** tab to expand the menu as displayed below. The available function is **Enquiry**.

8.1.1   Batch Enquiry Screen

After selecting **Enquiry** from the **Batches** tab on the Main menu, the following screen opens, automatically populated with data based on the default filter criteria.

8.1.2   Batch Enquiry - Queue Test Detail Enquiry Screen

Details of eftpos Batch transactions which remain on the System Queue can be viewed. To view the Queue Test Details of a Batch transaction, select a transaction with a *Limits Test* status from the current day from the list in the Batch Enquiry screen.

These details are also available in the queue management functions provided in the **ESA Management** menu.

9 Summary of eftpos Batch Set-up

Production setup:

- Update all relevant operational procedures to address processing of the eftpos Batch, particularly in respect of management of Batch transactions during the RITS Morning Settlement Session (7.30 am to 8.45 am), including any funding that is required.

- Determine branch and cash account for the eftpos batch. If new branches and cash accounts are required, submit necessary forms (e.g. *Branch Allocation* form) to RITS Help Desk.

- Set override statuses and ESA Sub-Limits appropriately.

- Check Cash Account limit processing is set to OFF.

- Setup users and roles for eftpos Batch monitoring.

- Select AIF messages as required.

- At least ten business days prior to activation in the eftpos Batch, submit the *eftpos Batch Readiness Declaration* form to the RITS Help Desk.

10 RBA Contact Information

Membership and business-related enquiries in relation to the eftpos Batch can be directed to: RITSMembership@rba.gov.au

Batch Participants should contact the RITS Help Desk if they have any questions in relation to eftpos Batch operational setup. Contact details are as follows:

Phone: 1800 659 360

Email: rits@rba.gov.au

11   ePAL Contact Information

Questions for ePAL can be directed to:

eftpos Member Support (EMS)

Phone: 1300 650 831

Email: ems@eftposaustralia.com.au