

NPCI/NETC/OC No. 006/2017-18

To,

All Members of National Electronic Toll Collection (NETC)

Madam/Dear Sir,

Sub: A). NETC Network – Processing Two settlements in EGCS System in a day

B). Implementation of Full Dispute Cycle in EGCS System

NETC Network – Processing Two settlements in EGCS System in a day

We refer to our Operating circulars (OC) no. NPCI/NETC/OC No. 005 /2017-18 dated 31st January, 2018 on implementation of two settlements in a day for NETC Transactions. We would like to inform that we are implementing two (2) settlements in EGCS system in a day for NETC transactions from **21st Feb, 2018**.

Please refer to **Annexure A** wherein the Settlement cut-off timings, Settlement day, etc. are explained with illustrations.

Implementation of Full Dispute Cycle in EGCS System

We would like to inform that Full Disputes Cycle in EGCS system will be implemented from **21st Feb, 2018**.

In this connection, please refer to the workshop held on **20th Nov, 2017** on implementation of Full Dispute Cycle in EGCS system.

We would like to draw your attention to the following changes in this regard.

Existing Practice:

Presently, there are 5 dispute cycle (i.e. Credit adjustment, Debit adjustment, Chargeback, and Re-presentment & Good faith) live in EGCS system. After representing a chargeback by the Acquiring Bank, further transaction life cycle management is not being used in EGCS system.

Proposed Practice:

Full Dispute Cycle will be implemented in the EGCS System as per the Clearing and Settlement Guidelines defined in the NETC Procedural Guidelines (Section 6.5) **from 21st February, 2018**.

Please refer to **Annexure B** wherein the relevant extract from the Procedural Guidelines is given.

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Please Note -

1. Settlement file and other reports will be available in the existing menu option. The filename of the settlement files will indicate the settlement cycle.
2. With respect to file naming convention, we request you to refer EGCS technical specification document (Version 1.2, section 3, page no 11 to 14) for more details.
3. For transactions of second and fourth Saturday, Sunday and RTGS holidays, there shall be only one settlement per day (i.e. only one cycle for each settlement day).
4. Full dispute cycle will be implemented to existing dispute raised and open in the system
5. NETC Members shall be allowed to raise Disputes and Adjustments in EGCS on T+1 day basis only as per the existing process.

The above changes will be implemented with effect from 21st February, 2018.

Kindly make a note of the above and disseminate the instructions contained herein to the officials concerned.

For any queries or clarification, please contact:

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Yours faithfully,



Ram Sundaresan
SVP & Head – Operations

Annexure A - Day wise cut-off timings and Fund Settlement time.

NETC- Settlement Cycle			
First Settlement		Second Settlement	
Transaction Day & Time	Settlement day & Time	Transaction Day & Time	Settlement day & Time
Monday (12:00:00 - 23:59:59)	Tuesday (09:00)	Tuesday (00:00:00 - 11:59:59)	Tuesday (14:30)
Tuesday (12:00:00 - 23:59:59)	Wednesday (09:00)	Wednesday (00:00:00 - 11:59:59)	Wednesday (14:30)
Wednesday (12:00:00 - 23:59:59)	Thursday (09:00)	Thursday (00:00:00 - 11:59:59)	Thursday (14:30)
Thursday (12:00:00 - 23:59:59)	Friday (09:00)	Friday (00:00:00 - 11:59:59)	Friday (14:30)
Friday (12:00:00 - 23:59:59)	Saturday (09:00)	Saturday (00:00:00 - 11:59:59)	Saturday (14:30)
Saturday (12:00:00 - 23:59:59)	Monday (09:00)	-----	-----
2nd & 4th Saturday/Sunday (00:00:00 - 23:59:59)		Monday (00:00:00 - 11:59:59)	Monday (14:30)

Note: -

For transactions of RTGS holidays, there shall be only one settlement per day on the next working day.

Annexure B - Full Dispute Cycle (Extract from PG)

Life Cycle Stage	Initiating Member	Pre-requisite	Description	TATs[in calendar days]	Transfer of Fund
Settled Transaction	NPCI	Online Transaction Processing	Online processed transactions are downloaded from the NETC switch onto the EGCS system and settled with the member banks.	Transaction or Transaction + 1 day	Applicable [Issuer Bank receives the Debit and Acquirer Bank receives Credit]
Credit Adjustment	Acquirer Bank	Settled Transaction	These messages are generated by acquirer to settle the credit amount to the issuer for NETC Toll transactions.	30 days	Applicable [Acquirer receives the Debit and Issuing Bank receives Credit]
Debit Adjustment	Acquirer Bank	Settled Transaction	These messages are generated by the acquirer to settle the debit amount to issuer for NETC Toll transactions. <ul style="list-style-type: none"> Debit adjustment initiated on the settled transaction needs to be honoured by the issuer subject to applicable dispute rights. 	Within 3 days for Settled Transaction	Applicable [Issuer Bank receives the Debit and Acquirer Bank receives Credit]
Chargeback	Issuer Bank	Settled Transaction	Issuer Bank may initiate a chargeback	40 days	Not Applicable

		(For transaction type – Debit and Dispute Type Credit Adjustment and Debit Adjustment)	for the full or partial transaction amount within the specified time frame applicable to the specific message reason. <ul style="list-style-type: none"> • Once processed, a chargeback is not allowed to be withdrawn. • Chargeback can be raised for full or partial transaction amount. 		
Chargeback acceptance	Acquirer institution	Chargeback	Acquirer institution may accept the chargeback initiated by the issuing institution.	10 days from the chargeback processing date	Applicable [Acquirer Bank receives the Debit and Issuer Bank receives Credit]
Credit Chargeback	Issuing institution	Settled Transaction (Transaction Type-Credit and Dispute Type Credit Adjustment)	Issuer Bank may initiate a credit chargeback for the full or partial transaction amount within the specified time frame applicable to the specific message reason. <ul style="list-style-type: none"> • Once processed, a credit chargeback is not allowed to be withdrawn. 	40 days	Not Applicable

			<ul style="list-style-type: none"> • Credit Chargeback can be raised for full or partial transaction amount. 		
Credit Chargeback acceptance	Acquirer institution	Credit Chargeback	Acquirer institution may accept the credit chargeback initiated by the issuing institution. A credit chargeback not accepted by the acquirer within given TAT is to be deemed accepted by the Acquirer institution.	10 days from the credit chargeback processing date	Applicable [Acquirer Bank receives the Credit and Issuer Bank receives Debit]
Chargeback Deemed Acceptance	NPCI	Chargeback	Any chargeback not re-presented within the specified re-presentation due date is deemed to be accepted by Acquirer institution.	10 days from the chargeback processing date	Applicable [Acquirer Bank receives the Debit and Issuer Bank receives Credit]
Re-presentation	Acquirer institution	Chargeback	Acquirer institution may present the transaction to the issuing institution either to correct an earlier transaction processing defect or to indicate disagreement with the chargeback raised by the Issuing institution. Re-presentation gives rights to the Acquirer institution to shift the transaction liability to issuing institution.	10 days from the chargeback processing date	Not Applicable

Re-presentation-acceptance	Issuing institution	Re-presentation	Issuing institution may accept the re-presentation initiated by the Acquirer institution. Any Re-presentation-acceptance not accepted or pre-arbitration not raised within the specified re-presentation due date is deemed to be accepted by issuing bank.	10 days from the re- presentation processing date	Not Applicable
Pre-Arbitration	Issuing institution	Re-presentation	When applicable, the issuing institution may use this message as a final attempt to mutually resolve the disputed transaction before Arbitration is filed with NPCI to resolve the dispute. This message requests the Acquirer institution to accept the liability of the disputed transaction. <ul style="list-style-type: none"> Once processed, a Pre-arbitration is not allowed to be withdrawn. 	10 days from the re-presentation processing date	Not Applicable
Pre-Arbitration acceptance	Acquirer institution	Pre-arbitration	An Acquirer institution that receives a pre-arbitration attempt may provide their acceptance. <ul style="list-style-type: none"> Once processed, a 	Acquirer institution must respond within 10 days following the Pre-arbitration processing date.	Applicable [Acquirer Bank receives the Debit and Issuer Bank receives Credit]

			Pre-arbitration acceptance is not allowed to be withdrawn.		
Pre-Arbitration decline	Acquirer institution	Pre-arbitration	<p>An Acquirer institution that receives a pre-arbitration attempt may provide their decline confirmation.</p> <ul style="list-style-type: none"> No response to a Pre-arbitration within specified TAT will be deemed declined. Once processed, a Pre-arbitration decline message is not allowed to be withdrawn. On receipt of pre-arbitration decline message issuing institution may raise arbitration case. 	An Acquirer institution must respond within 10 days following the Pre-arbitration processing date.	Not Applicable

Arbitration Case Filing	Issuing institution	Pre-Arbitration Declined / Deemed Declined	The Issuing institution may file an arbitration case to NPCI for a decision on the dispute. <ul style="list-style-type: none"> NPCI decides which party is responsible for the disputed transaction. The decision by NPCI is final. Once processed, arbitration is allowed to be withdrawn. 	Issuing institution must raise arbitration request with NPCI within 10 days following the pre-arbitration decline or deemed declined.	Not Applicable
Arbitration Case-acceptance	Acquirer institution	Arbitration	An Acquirer institution that receives an arbitration attempt may provide their acceptance.	Within 10 days from arbitration received date	Applicable [Acquirer Bank receives the Debit and Issuer Bank receives Credit]
Arbitration Case-continuation / Deemed Continuation	Acquirer institution	Arbitration	Deemed continuation if no response from Acquirer institution	If no response received from the Acquirer institution within 10 days from arbitration received date	Not Applicable
Arbitration Case-withdrawn	Issuing institution	Arbitration	Issuing institution can withdraw arbitration case	Within 10 days from arbitration raising date	Not Applicable
Arbitration Case-verdict	NETC Arbitration Committee	Arbitration	NPCI Arbitration Committee will	NPCI Arbitration Committee will give verdict	Applicable [as per the verdict]

			provide ruling on arbitration case	within 15 calendar days following the arbitration continuation/deemed continuation	
Pre-compliance	Issuing Bank Or Acquirer	Settled Transaction	<p>The initiating member (either the issuing Bank or Acquirer) can raise a pre-compliance case to the opposing member for</p> <p>A rule violation or dispute that could not be resolved by the above stages.</p> <ul style="list-style-type: none"> Once processed, a Pre-compliance is not allowed to be withdrawn. 	Initiating Member Bank raising Pre-compliance should ensure that they raise pre-compliance within 160 days from the settled transaction	Not Applicable
Pre-compliance acceptance	Issuing Bank Or Acquirer	Pre-compliance	<p>The Member bank that receives a pre-compliance attempt may provide their acceptance confirmation.</p> <ul style="list-style-type: none"> Once processed, a Pre-compliance acceptance is not allowed to be withdrawn. 	Receiving institution must provide acceptance within 10 calendar days following the Pre-compliance receipt date	Applicable [Case to case basis]

<p>Pre-compliance decline/ Deemed Decline</p>	<p>Issuing Bank Or Acquirer</p>	<p>Pre-compliance</p>	<p>The Member Bank that receives a pre-compliance attempt may provide decline confirmation.</p> <ul style="list-style-type: none"> • Once processed, a Pre-compliance decline is not allowed to be withdrawn. • On receipt of pre-compliance decline message counter member bank may raise compliance case. <p>If the counter member doesn't respond to the Pre-Compliance, it will get deemed declined. Initiating member can raise compliance case</p>	<p>Receiving member bank must provide decline confirmation within 10 days following the Pre-compliance receipt date</p>	<p>Not Applicable</p>
<p>Compliance Case</p>	<p>Issuing Bank Or Acquirer</p>	<p>Pre-compliance declined /Deemed Declined</p>	<p>When applicable, a member that has no chargeback, representation, pre-arbitration or arbitration right may use compliance as a final attempt to file a complaint against another member for</p>	<p>Within 10 days following the Decline or deemed declined</p>	<p>Not Applicable</p>

			<p>violation of the NPCI operating regulations.</p> <p>If the initiating Bank is unsatisfied with the pre-compliance response from the opposing Bank, the initiating Bank may appeal to NPCI to provide a decision on the disputed matter.</p> <ul style="list-style-type: none"> Once processed, compliance case is allowed to be withdrawn. 		
Compliance Case-acceptance	Issuing Bank Or Acquirer	Compliance	The Member Bank that receives a compliance attempt may provide their acceptance confirmation.	Within 10 days from compliance received date.	Applicable [Case to case basis]
Compliance Case-continuation/Deemed Continuation	Issuing Bank Or Acquirer	Compliance	Deemed continuation if no response from receiving Bank.	If no response received from the compliance receiving Bank within 10 days from compliance received date	Not Applicable
Compliance Case-withdrawn	Issuing Bank Or Acquirer	Compliance	Initiating Bank can withdraw compliance case.	Within 10 days following the compliance raised date.	Not Applicable
Compliance Case-verdict	NPCI Compliance Committee	Compliance Continuation /Deemed Continuation	NPCI Compliance Committee will provide ruling on compliance case.	NPCI Compliance Committee will give verdict within 15 days	Applicable [As per verdict]

				following the compliance Continuation /Deemed Continuation	
Good-Faith	Issuing Bank Or Acquirer	Settled transaction or dispute closed or TAT expired	This message may be used by either Bank (Acquirer / Issuing) to request for transaction funds from the other Bank in good faith, if the other options listed above are not applicable or available	Within 160 days of settlement of transaction but not before the expiry of chargeback TAT	Not Applicable
Good-Faith attempt acceptance	Issuing Bank Or Acquirer	Good-faith	The Bank that receives a good faith attempt may provide their acceptance confirmation. <ul style="list-style-type: none"> Once processed, a Good Faith acceptance is not allowed to be withdrawn. 	Within 30 days from Good faith received date	Applicable [Case to case basis]
Good-Faith Decline/Deemed Declined	Issuing Bank Or Acquirer	Good Faith	The Bank that receives a good faith attempt may provide their decline confirmation or will get deemed declined post expiry of the TAT.	Within 30 calendar days from Good faith received date	Not Applicable