

NPCI/NFS/OC No.374/2020-21

12th August, 2020

To,

All Members participating in NFS ATM Network

Madam / Dear Sir,

Sub: NFS ATM – Changes in adjustment report & Introduction of PRD & Compliance process in BCS.

In our constant endeavour to enable members to efficiently use Bharat Clearing & Settlement System (BCS) for transaction life cycle management, we have made few changes in BCS as given below:

- a) Change in adjustment report.
- b) Introduction of PRD process in BCS.
- c) Introduction of Compliance process in BCS.

A. Change in adjustment report.

We refer to Operating Circular 368 dated 18th May, 2020 on changes in adjustment report nomenclature. We wish to inform that, we have made changes in the adjustment report by introducing additional column wherein MCC Code shall be made available to members.

In the earlier format there was no identifier for transactions done on ATM & Micro ATM. Members suggested that there should be an identifier in the adjustment report to identify adjustments for ATM & Micro ATM. The introduction of MCC Code in the adjustment report shall help members in easy identification whether the transaction is done from ATM or Micro ATM leading to operational efficiency. ATM transactions can be identified by MCC Code 6011 and Micro ATM transactions can be identified by MCC Code 6012. We would also like to inform that soon we would be going live with Interoperable cardless cash withdrawal transactions, the MCC Code for which shall be 6013.

B. Introduction of PRD process in BCS.

We would also like to highlight that Panel for Resolution of Disputes (PRD) process was handled manually through e-mail outside of BCS. We wish to inform that we have made the changes in the BCS application and the option is made available to the members. Issuing Bank can refer the case to PRD by using the transaction search option as per the existing dispute raising process. The process from Arbitration to referral to PRD is given below:

1. Arbitration is raised by Issuing Bank
2. TAT of 10 days is given to Banks for upload of documents. Also Issuing Bank can withdraw the Arbitration or Acquirer can Accept the Arbitration case in these 10 days.
3. In case Issuing Bank/Acquirer wish to pursue the dispute further for decision making, NPCI shall move the dispute from Banks tray to NRP and the decision is given basis the documents shared by the both the Banks. Processing fee of Rs 500/- with the applicable GST is debited to the Issuing Bank for the case referred to NRP. However in case the NRP decision is favouring Issuing Bank the processing fee shall be reversed to the Issuing Bank with the applicable GST and debited to the Acquirer.

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4. If the NRP decision is favouring Issuing Bank, then the dispute is closed in NPCI system and no further action is possible. However if the NRP decision is favouring the Acquirer and customer still wishes to pursue the dispute, the Issuing Bank can refer the case to PRD for review. Decision sheet shall be made available with the reports of 1st Cycle of the day decision is given.
5. The processing fee for referring the case to PRD is Rs 4,500/- with applicable GST. It will be debited to Issuing Bank. However if the PRD decision is favouring the Issuer, the processing fee with the applicable GST levied shall be reversed to the Issuing Bank by debiting the Acquirer.

C. Introduction of Compliance process in BCS for chargeback raised under EMV Counterfeit fraud.

Acquirers do not have the option to re-present chargeback raised with the reason EMV Counterfeit fraud. However they can raise Compliance. The process of raising Compliance was manual and it was handled outside of BCS by NPCI. We wish to inform that changes have been incorporated in the BCS system and Compliance can be raised by the Acquirer in the BCS system within the relevant TAT. Acquirer can raise Compliance by using the transaction search option as per the existing dispute raising process. The process of raising Compliance is given below:

1. Compliance is raised by Acquirer for the chargeback raised under reason EMV Counterfeit fraud.
2. TAT of 7 days is provided to Banks for upload of documents.
3. TAT for Acceptance by Acquirer or Withdrawal by Issuing Bank is of 10 days.
4. In case Issuing Bank/Acquirer wish to pursue the dispute further for decision making, NPCI shall move the dispute from Banks tray to NRP and the decision is given basis the documents shared by the both the Banks. Processing fee of Rs 500/- with the applicable GST is debited to the Acquirer for the case referred to NRP. However in case the decision is favouring Acquirer the processing fee shall be reversed to the Acquirer with the applicable GST and debited to the Issuing Bank.
5. The TAT for closure of cases referred to Compliance is 30 days from the date of Compliance raise.
6. Decision sheet shall be made available with the reports of 1st Cycle of the day decision is given.

Due to above changes introduced in the BCS system, new adjustment types in addition to earlier mentioned in OC - 368 are also made available. Given below for reference:

Existing Adj Type	New Adj type in Adjustment report
Arbitration case presentment	NRP case presentment
Arbitration Case presentment Accept	NRP Case presentment Accept
Arbitration Case presentment withdrawal	NRP Case presentment withdrawal
-NA-	NRP decision logging in favour of Issuer
-NA-	NRP decision logging in favour of Acquirer
-NA-	PRD Raise
-NA-	PRD Acceptance
-NA-	PRD Case Presentment
-NA-	PRD Case Presentment Acceptance
-NA-	PRD decision logging in favor of Acquirer
-NA-	PRD decision logging in favor of Issuer
-NA-	Compliance Raise
-NA-	Compliance Accept
-NA-	Compliance Case Presentment
-NA-	Compliance decision logging in favour of Acquirer
-NA-	Compliance decision logging in favour of Issuer

The above changes are live with effect from 9th August, 2020.

Please 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,



Saiprasad Nabar

Chief – Online Products Operations