

eftpos Product Rules

Member only version

Version 5.0M

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AP+ SCHEME RULES

Incorporation of the AP+ Scheme Rules

These eftpos Product Rules are issued by ePAL, which operates the eftpos payment scheme. ePAL is a wholly owned subsidiary of AP+. Other subsidiaries of AP+ operate the NPP payment scheme, and the BPAY payment scheme. Each of these payment schemes exists independently of the other. However, AP+ has developed the AP+ Scheme Rules, so as to apply a common set of rules to the operation of each of these payment schemes.

These eftpos Product Rules hereby incorporate by reference the AP+ Scheme Rules, as if they were set out in these eftpos Product Rules in full. Among other things, those AP+ Scheme Rules describe the documents which constitute the Scheme Documentation for the eftpos payment scheme, and their order of precedence.

Operation of this document as the eftpos Product Rules

This document was modified with effect from 1 March 2025 as part of the 'scheme harmonisation project' conducted by AP+ (the **Harmonisation Date**). While this document is titled, and constitutes, the eftpos Product Rules, it also remains and constitutes the 'eftpos Scheme Rules', including for the purposes of any other agreements, documentation, regulatory approvals or the like (**External Documents**) which refer to it.

Where an External Document refers to a specific provision of this document (including a defined term) that existed prior to the Harmonisation Date, that reference will be taken to refer to the provision in this document or (if applicable) the AP+ Scheme Rules that is the same as, or most closely resembles or deals with the subject matter of, the provision that is being referred to that existed prior to the Harmonisation Date.

E1 INTRODUCTION

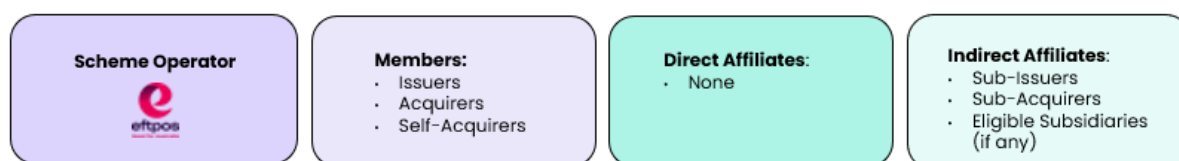
E1.1 AP+ Scheme Rules, Scheme Actors and other roles of participation in the eftpos Scheme

- (a) For the purposes of the AP+ Scheme Rules, each **Member** of the eftpos Scheme:
- (i) is a person whose Application for Membership to participate in the eftpos Scheme in a certain capacity, has been accepted; and
 - (ii) participates in the eftpos Scheme in one (or a combination) of the following capacities: Issuer, Acquirer, or Self Acquirer.
- (b) If a Member is a Non-clearer or an Indirect Settler, that Member must be represented by a Member who acts as their Clearing Agent or Settlement Agent (as applicable) in respect of clearing and settlement. The representation of a Non-clearer or Indirect Settler by a Clearing Agent or Settlement Agent (as applicable) is a Representative Arrangement and is permitted under these Product Rules for the purposes of Scheme Rule 10.2 (Representative Arrangements). Accordingly, in such Representative Arrangements, the relevant Clearing Agent or Settlement Agent is the Representative of the Non-clearer or Indirect Settler (as applicable). However, Non-clearers and Indirect Settlers are not Affiliates in the eftpos Scheme because each Non-clearer and Indirect Settler is a Member.
- (c) The representation of:
- (i) a Sub-Issuer by an Issuer; and
 - (ii) a Sub-Acquirer by an Acquirer,

is a Representative Arrangement and is permitted under these Product Rules for the purposes of Scheme Rule 10.2 (Representative Arrangements). Accordingly, in such Representative Arrangements:

- (i) the relevant Issuer is the Representative of the Sub-Issuer, and each Sub-Issuer is an Indirect Affiliate; and
 - (ii) the relevant Acquirer is the Representative of the Sub-Acquirer, and each Sub-Acquirer is an Indirect Affiliate.
- (d) If a Member engages in Subsidiary Facilitation under Scheme Rule 10.1 (Subsidiary Facilitation) in respect of the eftpos Scheme, each Eligible Subsidiary of the Member is an Indirect Affiliate. Subsidiary Facilitation is permitted for Members under these Product Rules for the purposes of Scheme Rule 10.1 (Subsidiary Facilitation).

The above can be represented diagrammatically as follows:



- (e) For the purposes of the AP+ Scheme Rules and the eftpos Scheme:
- (i) the eftpos Hub service provider is a **Scheme Service Provider**;
 - (ii) **Connected Service Provider** has the meaning given in Product Rule E4.2(b); and
 - (iii) the eftpos payment product that is the subject of the AP+ Scheme Rules, Product Rules and Product Procedures, is the **Product**.

- (f) For the purposes of Scheme Rule 6.4(d)(xiii) (Amendments to the Scheme Documentation), the following Product Rules are **Board Reserved Matters**: E1, E2 and E13.
- (g) These Product Rules contemplate various roles that Members and other persons may undertake while participating in the eftpos Scheme. For example, the terms Direct Clearer, Non-clearer, Direct Settler, Indirect Settler, Clearing Agent, Settlement Agent, Sub Issuer, Sub Acquirer and Connected Service Provider are terms used to describe a role that is being performed in the eftpos Scheme, but they are not membership capacities. For clarity, the only capacities of membership are those set out in Product Rule E1.1(a)(ii).

E1.2 Purpose of the Product Rules

The purpose of these Product Rules is to govern the eftpos Scheme and eftpos Transactions including:

- (a) the clearing and settlement of eftpos Transactions;
- (b) the infrastructure used to effect an eftpos Transaction;
- (c) eftpos Interchange Activities; and
- (d) other matters relating to the eftpos Scheme.

E2 EFFECTIVE DATE AND TRANSITION

E2.1 Commencement Date

These Product Rules take effect on the Commencement Date.

E2.2 Treatment of bilateral agreements

(a) If a Bilateral Agreement contains provisions that relate to:

- (i) the AP+ Scheme Rules;
- (ii) these Product Rules;
- (iii) the Product Procedures;
- (iv) any Secondary Documentation;
- (v) any Restricted Subject Matter; and/or
- (vi) the matters specified in Product Rule E1.2

each Member agrees that, subject to Product Rules E29.2 and E33, those provisions will cease to apply to that Bilateral Agreement and the relevant provisions of the items set out in Product Rules E2.2(a)(i) to E2.2(a)(vi) will apply.

(b) For the avoidance of doubt and subject to Product Rules E29.2 and E33 if there is any inconsistency between the AP+ Scheme Rules or Product Rules and the provisions of a Bilateral Agreement, the AP+ Scheme Rules and the Product Rules will prevail to the extent of the inconsistency.

E2.3 Transition

(a) Agreements between two Members to apply standards, specifications or requirements which differ from those set out in the Scheme Documentation may continue notwithstanding Product Rules E2.2(a) and E2.2(b), pursuant to Product Rule E29.3 and subject to Product Rule E29.4.

(b) Members must:

- (i) review the Bilateral Agreements to which they are a party; and
- (ii) confer with the counterparty to each of those Bilateral Agreements,

to confirm whether any of its provisions will continue to apply despite the Scheme Documentation and, to the extent applicable, terminate or amend their Bilateral Agreements.

E3 [NOT USED]

E4 CLEARING AGENTS, SETTLEMENT AGENTS AND SERVICE PROVIDERS

E4.1 Clearing Agents and Settlement Agents

- (a) As set out in Product Rules E8(c)(ii)(A) and E8(c)(ii)(B), if a Member is:
 - (i) a Non-Clearer, it must be represented by a Clearing Agent; and/or
 - (ii) an Indirect Settler, it must be represented by a Settlement Agent.
- (b) In addition to its obligations to notify the Scheme Operator of certain matters in relation to a Representative Arrangement under Scheme Rules 10.2 (Representative Arrangements) and 10.3 (Obligations of Members), before entering into a Representative Arrangement to act as a Clearing Agent or Settlement Agent, each Clearing Agent and Settlement Agent must complete the documentation required by the Scheme Operator in respect of a clearing or settlement arrangement from time to time.
- (c) Except where the contrary intention appears, the Scheme Documentation applies between the Scheme Operator and a Clearing Agent, as if the Clearing Agent:
 - (i) and each and every one of its Non-clearers were the same person;
 - (ii) is the Issuer in respect of all of the eftpos Form Factors issued by its Non-clearers; and
 - (iii) is the Acquirer in respect of all of the eftpos Transactions acquired by its Non-clearers.
- (d) Except where the contrary intention appears, the Scheme Documentation applies between another Member (the **Counterparty**) and a Clearing Agent, as if the Clearing Agent:
 - (i) and each and every one of its Applicable Non-clearers were the same person;
 - (ii) is the Issuer in respect of all of the eftpos Form Factors issued by its Applicable Non-clearers; and
 - (iii) is the Acquirer in respect of the eftpos Transactions acquired by its Applicable Non-clearers.
- (e) In this Product Rule E4 **Applicable Non-clearers** means the Non-clearers on whose behalf the Clearing Agent carries out Clearing, with the Counterparty.
- (f) Except where the contrary intention appears, the Scheme Documentation applies between the Scheme Operator and a Settlement Agent in respect of Settlement, as if the Settlement Agent in respect of Settlement:
 - (i) and each and every one of its Indirect Settlers were the same person; and
 - (ii) is the Issuer or Acquirer (as the case may be) of all of the eftpos Transactions represented by the Settlement Agent in Settlement.
- (g) For the purposes of preparation of settlement reports, each Indirect Settler is reported as a counterparty. For the purposes of preparation of Batch Participant Reports, the position of each Indirect Settler is aggregated with the position of their Settlement Agent to provide the net Settlement obligation of the Settlement Agent.
- (h) Except where the contrary intention appears, the Scheme Documentation applies between another Member and a Settlement Agent, as if the Settlement Agent in respect of Settlement:
 - (i) and each and every one of its Indirect Settlers were the same person; and
 - (ii) is the Issuer or Acquirer (as the case may be) of all of the eftpos Transactions represented by the Settlement Agent in Settlement.

E4.2 Service Providers

- (a) Members may engage Service Providers in accordance with Scheme Rule 9 (Service Providers to Members) and this Product Rule E4.2.
- (b) Any Service Provider that has a Direct Connection, or seeks to establish a Direct Connection in accordance with Product Rule E26, is a **Connected Service Provider** for the purposes of the AP+ Scheme Rules.
- (c) For the purpose of Scheme Rule 9.1(b)(iii) (Appointing Service Providers) each Member:
 - (i) that wishes to engage a Connected Service Provider must complete the documentation referred to in Product Rule E26.1(a) in respect of the proposed Connected Service Provider Arrangement and otherwise comply with the requirements in Product Rules E26;
 - (ii) must notify the Scheme Operator if it terminates a Connected Service Provider Arrangement;
 - (iii) for any of its Connected Service Providers as at 22 October 2019, must:
 - (A) undertake periodic due diligence, including for the compliance by the Connected Service Provider with the Scheme Documentation;
 - (B) consider compliance by the Connected Service Provider in any Annual Compliance Attestation by that Member; and
 - (iv) for any of its Connected Service Providers from 22 October 2019, must:
 - (A) undertake initial and periodically repeated due diligence on the Connected Service Provider to ensure the Connected Service Provider meets the requirements of prudent risk management for the services provided, including compliance by the Connected Service Provider with the Scheme Documentation; and
 - (B) consider compliance by the Connected Service Provider in any Annual Compliance Attestation provided by the Member to the Scheme Operator.

E5 SUB-ISSUERS AND SUB-ACQUIRERS

- (a) A Sub-Issuer is permitted to:
- (i) issue those eftpos Form Factors that its Representative Issuer is permitted to issue; and
 - (ii) undertake the activities that an Issuer may perform in respect of such eftpos Form Factors, including in relation to eftpos Transactions effected using those eftpos Form Factors, in accordance with the Scheme Documentation (including Product Rule E9.2), as if it were an Issuer.
- (b) A Sub-Acquirer is permitted to:
- (i) provide to Merchants those acquiring services that its Representative Acquirer is permitted to provide to Merchants; and
 - (ii) undertake the activities that an Acquirer may perform in respect of such acquiring services including allowing Merchants to accept eftpos Transactions as a method of payment using Acceptance Devices, in accordance with the Scheme Documentation (including Product Rule E9.2), as if it were an Acquirer.
- (c) Notwithstanding Scheme Rule 10.2(c)(i), the Representative of a Sub-Issuer or a Sub-Acquirer is not required to notify the Scheme Operator of its intent to enter into the Representative Arrangement with the Sub-Issuer or Sub-Acquirer under Scheme Rule 10.2(c)(i), provided that the exemption in this Product Rule E5(c) does not limit any notification that a Representative may be required to provide in respect of any technical onboarding process (including under Product Rule E9.2).

E6 GOOD FAITH COOPERATION

- (a) Each Member must use its best endeavours to co-operate with each other Member and the Scheme Operator with respect to the Scheme Documentation.
- (b) Each Connected Service Provider must:
 - (i) perform its obligations under the Scheme Documentation in good faith; and
 - (ii) use its best endeavours to co-operate with each other Connected Service Provider, Member, the Scheme Operator and the eftpos Hub service provider with respect to the Scheme Documentation.
- (c) Examples, without limitation, where co-operation is needed are:
 - (i) scoping, planning and design workshops relating to and scheduling a Direct Connection;
 - (ii) establishing, testing, certifying and implementing each Direct Connection; and
 - (iii) Clearing and Settlement activities, including authorisation, discrepancy resolution, problem resolution, privacy enquiries, incidents involving Consumer Data or Personal Information, disputes and chargeback resolution, capacity planning and network performance, business continuity management, data incident response management and disaster recovery activities.

E7 MEMBERSHIP CRITERIA

Any person who:

- (a) is a Constitutional Corporation which carries on business at or through a permanent establishment in Australia; and
- (b) is able to or who, through operation of these Product Rules, will be able to:
 - (i) give its customers the ability to initiate eftpos Transactions;
 - (ii) acquire eftpos Transactions; and/or
 - (iii) facilitate through services provided by to it by other Members to meet Product Rules E7(b)(i) or E7(b)(ii) above,

in accordance with the applicable provisions of the Scheme Documentation and any applicable regulatory requirements, may apply in writing to become a Member. The above, together with the criteria contemplated by Product Rule E8, form part of the **Membership Criteria** for the purposes of Scheme Rule 3.2 (Consideration of Applications for Membership).

E8 ADMISSION OF NEW MEMBERS

- (a) The ICCC must admit an Applicant as a Member if it is satisfied that:
 - (i) the Applicant satisfies the applicable criteria in Product Rule E7;
 - (ii) the Applicant is able to comply with applicable laws, regulatory requirements and the Scheme Documentation (including in relation to certification, connectivity and Settlement (see Product Rules E9 and E26 and E28));
 - (iii) the Applicant:
 - (A) is an Australian ADI (as defined in the Corporations Act);
 - (B) will only represent and settle eftpos Transactions on behalf of Australian ADIs; or
 - (C) has sufficient financial resources to fulfil its obligations as a Member; and
 - (iv) admitting the Applicant as a Member will not:
 - (A) adversely affect the conduct of eftpos Transactions, eftpos Interchange Activities or the settlement thereof; or
 - (B) introduce a significant new risk or significantly increase an existing risk.
- (b) An Applicant that does not satisfy the Membership Criteria may be admitted as a Member if approved by the ICCC, which approval may be given subject to any specified conditions.
- (c) The Applicant must specify:
 - (i) the capacity in which the Applicant is applying to be a Member as any one, or a combination, of an Issuer, Acquirer, or Self Acquirer; and
 - (ii) the roles the Applicant proposes to undertake in respect of its participation in the eftpos Scheme, including whether it proposes to act as:
 - (A) a Direct Clearer or Non-clearer (and where the Applicant will be a Non-clearer, the Applicant's proposed Clearing Agent);
 - (B) a Direct Settler or Indirect Settler (and where the Applicant will be an Indirect Settler, the Applicant's proposed Settlement Agent); and
 - (C) a Clearing Agent or Settlement Agent.

Where the Applicant proposes to act as a Direct Clearer or Direct Settler it must also meet the requirements for a Direct Connection in accordance with Product Rule E26.

- (a) Each Direct Settler must be a body corporate that has an ESA and participates in RITS for eftpos Batch Settlement.
- (b) For clarity, an Applicant is not required to participate in Clearing or Settlement on its own behalf as a Direct Clearer or Direct Settler, nor for other Members as a Clearing Agent or Settlement Agent, and subject to Product Rule E26.2, is not required to have a Direct Connection.
- (c) When received by the Scheme Operator and at any time before notification from the ICCC of acceptance of the Applicant as a Member or notification by the Applicant of withdrawal of the Application for Membership, the Application for Membership and the Scheme Documentation create a contract under seal:
 - (i) between the Applicant and the Scheme Operator; and
 - (ii) the Applicant and each Member,

as if the Applicant were a Member for the purposes of:

- (i) implementing and testing a Standard Direct Connection Service, where the Applicant is seeking to establish a Direct Connection;
 - (ii) implementing and testing its ability to perform eftpos Interchange Activities and Settlement, where the Applicant is applying to participate as a Direct Settler;
 - (iii) interactions between the Applicant and Members and between the Applicant and the Scheme Operator in connection with the eftpos Scheme; and
 - (iv) the participation of the Applicant in the eftpos Scheme generally.
- (d) The Scheme Operator may require an Applicant to provide security for the performance of its obligations as a Member in an amount and in such form as the Scheme Operator considers appropriate.
- (e) Any decision made by the ICCC to admit a Member (including a decision made to admit a Member in a certain capacity or role under Product Rule E8(c)) must preserve, in the ICCC's opinion, Scheme Integrity.
- (f) Prior to refusing an Application for Membership, the ICCC must comply with the procedures in Product Rule E38.1.

E9 CERTIFICATION

E9.1 Certification for prospective Members

- (a) To satisfy the ICCC that an Applicant is able to comply with the Scheme Documentation, an Applicant must provide to the Scheme Operator as part of its Application for Membership a report of an agreed upon procedures engagement (refer Standard on Related Services ASRS 4400) from an independent auditor in respect of the Applicant's ability to comply with the Scheme Documentation.
- (b) The Scheme Operator must approve the independent auditor and the audit procedures to be performed pursuant to Product Rule E9.1(a).
- (c) An Applicant may as part of its Application for Membership:
 - (i) apply for one or more exemptions pursuant to Scheme Rule 11.4 (Exemptions); and/or
 - (ii) make non-compliance disclosures pursuant to Scheme Rule 11.1 (Compliance generally).

E9.2 Certification

If required by the Scheme Operator, a Member must:

- (a) register with the Certification Body and, before issuing or deploying an eftpos Form Factor or eftpos Terminal, putting into production any process or infrastructure used to process an eftpos Transaction or performing eftpos Interchange Activities, submit each eftpos Form Factor, eftpos Terminal, process or infrastructure to the Scheme Operator's Certification Body for confirmation of compliance with any Standards issued by the Scheme Operator from time to time relating to that eftpos Form Factor, eftpos Terminal, process or infrastructure; and
- (b) before engaging in Settlement in respect of eftpos Transactions, submit (or where necessary, cause its Settlement Agent to submit) each process or infrastructure to the Scheme Operator's Certification Body for confirmation of compliance with any Standards issued by the Scheme Operator from time to time relating to Settlement.

E10 EXEMPTIONS

Pursuant to Scheme Rule 11.4 (Exemptions), a Member may apply for an exemption from a Compliance Requirement, except that, and notwithstanding Scheme Rule 11.4(a), the Member may only do so in respect of Compliance Requirements in:

- (a) Scheme Rules 18 (Trade marks) and 20 (Fraud);
- (b) Product Rules E25, E26, E28, E29, E30 or E32;
- (c) the Product Procedures; or
- (d) the Secondary Documentation.

E11 [NOT USED]

E12 [NOT USED]

E13 TRANSITION

- (a) Any exemption granted by the Australian Payments Network in respect of a Member's activities as an Acquirer or Issuer in effect at the Commencement Date is deemed to have been granted by the Scheme Operator and continues to have effect for the period, and subject to any conditions, which were specified by the Australian Payments Network or included in the IAC Code Set.
- (b) If any exemption referred to in Product Rule E13(a) expires after the Commencement Date then a Member may, pursuant to Scheme Rule 11 (Scheme Compliance) and Product Rule E10, apply to the Scheme Operator to renew or continue the exemption granted by the Australian Payments Network, in respect of its activities as an Acquirer or Issuer. The decision of the Scheme Operator is final and supersedes any decision by the Australian Payments Network on the subject matter of the exemption.
- (c) Any instance of non-compliance or inability to comply which has been disclosed to the Australian Payments Network in respect of a Member's activities as an Acquirer or Issuer, and which has not been withdrawn at the Commencement Date, is deemed to have been disclosed to the Scheme Operator. Each Member authorises the Scheme Operator to seek details of any such non-compliance from the Australian Payments Network.
- (d) For clarity, as and from the Commencement Date, only the Scheme Operator is able to grant exemptions, pursuant to Scheme Rule 11 (Scheme Compliance), from any Direct Connection or Clearing or Settlement requirements.

E14 SUSPENSION AND TERMINATION

E14.1 Suspension Events

- (a) For the purposes of Scheme Rule 4.1(a)(vii) (Suspension), the following are additional **Suspension Events** for the purposes of the eftpos Scheme:
- (i) the Member (where they are a Direct Settler) or their Settlement Agent being subject to an FTS Event;
 - (ii) where the Member was admitted pursuant to Product Rule E8(b) and there is in the ICCC's opinion a material change in the Member's circumstances and such change requires the suspension of the Member to preserve Scheme Integrity;
 - (iii) the ICCC determines that suspension is necessary in order to preserve Scheme Integrity; and
 - (iv) where the Member is subject to Statutory Management, the ADI statutory manager (as defined in the *Banking Act 1959* (Cth)) requests that the Member be suspended.
- (b) Notwithstanding Scheme Rule 4.1(a)(v) (Suspension), if a Member becomes subject to Statutory Management, before determining to suspend the Member as a result of such Statutory Management the Scheme Operator will consider and monitor whether the Statutory Management enables the Member to continue to satisfy the applicable requirements to be a Member set out in the Scheme Documentation (including being capable of settling for the obligations it incurs under the Scheme Documentation on an ongoing basis and the Member has settled all outstanding obligations which it has incurred under the Scheme Documentation).
- (c) Prior to suspending a Member under Product Rule E14.1(a)(i), the ICCC must comply with the procedures in Product Rule E38.2, provided that in the case of an FTS Event or Potential FTS Event, reasonable opportunity may be limited to within the day opportunity.

E14.2 Effect of suspension

- (a) For the purposes of Scheme Rule 4.2(b) (Effect of suspension), by way of example in relation to the eftpos Scheme, a Member that is suspended under Scheme Rule 4.1 (Suspension) is not entitled to effect eftpos Transactions, engage in eftpos Interchange Activities or participate as an eftpos Batch Participant and must ensure that:
- (v) it declines any and all eftpos Transactions that its customers attempt to perform at an Acceptance Device; and
 - (vi) its Acceptance Devices do not process any eftpos Transactions.
- (b) If the Scheme Operator notifies an Acquirer that an Issuer has been suspended under Scheme Rule 4.1 (Suspension), the Acquirer must take immediate steps to update its Acceptance Devices so that Acceptance Devices do not process eftpos Transactions initiated using the BINs of the suspended Issuer.

E14.3 Termination Event

For the purposes of Scheme Rule 4.4(d)(i)(B) (Termination), the following is a **Termination Event**: where the Member is subject to Statutory Management which continues for more than 30 days and the ICCC considers that the Member no longer fulfils the requirements for participation as set out in the Scheme Documentation.

E15 DISABLING OF DIRECT CONNECTIONS

E15.1 The Scheme Operator may disable a Direct Connector

- (a) The Scheme Operator may, in accordance with Product Rule E28.6 or at any other time, without limiting Product Rule E16, disable a Direct Connection, or take such other action as the Scheme Operator considers necessary. The Scheme Operator may do this:
- (i) if the Scheme Operator determines that a temporary disablement is required to address maintenance or operational issues affecting the Scheme Infrastructure (including the eftpos Hub, eftpos TSP or any other system or application) or to implement a change or project;
 - (ii) if the Scheme Operator determines that a temporary disablement is required to address maintenance or operational issues affecting one or more Direct Connection (for example, where eftpos Transaction response times or eftpos Transaction volume received from impacted Direct Connections are regularly and frequently exceeding published service levels);
 - (iii) where the Scheme Operator considers that there is a failure to comply with the security requirements set out in the Product Procedures in respect of the Direct Connection;
 - (iv) for reasons that would entitle the Scheme Operator to suspend a Member's participation under Scheme Rule 4.1 (Suspension) or Product Rule E14.1; or
 - (v) if the Scheme Operator determines that a temporary or long term disablement is required to preserve Scheme Integrity.
- (b) A disablement under Product Rule E15.1(a) may be temporary or of a longer duration as determined by the Scheme Operator having regard to:
- (i) the impact of the disablement, or not disabling, on Scheme Integrity;
 - (ii) the damage caused to the Scheme Operator, the relevant Member (which may include the Direct Connector itself or where the Direct Connector is a Connected Service Provider, the Member that engages that Connected Service Provider), and/or any other Members by the disablement or a decision to not disable;
 - (iii) the cause to which Product Rule E15.1(a) applies; and
 - (iv) the number of eftpos Transactions, eftpos Terminals, eftpos enabled Acceptance Devices and eftpos Form Factors affected (if any).
- (c) Except for disablement under Product Rule E15.1(a)(iv), disablement may occur without prior notice.
- (d) Prior to disabling a Direct Connection under Product Rule E15.1(a)(iv) (other than where the disablement was by agreement of the Direct Connector and Scheme Operator), the Scheme Operator must comply with the procedures in Product Rule E38.2 and also consider:
- (i) the Direct Connector's conduct after it became aware that the circumstances giving rise to a disablement right had occurred, including:
 - (A) the steps and time taken to remedy the circumstances;
 - (B) preventative measures adopted to ensure the circumstances do not re-occur; and
 - (C) disclosure of the circumstances to the Scheme Operator;
 - (ii) the Direct Connector's history of compliance with the Scheme Documentation; and
 - (iii) whether any other action, such as the application of a Non-Compliance Charge under Scheme Rule 11.2 (Compliance Framework), is a more appropriate remedy.

- (e) Disablement under this Product Rule E15 will continue until the Scheme Operator is satisfied that the circumstance(s) that caused the disablement have been addressed by the Direct Connector. However, disablement will continue for only the duration reasonably necessary to address the cause of disablement.
- (f) In the case of disablement under Product Rule E15.1(a)(iv), this Product Rule E15 is subject to Product Rules E38.3 and E40, provided that where the disablement relates to a Member the decision will not be subject to the process in Product Rule E40 where the Member has been suspended under Scheme Rule 4.1 (Suspension).

E15.2 Effect of disablement

- (a) While a Direct Connector is disabled pursuant to Product Rule E15.1(a)(iv), the relevant Member is not entitled to effect eftpos Transactions and must ensure that:
 - (i) it declines any and all eftpos Transactions that its customers attempt to perform at an Acceptance Device; and
 - (ii) its eftpos Terminals do not process any eftpos Transactions.
- (b) If the Scheme Operator notifies an Acquirer that an Issuer has been disabled pursuant to Product Rule E15.1(a)(iv), the Acquirer (or its Connected Service Provider) must take immediate steps to update its Acceptance Devices so that Acceptance Devices do not process eftpos Transactions initiated using the BINs of the disabled Issuer.
- (c) The Fallback procedures referred to in the Product Procedures will apply if a Direct Connection to the eftpos Hub has been disabled, other than pursuant to Product Rule E15.1(a)(iv).
- (d) The eftpos Hub will store received eftpos Transactions for the duration of the disablement to which this Product Rule E15 applies and, other than in the case of a disablement pursuant to Product Rule E15.1(a)(iv), forward those eftpos Transactions to the relevant counterparties once the eftpos Hub or Direct Connection is operational.
- (e) Subject to Product Rule E15.2(a), disablement of a Direct Connector or eftpos Hub will not affect any right or liability arising under the Scheme Documentation.

E16 COMPLIANCE FRAMEWORK

E16.1 Compliance Requirements

For the purposes of Scheme Rule 11.2(b) (Compliance Framework), the Compliance Requirements are all provisions of the Scheme Documentation, including, any requirements to pay any fees or charges due to the Scheme Operator or, for those involved in eftpos Interchange Activities, another Member.

E16.2 Non-Compliance Charges

- (a) For the purposes of Scheme Rule 11.2 (Compliance Framework), the amount of any Non-Compliance Charges imposed will be determined by the ICCC, having regard to:
- (i) the Member's (including any of their Service Providers' Represented Affiliates and Eligible Subsidiaries) history of compliance with the Scheme Documentation;
 - (ii) the cause of the non-compliance;
 - (iii) the damage caused to the Scheme Operator or the eftpos Scheme's reputation and/or any other Members or Connected Service Providers by the non-compliance;
 - (iv) the impact of the non-compliance on Scheme Integrity;
 - (v) the Member's (including any of their Service Providers' Represented Affiliates and Eligible Subsidiaries) conduct after it became aware that the non-compliance had occurred, including:
 - (A) the steps and time taken to remedy the non-compliance;
 - (B) preventative measures adopted to ensure the non-compliance does not re-occur; and
 - (C) disclosure of the non-compliance to the Scheme Operator, as required under Scheme Rule 11.1(b) (Compliance generally);
 - (i) the number of eftpos Transactions, eftpos Terminals, eftpos enabled Acceptance Devices and eftpos Form Factors affected (if any);
 - (ii) any reason given by the Member as to why it should not be subject to Non-Compliance Charges; and
 - (iii) such other factors that are, in the ICCC's opinion, relevant to the assessment of the amount of the Non-Compliance Charge.
- (b) In respect of a Member, if the non-compliance has been disclosed by the Member to the Scheme Operator pursuant to Scheme Rule 11.1(b) (Compliance generally), the amount of any Non-Compliance Charge imposed by the ICCC on that Member must not exceed the higher of:
- (i) \$20,000; and
 - (ii) 1/10th of the average monthly amount of fees due to the Scheme Operator by that Member for the 12-month period prior to the imposition of the Non-Compliance Charge,
- for each non-compliant event.
- (c) In respect of a Member, if the non-compliance has not been disclosed by that Member to the Scheme Operator pursuant to Scheme Rule 11.1(b) (Compliance generally), the amount of any Non-Compliance Charge imposed by the ICCC on that Member must not exceed the higher of:
- (i) \$100,000; and
 - (ii) the average monthly amount of fees due to the Scheme Operator by that Member for the 12-month period prior to the imposition of the Non-Compliance Charge,

for each non-compliant event.

- (d) In respect of a non-compliance by a Direct Connector the amount of any Non-Compliance Charge imposed by the Scheme Operator on the Member that has engaged that Connected Service Provider, or the Member itself where the Direct Connector is a Member, for each non-compliant event is the amount calculated as follows:

$$F = (SF \times T) \times 2$$

Where:

F means the amount of the Non-Compliance Charge;

SF means the scheme fee per eftpos Transaction published by the Scheme Operator and applicable for the period during which the non-compliant event applied; and

T means the number of eftpos Transactions processed for the corresponding period in the preceding 12 month period, less the number of eftpos Transactions actually processed during the period before the non-compliant event applies (or where that gives rise to a negative number, then the number of eftpos Transactions actually processed during the period to which the non-compliant event applies).

- (e) Where a Direct Connector is also a Member, the Non-Compliance Charges that may be payable under the aggregate of Product Rules E16.2(b) or E16.2(c) and E16.2(d) will not exceed the amount payable by the Member under Product Rule E16.2(b) or E16.2(c) as applicable.
- (f) For clarity, consistent with Scheme Rule 11.1(g) (Compliance generally), but without limiting Product Rule E16.2(c), any non-compliance by a Service Provider, Represented Affiliate or an Eligible Subsidiary of a Member, will be taken as a non-compliance by the Member for the purposes of determination of Non-Compliance Charges payable by that Member and the application of Product Rule E16.2(g) and E16.2(h).
- (g) For the purposes of Product Rules E16.2(b) and E16.2(c) a single non-compliant event occurs whenever there is a failure to comply with a single requirement of the Scheme Documentation notwithstanding that the failure to comply may affect multiple eftpos Transactions, eftpos Form Factors or Acceptance Devices.
- (h) If a Member:
- (i) has multiple instances of the same non-compliant event; or
 - (ii) has not remedied a non-compliant event by the start of the Quarter after a Non-Compliance Charge has been imposed for that non-compliant event,

the Member is deemed to have committed an additional non-compliant event for each instance of the non-compliant event or for each Quarter in which a non-compliant event continues and the ICCC may impose a further Non-Compliance Charge on the Member in respect of that additional non-compliant event, subject in each instance to the applicable cap in Product Rules E16.2(b), E16.2(c) and E16.2(d).

E17 CONDITIONS

E17.1 The Scheme Operator may impose conditions

Without limiting Scheme Rule 4.3 (Conditions in lieu of suspension):

- (a) the Scheme Operator may:
 - (i) impose conditions on a Member's or a Connected Service Provider's activities; or
 - (ii) waive or vary other Members' obligations to that Member or a Connected Service Provider, pursuant, or related, to the Scheme Documentation;
- (b) the conditions, waiver or variation referred to in Product Rule E17.1(a) may only be applied:
 - (i) when a Member's or a Connected Service Provider's period of suspension or disablement (as applicable) ceases;
 - (ii) instead of suspending a Member or disabling a Direct Connector pursuant to Scheme Rule 4.1 (Suspension) or Product Rules E14.1, E15 or E28 (as applicable), provided that in the Scheme Operator's opinion suspension or disablement is not required to preserve Scheme Integrity; or
 - (iii) instead of, or in addition to, applying Non-Compliance Charges to a Member pursuant to Product Rule E16.2 or requiring payments under Product Rules E28 and E42;
- (c) any conditions, waiver or variation imposed by the Scheme Operator pursuant to Product Rule E17.1 must be required, in the Scheme Operator's opinion, to preserve Scheme Integrity; and
- (d) prior to imposing a condition on a Member's or a Connected Service Provider's activities or waiving or varying other Members' obligations to that Member or Connected Service Provider under Scheme Rule 4.3 (Conditions in lieu of suspension) or this Product Rule E17.1, the Scheme Operator must comply with the procedures in Product Rule E38.2.

E18 [NOT USED]

E19 TERMINATION OF DIRECT CONNECTION

E19.1 By the Scheme Operator

- (a) The Scheme Operator may terminate a Direct Connection if:
 - (i) the Direct Connector is subject to a disablement event under Product Rules E15.1(a)(iii) to E15.1(a)(v) and in the Scheme Operator's opinion, the event that caused the disablement does not arise from a Force Majeure Event and has not been appropriately addressed by the Direct Connector after a period of 30 days; or
 - (ii) if the Member (being the Direct Connector itself or the Member that has engaged the Connected Service Provider):
 - (A) experiences a Suspension Event; or
 - (B) is terminated under Scheme Rule 4.4 (Termination).
- (b) Prior to terminating a Direct Connection under Product Rule E19.1(a) (excluding E19.1(a)(ii)(B)), the Scheme Operator must comply with the procedures in Product Rule E38.2.

E19.2 Compliance with the Scheme Documentation

Any termination of a Direct Connection pursuant to this Product Rule E19 will not affect any right or liability arising under the Scheme Documentation prior to the date such a termination takes effect or arising in respect of any act, matter or thing occurring prior to that date, including in respect of a Member, obligations to comply with any requirements relating to ceasing to be a Member.

E20 NOTICE

E20.1 Notice of exemptions and non-compliance

The Scheme Operator will, as soon as practicable, notify in writing all Members of non-compliances disclosed to the Scheme Operator pursuant to Scheme Rule 11.1(b) (Compliance generally).

E20.2 Notice of disablement or termination of Direct Connection

- (a) The Scheme Operator will immediately notify all Direct Connectors to the eftpos Hub (in the case of a termination of a Standard Hub Service) and Members of any action taken pursuant to Product Rules E15.1 or E19.
- (b) The Scheme Operator will immediately notify all Member(s) on behalf of the relevant Direct Connector(s) to the eftpos API Gateway (in the case of a termination of any eftpos Service through eftpos API Gateway).
- (c) The Scheme Operator may also notify any of the following of a disablement, including the reasons for the disablement pursuant to Product Rule E15.1, or a termination pursuant to Product Rule E19:
 - (i) Australian Payments Network;
 - (ii) RBA; and
 - (iii) APRA.

E20.3 Notice of imposition of conditions

The Scheme Operator will immediately notify in writing all Members of any conditions, waiver or variation imposed by the Scheme Operator pursuant to Product Rule E17.1 unless, in the Scheme Operator's opinion, notification is not required having regard to Scheme Integrity.

E21 EXEMPTIONS, BILATERAL VARIATION, AND MATERIALITY

For the avoidance of doubt, a Member shall not be subject to an exercise of the Scheme Operator's powers pursuant to Scheme Rules 4 (Suspension and termination) or 11 (Scheme Compliance), or Product Rules E14, E15, E16, E17, E19 or E20:

- (a) when the Scheme Operator has granted an exemption for the non-compliance pursuant to Scheme Rule 11 (Scheme Compliance);
- (b) in respect of a bilateral variation of the standards, specifications or requirements set out in the Product Procedures that complies with Product Rule E29.2; or
- (c) in circumstances that the Scheme Operator determines, in its absolute discretion, to be immaterial or de minimis.

E22 EFTPOS TRANSACTIONS

E22.1 Issuers

Issuers must support and be capable of processing the following transaction types, in accordance with the Product Procedures:

- (a) Purchase;
- (b) Cashout;
- (c) Purchase and Cashout;
- (d) Refund, including Medicare Claim Refund;
- (e) Deposit;
- (f) Withdrawal;
- (g) Fallback;
- (h) Pre-Authorised Transactions as defined in the Product Procedures;
- (i) Reversals of the transaction types, and
- (j) Advices referred to in the Product Procedures.

E22.2 Acquirers

- (a) Acquirers must support and be capable of processing the following transaction types, in accordance with the Product Procedures:
 - (i) Purchase;
 - (ii) Cashout;
 - (iii) Purchase and Cashout;
 - (iv) Refund; and
 - (v) Fallback.
- (b) Acquirers may support the following transaction types:
 - (i) Pre-Authorised Transactions as defined in the Product Procedures;
 - (ii) Deposit;
 - (iii) Withdrawal;
 - (iv) Medicare Claim Refund;
 - (v) Reversals of these transaction types, and
 - (vi) in respect of Acquirers authorised by the Scheme Operator, Pre-Authorised Transactions utilising the eftpos Digital Acceptance channel.
- (c) Acquirers that support any of the transaction types in Product Rule E22.2(b) must be capable of processing them in accordance with the Product Procedures.
- (d) Any Cashout component of an eftpos Transaction must be in cash denominations and must be provided to or at the direction of the eftpos Consumer. For clarity, there is no obligation on Acquirers to permit or require Merchants to perform Cashout under \$5.00.

E23 EFTPOS FORM FACTORS

E23.1 eftpos Form Factors

- (a) An eftpos Form Factor is a card, application or method (whether or not in conjunction with equipment) for accessing an account that is:
 - (i) issued or made available by, or through a Representative Arrangement with an Issuer; and
 - (ii) can be used to initiate an eftpos Transaction.
- (b) All issued eftpos Form Factors must be compliant with the Scheme Documentation.
- (c) Issuers must report to the Scheme Operator at such intervals and in such manner as the Scheme Operator specifies, about the numbers of new and replacement eftpos Form Factors on issue and eftpos Transactions and Disputed Transactions and Chargebacks that occur in the reporting period.

E23.2 Warranties with respect to eftpos Form Factors

Each Issuer warrants that:

- (a) reasonable care and diligence has been taken in investigating the integrity of customers issued with an eftpos Form Factor by the Issuer;
- (b) all details of all current eftpos Form Factors issued by it (including lost and stolen eftpos cards and BINs) are updated daily within the relevant computer system to enable authorisation requests to be answered promptly;
- (c) it has complied with all applicable laws with respect to the provision of eftpos Form Factors it has issued to its customers; and
- (d) it will not impose upon a customer to whom it has issued any eftpos Form Factor any terms or conditions that conflict with the AP+ Scheme Rules or these Product Rules.

E23.3 Warranties with respect to eftpos acquiring

Each Acquirer warrants that:

- (a) reasonable care and diligence has been taken in investigating the integrity of the Merchants that it provides with merchant acquiring services;
- (b) it has complied with all applicable laws with respect to the provision of merchant acquiring services to its Merchant customers; and
- (c) it will not impose upon a Merchant that it provides with merchant acquiring services any terms or conditions that conflict with the AP+ Scheme Rules or these Product Rules.

E23.4 Multi-Network Cards

- (a) Issuers may issue eftpos Cards that are Multi-Network Cards.
- (b) In addition to Product Rule E9.2, Issuers will ensure that any integrated circuit (i.e. chip) card applications on a Multi-Network Debit Card which is a chip card, have been certified as compliant with the EMV Specifications.

- (c) Where the Multi-Network Debit Card is issued under a BIN allocated to the Scheme Operator or an Issuer, the chip application allowing processing of the transaction through the eftpos Scheme must be the primary application on the Multi-Network Debit Card. An Issuer may facilitate a change, after issuance, in the order in which any chip applications on a Multi-Network Debit Card may be read by eftpos Terminals and Digital Acceptance Devices using eftpos Mobile.
- (d) Where the eftpos Cobrand Card is issued under a BIN allocated to the Scheme Operator or an Issuer, the Issuer must not facilitate a change, after issuance, in the order in which any chip applications on a eftpos Cobrand Card may be read by eftpos Terminals and Digital Acceptance Devices using eftpos Mobile.
- (e) Issuers must report any instances when another payment system declines a Multi-Network Debit Card design where the Multi-Network Debit Card design complies with the requirements of Scheme Rule 18 (Trade marks).
- (f) Issuers must notify the Scheme Operator if the certification of a Multi-Network Debit Card is declined by another payment system, including providing the reason for the decline.
- (g) An Issuer that supports any functionalities (provisioning mechanism, authentication etc) of Click to Pay, or a similar feature, on Multi Network Debit Cards of any other payment scheme must support the corresponding functionalities of eftpos Click to Pay where supported by eftpos, on its eftpos Cards, including physical and digital cards.

E24 EFTPOS FORM FACTORS CAN TRANSACT AT ALL ACCEPTANCE DEVICES

E24.1 Acquirers

Acquirers must allow each and every holder of an eftpos Form Factor to perform eftpos Transactions at all Acceptance Devices for which it is the Acquirer, subject to the following:

- (a) an Acquirer must allow a holder of an eftpos Form Factor to perform:
 - (i) the transaction types described in Product Rule E22.2(a), unless the transaction type is exempted for specific channels and specific terminal types under the Product Procedures; and
 - (ii) such of the transaction types described in Product Rule E22.2(b) that it supports at the particular Acceptance Device;
- (b) during the normal hours of operation of the Merchant operating the particular Acceptance Device;
- (c) when applicable, the eftpos Transaction being duly authorised by the applicable Issuer in accordance with the Product Procedures; and
- (d) Product Rule E24.3 below.

E24.2 Issuers

Issuers must allow each and every holder of an eftpos Form Factor that they have issued to perform eftpos Transactions at all Acceptance Devices, subject to the applicable Issuer's right to, at its absolute discretion, decline an eftpos Transaction.

E24.3 Merchants

- (a) Merchants and Self Acquirers are not, and must not be, required to accept Prepaid Cards.
- (b) Acquirers must permit Merchants and Self Acquirers to:
 - (i) surcharge eftpos Transactions, provided that the surcharge is displayed as required by the Product Procedures; and
 - (ii) steer eftpos Consumers to use a particular payment method.

E24.4 If the Scheme Operator limits surcharging

- (a) The Scheme Operator may, by notice to Acquirers, limit the amount of any Merchant or Self-Acquirer surcharge or steering to reflect only the Reasonable Cost of Acceptance.
- (b) If the Scheme Operator so requires, the Acquirer must:
 - (i) ensure, within the earlier of 90 days of notification from the Scheme Operator to do so, or such other minimum notice period as applies to changes under the Merchant contract, that their contractual arrangements with their Merchants and any Self-Acquirer are consistent with Product Rule E24.3 above;

- (ii) ascertain from their Merchants and Self-Acquirers having the merchant category codes specified by the Scheme Operator from time to time and report to the Scheme Operator, such information and at such timeframes as may be specified by the Scheme Operator from time to time, including any surcharges and the method of calculation of any such surcharges applied by such Merchants and Self-Acquirers to eftpos Transactions; and
- (iii) take such action as is required to enforce the provisions of Product Rule E24.3(b)(i) with each such Merchant and Self-Acquirer.

E24.5 Acquirer reporting

Acquirers must report to the Scheme Operator at such intervals as the Scheme Operator specifies, about the numbers of eftpos Terminals deployed and Merchants enabled for eftpos Digital Acceptance in the reporting period.

E24.6 Acceptance Device compliance

Acquirers must ensure that all new and deployed eftpos Terminals and enabled Digital Acceptance Devices they provide are compliant with the Product Rules and Product Procedures.

E25 ABILITY TO ENGAGE IN EFTPOS INTERCHANGE ACTIVITIES AND SETTLEMENT OF EFTPOS TRANSACTIONS

E25.1 Engagement in eftpos Interchange activities

Each Issuer and Acquirer must be able to engage in eftpos Interchange Activities with each other Acquirer and Issuer (as the case may be) other than those Issuers and Acquirers that have been suspended under Scheme Rule 4.1 (Suspension) or had their Direct Connection disabled under Product Rule E15 (as applicable), by reason of a combination of:

- (a) Direct Connections to the eftpos Hub or other eftpos infrastructure or application or through an Issuer, Acquirer or Connected Service Providers with such connection;
- (b) until the eftpos Hub is operational, Direct Clearing Arrangements; and/or
- (c) having appointed one or more Clearing Agents to engage in eftpos Interchange Activities on its behalf.

E25.2 Engagement in settlement

Each Issuer and Acquirer must be able to settle eftpos Transactions with each other Acquirer and Issuer (as the case may be) (other than those Issuers and Acquirers that have been suspended under Scheme Rule 4.1 (Suspension)) using one or more of the methods described in Product Rule E28.2(a).

E25.3 Settlement arrangements for Acquirers and Self-Acquirers not otherwise eligible for an ESA

Unless notified otherwise by the Scheme Operator, without limiting the ability of an Acquirer or Self-Acquirer to approach any eftpos Batch Participant to be a Settlement Agent, if an Acquirer or Self-Acquirer, as a net payee, is not eligible to be an eftpos Batch Participant any existing Direct Settler that has more than 15% of the total eftpos Transaction acquiring volume receiving a written request from that Acquirer or Self-Acquirer must:

- (a) respond in writing to the Acquirer or Self-Acquirer with commercially reasonable terms within 30 days of the request; and
- (b) use its best endeavours to:
 - (i) enter into an agreement for the appointment of that existing Direct Settler as the Settlement Agent for the Acquirer or Self-Acquirer within 2 months of the written request from the Self-Acquirer on commercially reasonable terms consistent with the Product Rules and the Product Procedures; and
 - (ii) put Settlement arrangements consistent with the Product Rules and the Product Procedures into operation within 6 months of the written request from the Acquirer or Self Acquirer.

E25.4 Consequences of a failure under Product Rule E25.3

If an existing Direct Settler fails to meet the obligations in Product Rule E25.3 above to put Settlement arrangements in place in accordance with these Product Rules and the Product Procedures, then the

Scheme Operator may treat the failure as an undisclosed non-compliance by the existing Direct Settler and Scheme Rule 11 (Scheme Compliance) and Product Rule E16 will apply.

E26 DIRECT CONNECTORS

E26.1 Direct Connection arrangements

The Scheme Operator may from time to time prescribe and publish in the Scheme Library the following in respect of Direct Connections:

- (a) the documentation to be completed in respect of any prospective Direct Connection;
- (b) Standard Direct Connection Process;
- (c) Standard Direct Connection Service;
- (d) Standard Direct Connection Timeframe;
- (e) Standard Direct Connection Service levels; and
- (f) Standard Direct Connection testing protocol.

E26.2 Members must connect to the eftpos Hub

Each Member must connect, itself or via its Connected Service Provider, to the eftpos Hub by the date prescribed by the Scheme Operator.

E26.3 Members must pass through the eftpos Hub

- (a) Each Member, whether itself or via its Connected Service Provider, must route, all of that Member's eftpos Transactions with other Members to the eftpos Hub for Clearing and eftpos Interchange Activities.
- (b) A Member may route non-eftpos Transactions to the eftpos Hub for Clearing, subject to:
 - (i) any additional agreements required to support the routing;
 - (ii) any certification requirements for the connection between the eftpos Hub and the counterparty being completed; and
 - (iii) payment by the Member, whether directly or indirectly through the Scheme Operator, of the fees and charges applicable to the connectivity project, certification, processing services and the transactions routed.

E26.4 Minimum standards

- (a) In order to establish a Direct Connection, a person must either be a:
 - (i) Member and comply with the requirements in this Product Rule E26; or
 - (ii) Connected Service Provider and be subject to the requirements in Scheme Rule 9 (Service Providers to Members) and Product Rule E4.2, and comply with this Product Rule E26.
- (b) A Direct Connector must comply with:
 - (i) the Scheme Documentation; and

- (ii) in respect of the eftpos Hub, the COIN Operating Manual or as otherwise detailed within the relevant Service Schedule where connection to the eftpos Hub is not via COIN.

E26.5 Additional conditions

Each Direct Connector must:

- (a) in respect of a Direct Connection other than to the eftpos Hub, pay any fees and charges payable in respect of that Direct Connection; and
- (b) in respect of a Direct Connection to the eftpos Hub:
 - (i) pay the eftpos Hub Application Fee;
 - (ii) pay one month's eftpos Hub Processing Fee;
 - (iii) complete the Standard Direct Connection Process;
 - (iv) complete all acts required to implement the Standard Direct Connection Service and not hinder or delay steps required to implement and test the Standard Direct Connection Service with two or more Direct Connectors or the eftpos Hub service provider (as relevant), each within the Standard Direct Connection Timeframe; and
 - (v) process eftpos Transactions using a Standard Direct Connection Service.

E26.6 Co-operation for Direct Connections

- (a) Each Direct Connector and each other Member (if not a Direct Connector) must co-operate as required for each prospective Direct Connector to establish a Standard Direct Connection Service by doing the things listed in Product Rule E26.6(c) below and in the Standard Direct Connection Process, on request from the Scheme Operator and within the timeframes specified in the Standard Direct Connection Timeframe.
- (b) This co-operation requirement applies in respect of the dealings of each Direct Connector and each other Member with the Scheme Operator, the eftpos Hub, any Scheme Service Provider as nominated by the Scheme Operator, and each prospective Direct Connector as directed by the Scheme Operator.
- (c) Each Direct Connector and each other Member involved in the implementation of a Standard Direct Connection Service must:
 - (i) provide contact details for its appropriately skilled and qualified personnel to be involved in establishing the Standard Direct Connection Service;
 - (ii) meet with any party nominated by the Scheme Operator as a relevant counterparty to Clearing an eftpos Transaction in the case of a Standard Hub Direct Connection, within 3 months of notification from the Scheme Operator of receipt of documentation from a prospective Direct Connector, to develop and agree the Standard Direct Connection Service Project Documents in respect of the Standard Direct Connection Service;
 - (iii) schedule and initiate a project to implement the Standard Direct Connection Service, in accordance with the agreed Standard Direct Connection Project Documents for each Direct Connection in which the Direct Connector or Member (as relevant) is involved. The scheduling of projects will have regard to any other current projects involving that Direct Connector or Member within the same timeframe, whether those projects are for the Direct Connection of any other prospective Direct Connector or its own participation in any other change or project;

- (iv) comply with the Standard Direct Connection Process within the Standard Direct Connection Timeframe from the agreed project start date for the relevant Direct Connection under the Standard Direct Connection Service Project Documents;
 - (v) test, and make systems available for testing of, the Standard Direct Connection Service in accordance with the Standard Direct Connection Testing Protocol and within the agreed Testing Window specified in the Standard Direct Connection Project Documents. Testing is complete when all specified tests are successful in accordance with the criteria set out in the Standard Direct Connection Testing Protocol; and
 - (vi) participate in certification of the Standard Direct Connection Service.
- (d) Each prospective Direct Connector must co-operate with each Direct Connector and other Member as required for the prospective Direct Connector to establish a Standard Direct Connection Service by doing the things listed in Product Rule E26.6(e) below and in the Standard Direct Connection Process, within the timeframes specified in the Standard Direct Connection Timeframe.
- (e) Each prospective Direct Connector and each Member for whom the prospective Direct Connector may be providing Clearing services must:
- (i) provide contact details for its appropriately skilled and qualified personnel to be involved in establishing the Standard Direct Connection Service;
 - (ii) meet with the Scheme Operator and any other party nominated by the Scheme Operator as a relevant counterparty to Clearing an eftpos Transaction, within 3 months of confirmation from the Scheme Operator of receipt of documentation from a prospective Direct Connector, to develop and agree the Standard Direct Connection Service Project Documents in respect of the Standard Direct Connection Service;
 - (iii) schedule and initiate a project to implement the Standard Direct Connection Service, in accordance with the agreed Standard Direct Connection Service Project Documents for each Direct Connection of the prospective Direct Connector. This scheduling will have regard to any other current projects involving the prospective Direct Connector and the prospective Direct Connector's participation in any change or project within the same timeframe;
 - (iv) comply with the Standard Direct Connection Process within the Standard Direct Connection Timeframe from the agreed project start date for the relevant Direct Connection under the Standard Direct Connection Service Project Documents;
 - (v) test, and make systems available for testing of, the Standard Direct Connection Service in accordance with the Standard Direct Connection Testing Protocol and within the agreed Testing Window specified in the Standard Direct Connection Service Project Documents. Testing is complete when all specified tests are successful in accordance with the criteria set out in the Standard Direct Connection Testing Protocol; and
 - (vi) participate in certification of the Standard Direct Connection Service.
- (f) Product Rules E26.6(c)(i) and E26.6(e)(i) only apply until the eftpos Hub is operational.

E26.7 Determination of eligibility

- (a) The Scheme Operator may determine that a prospective Direct Connector is not eligible to be a Direct Connector if it does not meet the requirements of this Product Rule E26.
- (b) If a prospective Direct Connector is determined by the Scheme Operator to be:
 - (i) ineligible to be a Direct Connector to the eftpos Hub before the eftpos Hub Workshop is held, the Scheme Operator will refund all but the Direct Connection Administration Fee;

- (ii) ineligible to be a Direct Connector to the eftpos Hub after the eftpos Hub Workshop is held, the Scheme Operator will refund the eftpos Hub Processing Fee; or
- (iii) eligible to be a Direct Connector to the eftpos Hub, the eftpos Hub Processing Fee will be applied by the Scheme Operator towards the eftpos Hub Processing Fee applicable from cut over of the Standard Hub Direct Connection to production.

E26.8 Non-exclusive non-proprietary rights

Participation in the eftpos Scheme as a Member or Connected Service Provider is non-exclusive and does not confer any right, title or interest in Members or Connected Service Providers across the Scheme Infrastructure (including eftpos Hub) used to process eftpos Transactions over and above the contractual participation constituted by the Scheme Documentation.

E26.9 Additional agreements between Direct Connectors

Nothing in these Product Rules prevents any two Direct Connectors agreeing separately between them for additional services to the Standard Services. However, if a provision of any separate agreement is inconsistent with the Scheme Documentation, then the Scheme Documentation will prevail for the purposes of Clearing and eftpos Interchange Activities in respect of eftpos Transactions.

E27 [NOT USED]

E28 CLEARING AND SETTLEMENT

E28.1 Clearing

Members must engage in eftpos Interchange Activities and clear eftpos Transactions in accordance with the applicable provisions of the Scheme Documentation.

E28.2 Settlement

- (a) Each Member with Settlement obligations must engage in Settlement of eftpos Transactions with each other Member with Settlement obligations (other than those Members that have been suspended under Scheme Rule 4.1 (Suspension)) by:
- (i) using the eftpos Settlement Service for the eftpos Batch Settlement in RITS as a Direct Settler using that Member's own ESA;
 - (ii) by appointing a Direct Settler to settle on its behalf as a Settlement Agent in the eftpos Batch Settlement in RITS using the Settlement Agent's ESA; or
 - (iii) bilaterally pursuant to bilateral Settlement agreements. If a provision of any bilateral settlement agreement is inconsistent with the Scheme Documentation, then the Scheme Documentation prevails for the purposes of settlement in respect of eftpos Transactions. This Product Rule E28.2(a)(iii) only applies for bilateral settlement agreements between Settlement Agents and Indirect Settlers, or between Members following an FTS Event.
- (b) Each Issuer must pay to the applicable Acquirers the total net value of all eftpos Transactions:
- (i) initiated with eftpos Form Factors it has issued; and
 - (ii) that it has duly authorised, in accordance with the Product Procedures.
- (c) Settlement of amounts due between Members pursuant to the Product Rules will take place no later than the first RITS Business Day after the Batch Recorded Date in accordance with:
- (i) the Product Procedures; and
 - (ii) any other applicable agreement, regulation or procedure that binds the applicable Members.
- (d) For clarity, Settlement using eftpos Batch Settlement will take place on every RITS Business Day.
- (e) Following 30 days' notice from the Scheme Operator, Settlement of Scheme Fees due by the Members to the Scheme Operator pursuant to the Product Rules will take place every week on the first RITS Business Day after Tuesday, i.e. Wednesday morning except for public holidays, in accordance with:
- (i) the Product Procedures; and
 - (ii) any other applicable agreement, regulation or procedure that binds the applicable Members.
- For clarity, Settlement for the Scheme Fee using eftpos Batch Settlement will take place on every Wednesday or the next RITS Business Day of the week. The Settlement for the monthly Scheme Fee will take place on the first RITS Business Day after the first Tuesday of the month and shall include any other Scheme Fees owed to the Scheme Operator at that time. This Product Rule specifies a different time for payment of eftpos Scheme Fees than set out in Scheme Rule 7.2(b) (Scheme Fees).
- (f) The eftpos Hub will produce:
- (i) settlement reports for each Issuer and Acquirer each calendar day;
 - (ii) a netted Batch Participant Report provided to each eftpos Batch Participant, each RITS Business Day;

- (iii) a Batch Agency Report netted for each Direct Settler and Indirect Settler pairing, provided to each of the Direct Settler and the Indirect Settler, each RITS Business Day;
 - (iv) RITS Instructions for provision to RITS on behalf of each eftpos Batch Participant, each RITS Business Day; and
 - (v) a Scheme Fee Report for each Member for the week preceding the settlement of Scheme Fee and monthly Scheme Fees settled on the Wednesday or the next RITS Business Day of the week.
- (g) For the purposes of Part 3 of the *Payment Systems and Netting Act 1998* (Cth) (**Act**) as it applies to the multilateral netting arrangements contemplated by these Product Rules, all Direct Settlers appoint the Scheme Operator as co-ordinator of the arrangements. Each Direct Settler also appoints the Scheme Operator as Batch Administrator for the purposes of the eftpos Batch Settlement in RITS.
- (h) The Scheme Operator will and each eftpos Batch Participant authorises the Scheme Operator to:
- (i) calculate, each RITS Business Day, the net Settlement obligations of that eftpos Batch Participant against each other eftpos Batch Participant for themselves and for each Indirect Settler that they represent in RITS, for the purposes of the eftpos Scheme for that RITS Business Day;
 - (ii) transmit a multilaterally netted settlement batch RITS Instruction to RITS on behalf of that eftpos Batch Participant on each RITS Business Day. On the first RITS Business Day immediately following a Tuesday, the RITS Instruction will include the amount of the Scheme Fees payable by the eftpos Batch Participant to the Scheme Operator on that day;
 - (iii) request the RBA to assign a priority status to the Direct Settler's eftpos Batch Settlement obligation. Direct Settlers must not override that priority status; and
 - (iv) Settle any monies owed by the Members to the Scheme Operator, or by the Scheme Operator to the Members in any other manner, for any specified period, as communicated to the Members.
- (i) Direct Settlers must:
- (i) participate in Settlement in respect of eftpos Transactions using the reports specified in Product Rule E28.2(f) produced by the eftpos Hub;
 - (ii) settle on a netted basis between those Direct Settlers where the Direct Settlers settle bilaterally following an FTS Event; and
 - (iii) have sufficient funds in their respective ESA each RITS Business Day to fulfil the Settlement obligations, of that Direct Settler and each Indirect Settler or Non-clearer on behalf of whom it settles, in accordance with the requirements of the Product Procedures, irrespective of any disputes or discrepancies.
- (j) If:
- (i) a Member with Settlement obligations is suspended or terminated under Scheme Rule 4 (Suspension and termination), for the purposes of Scheme Rule 5(c) (Consequences of suspension or termination):
 - (A) the suspension or termination does not relieve that Member from fulfilling its obligations to pay any Settlement Items incurred prior to such suspension or termination in accordance with this Product Rule E28; and
 - (B) the obligation to pay Settlement Items continues until all of a suspended or terminated Member's outstanding liability for Settlement Items that occurred before their suspension or termination is extinguished;
 - (ii) a Settlement Agent suffers an FTS Event, as between the Settlement Agent and each Indirect Settler on behalf of whom it Settles, the Settlement Agent must:

- (A) ensure that all Indirect Settlers using that Settlement Agent for Settlement invoke their respective contingency Settlement arrangements for the payment of amounts in discharge of future Settlement obligations; and
- (B) immediately release any amounts received by the Settlement Agent on behalf of an Indirect Settler as payee and otherwise ensure that each Indirect Settler invokes their respective contingency Settlement arrangements for the receipt of amounts in discharge of future Settlement obligations; and
- (iii) an Indirect Settler suffers an Insolvency Event, as between the Settlement Agent and each Indirect Settler on behalf of whom it Settles, that does not relieve the Settlement Agent from the obligation to participate in Settlement for the Settlement Items of the relevant Indirect Settler, whether as payer or payee and the Settlement Agent must:
 - (A) discharge any Settlement obligations on behalf of the Indirect Settler as a payer; and
 - (B) immediately release any amounts received by the Settlement Agent on behalf of an Indirect Settler as payee.
- (k) Where the Settlement Agent or Indirect Settler referred to in Product Rules E28.2(j)(ii) and E28.2(j)(iii) respectively, is suspended or terminated as a result of the FTS Event or Insolvency Event (as applicable), Product Rules E28.2(j)(ii) and E28.2(j)(iii) are terms and conditions imposed on the Settlement Agent or Indirect Settler for the purpose of Scheme Rule 5(c) (Consequences of suspension or termination).

E28.3 eftpos Hub processing

Subject to the Product Procedures, the eftpos Hub will process, route or direct all eftpos Transaction and eftpos Interchange Activity messages routed to the eftpos Hub between Direct Connectors to the eftpos Hub and Members (for themselves and any other Member for whom they provide Clearing services and/or Settlement services). The Product Procedures and relevant subordinate documents describe the acquirer eftpos Hub services and issuer eftpos Hub services.

E28.4 Service levels

- (a) Each Member and each Connected Service Provider must meet the service levels and operational requirements as set out in the:
 - (i) Product Procedures, including the service schedule applicable to the infrastructure pursuant to which a Direct Connector has a Direct Connection;
 - (ii) RITS regulations if they are an eftpos Batch Participant; and
 - (iii) for Direct Connections to the eftpos Hub, the COIN Operating Manual, as if they are a member of COIN.
- (b) The service levels and operational requirements for the eftpos Hub are set out in the:
 - (i) Product Procedures; and
 - (ii) COIN Operating Manual.

E28.5 Service level failures reporting

- (a) At intervals specified by the Scheme Operator, the Scheme Operator will provide to each Issuer, Acquirer and Connected Service Provider a report for the immediately preceding calendar month indicating whether or not the eftpos Hub met relevant service levels.

- (b) At intervals specified by the Scheme Operator, each Direct Connector to the eftpos Hub must for itself and for each Member for whom it provides Clearing services, provide to the Scheme Operator a report for the immediately preceding period indicating whether or not the Direct Connector to the eftpos Hub met the service levels for its Standard Direct Connection Service.
- (c) Subject to Product Rule E4.2, at intervals specified by the Scheme Operator (no more frequently than monthly), each Direct Connector to Scheme Infrastructure other than the eftpos Hub must for itself (and for each Member for whom it provides services), provide to the Scheme Operator a report for the immediately preceding period indicating whether or not the Direct Connector met the service levels for its Direct Connection.

E28.6 Servicer disablement by Member or Direct Connector

A Direct Connector to the eftpos Hub may request that the Scheme Operator temporarily disable another Direct Connector's Standard Hub Direct Connection as permitted by the Product Procedures.

E28.7 Direct Connector may temporarily disable its own Direct Connection

A Direct Connector:

- (a) with a Direct Connection to the eftpos Hub may temporarily disable one link within its own Direct Connection to the eftpos Hub; and
- (b) with a Direct Connection to Scheme Infrastructure other than the eftpos Hub may temporarily disable that Direct Connection,

as permitted by the Product Procedures provided that full processing of eftpos Transactions through the Direct Connection to the eftpos Hub is restored within the required Restoration Period.

E28.8 The Scheme Operator may temporarily disable a Direct Connection to the eftpos Hub

In addition to Product Rule E15, the Scheme Operator may temporarily disable one or more links within a Direct Connection as permitted by the Product Procedures. Disablement under this Product Rule E28 will continue until the Scheme Operator is satisfied that the circumstance(s) that caused the disablement has been addressed by the Direct Connector or Member (as relevant) but only for the duration reasonably necessary to address the event that caused the disablement.

E28.9 Effect of disablement

- (a) While disabled pursuant to Product Rule E28, the Fallback procedures referred to in the Product Procedures will apply. The eftpos Hub will store received eftpos Transactions for the duration of the disablement to which this Product Rule E28 applies and forward those eftpos Transactions to the relevant counterparties once the eftpos Hub or Direct Connection is operational.
- (b) Disablement of a Direct Connector to the eftpos Hub, Member, the eftpos Hub or other Scheme Infrastructure under this Product Rule E28 will not affect any right or liability arising under the Scheme Documentation.

- (c) Each Member and Connected Service Provider must comply with the requirements of the Product Procedures for faults impacting the processing of eftpos Transactions, delivery of Settlement reports, Batch Participant Reports, Batch Agency Reports or RITS Instructions.

E28.10[NOT USED]

E28.11 Force Majeure

- (a) The Scheme Operator, a Member or any Connected Service Provider will not be liable for any failure or delay in the performance or discharge of its obligations in respect of a Direct Connection to the extent that such failure or delay is caused by a Force Majeure Event. This Product Rule does not apply:
 - (i) to an FTS Event or delay in Settlement caused by the Member or Connected Service Provider; or
 - (ii) if the failure or delay could have been prevented by reasonable precautions and could have reasonably been circumvented by means of alternate sources, workarounds or by using its best endeavours.
- (b) A Force Majeure Event cannot be claimed if caused by a breach of the Scheme Documentation by the party claiming it.
- (c) If a Member, Connected Service Provider or the Scheme Operator is impacted by a Force Majeure Event, the impacted party must follow the process set out in the Product Procedures.

E28.12 Business Continuity and Disaster Recovery

- (a) The Scheme Operator maintains and tests a business continuity and disaster recovery plan for the eftpos Hub which incorporates the COIN Operating Manual requirements. If the Scheme Operator invokes its disaster recovery plan related to the eftpos Hub or eftpos TSP, it will immediately notify all Direct Connectors to the eftpos Hub or eftpos TSP as appropriate to the circumstances that the plan is invoked.
- (b) Each Direct Connector must maintain and test a business continuity and disaster recovery plan for its Direct Connection. The plan must demonstrate its ability to continue to meet requirements for the Direct Connection to be Available in the event of an Incident, business interruption or a disaster being declared under the Direct Connector's business continuity and disaster recovery plan. If a Direct Connector invokes its disaster recovery plan, it must immediately notify the Scheme Operator that the plan is invoked.
- (c) In addition to the requirements in the AP+ Scheme Rules, each Member's business continuity and disaster recovery plan must meet the requirements of the business continuity standards for RITS members as published by the RBA from time to time for its Settlement arrangements. The plan must demonstrate its ability to continue to meet its obligations under these Product Rules in respect of Settlement, in the event of an Incident being declared under the Member's, the Scheme Operator's or the RBA's business continuity and disaster recovery plan as it pertains to Settlement.
- (d) If requested by the Scheme Operator, each Direct Connector must co-operate with and participate in end to end scenario testing in respect of their Direct Connection. Any such testing will involve no more than two Direct Connectors in any one year. The Scheme Operator will not request the same Direct Connectors to be involved each year.
- (e) If requested by the Scheme Operator, each Member must co-operate with and participate in annual end to end scenario testing in respect of their Settlement arrangements.

- (f) If requested by the Direct Connector, the Scheme Operator will, at the Direct Connector's cost and only during a Testing Window once in any two-calendar year period, co-operate with and participate in end to end scenario testing in respect of the Direct Connector's Direct Connection.

E28.13 Audit

- (a) On request from a Member certifying that the request is in exercise of an obligation at law, or a request of a regulator, the Scheme Operator must facilitate an Auditor to audit, inspect or obtain information relating to:
 - (i) the premises used by the Scheme Operator in connection with the eftpos Hub;
 - (ii) any agreements, arrangements or undertakings relating to the eftpos Hub, provided the Scheme Operator will not be required to disclose any commercially sensitive information; and
 - (iii) any practices or procedures of the Scheme Operator or the eftpos Hub service provider relating to the eftpos Hub or eftpos TSP, including those related to business continuity management, security, confidentiality of information and location of premises;for the purposes referred to in Product Rule E28.13(c).
- (b) The Scheme Operator may request an audit of a Direct Connector and if so requested the relevant Direct Connector must permit and/or facilitate an Auditor to audit, inspect or obtain information relating to:
 - (i) the premises used by the Direct Connector in connection with its Direct Connection;
 - (ii) any agreements, arrangements or undertakings relating to its Direct Connection, provided the Direct Connector will not be required to disclose any commercially sensitive information; and
 - (iii) any practices or procedures of the Direct Connector relating to its Direct Connection, including those related to business continuity management, security, confidentiality of information and location of premises;for the purposes referred to in Product Rule E28.13(c).
- (c) The purpose of an audit, inspection or request for information under this Product Rule is to verify whether the eftpos Hub or Direct Connection (as the case may be) is operated in accordance with applicable laws, the Scheme Documentation or to perform a root cause analysis to determine causation for any Data Breach.
- (d) If a Member requests an audit under Product Rule E28.13(a), the relevant Member consents to the results of the audit being provided to all Members and the Scheme Operator.
- (e) No more than one audit relating to the eftpos Hub can be requested by all Members in aggregate in each calendar year.
- (f) An audit does not relieve compliance with the Scheme Documentation.
- (g) The requesting party will bear the costs of the audit.

E29 PRODUCT PROCEDURES AND SECONDARY DOCUMENTATION

E29.1 Technical, operational and security rules

To avoid doubt, the following documents adopted or prescribed (or amended) in accordance with the Scheme Documentation from time to time are Secondary Documentation:

- (a) Standards;
- (b) Specifications; and
- (c) notifications about the timing requirements related to each.

E29.2 Bilateral variation

Two Members (each a **Relevant Member**) may agree for the limited purpose of their particular bilateral eftpos Interchange Activities to apply standards, specifications or requirements which augment those set out in the Product Procedures, subject to Product Rules E26.2, E26.3 and E28.2, until the Relevant Member's Standard Hub Direct Connection is operational, provided that:

- (a) each of the Relevant Members provides to the Scheme Operator, within 90 days of request by the Scheme Operator, a certificate addressed to the Scheme Operator given by the internal auditor of that Relevant Member (or other appropriate person approved by the Scheme Operator) to the effect that the bilateral adoption of the proposed standards, specifications or requirements by those Relevant Members (as disclosed in the certificate) will not lessen Scheme Integrity in any material way;
- (b) each Relevant Member must make such systems changes as are required to the systems used for their particular bilateral eftpos Interchange Activities to comply with the Product Procedures and enable provision of the information required to be provided to the Scheme Operator in accordance with the Product Procedures; and
- (c) no other Member or Connected Service Provider will be required, as a condition of engaging in eftpos Interchange Activities with any Relevant Member, to apply standards, specifications or requirements in connection with those Interchange Activities other than as set out in the Product Procedures.

E29.3 Transition of existing bilateral variations

If two Members are party to an agreement to apply standards, specifications or requirements which differ from those set out in the IAC Code Set, that:

- (a) applies as at the Commencement Date; and
- (b) complies with the IAC Regulations,

then subject to its terms, that agreement continues to apply and there is no obligation to comply with Product Rule E29.2(a), in respect of the standard, specifications or requirements in effect as at the Commencement Date. However, Product Rule E29.2(a) will apply to any changes to those standards, specifications or requirements since the Commencement Date and to any differences or augmentation to the standards, specifications or requirements in connection with a Standard Bilateral Direct Connection.

E29.4 Cessation of transition arrangements

Product Rules E29.2 and E29.3 cease to apply to:

- (a) clearing and eftpos Interchange Activities of a Member's eftpos Transactions when all Clearing and Interchange Activities for that Member in respect of eftpos Transactions with other Members is performed through the eftpos Hub; and
- (b) settlement of a Member's eftpos Transactions from the date that the Scheme Operator notifies Members that the eftpos Settlement Service through the eftpos Batch Settlement in RITS will become available.

E30 TESTING

- (a) The Scheme Operator may from time to time require one or more Members and Connected Service Provider to test their ability to comply with:
 - (i) the Scheme Documentation; and
 - (ii) any forthcoming amendment to the Scheme Documentation.
- (b) Members in their own right and on behalf of any of their Connected Service Providers must:
 - (i) comply, or ensure compliance with, the Scheme Operator's requirements pursuant to Product Rule E30(a); and
 - (ii) co-operate, or ensure compliance with, each other Member and Connected Service Provider involved.
- (c) Whenever practicable in the circumstances the Scheme Operator will:
 - (i) consult with the affected Member, whether in their own right on behalf of their Connected Service Provider, as to the scheduling of any testing requirement pursuant to Product Rule E30(a) which must occur within a Testing Window in respect of any Direct Connection; and/or
 - (ii) give the affected Member and Connected Service Provider reasonable notice of any testing requirement pursuant to Product Rule E30(a).

E31 [NOT USED]

E32 [NOT USED]

E33 FEES

E33.1 Interchange Fees

At any time after the Interchange Fee Commencement Date, two or more Issuers and Acquirers (each a Relevant Member) may agree to pay/receive Interchange Fees that vary from those set out in the Secondary Documentation, by agreement in writing. For the avoidance of doubt, no other Member will be required, as a condition of engaging in eftpos Interchange Activities with any Relevant Member, to pay/receive Interchange Fees that vary from those set out in any Secondary Documentation.

E33.2 Transition arrangements for existing bilateral Interchange Fee provisions

- (a) Unless both parties to a Bilateral Agreement opted into the Interchange Fees as published by the Scheme Operator by the Interchange Fee Commencement Date, any provisions with respect to the payment and/or receiving of Interchange Fees for eftpos Transactions in any Bilateral Agreement will continue until:
 - (i) expiry of the term of the Bilateral Agreement;
 - (ii) termination in accordance with the terms of the Bilateral Agreement; or
 - (iii) both Members agree that they cease to apply.
- (b) For clarity, if both the Issuer and Acquirer in an eftpos Transaction opted into the Interchange Fees as published by the Scheme Operator by the Interchange Fee Commencement Date, or one Member opted into the Interchange Fees as published by the Scheme Operator by the Interchange Fee Commencement Date and the other party became a Member after Interchange Fee Commencement Date, then no other Interchange Fees are payable between those parties for eftpos Transactions.

E33.3 Notice of bilateral pricing variations

If necessary to comply with a regulatory requirement, the Scheme Operator may specify procedural or other requirements, including notice to the Scheme Operator, that must be complied with by Members that:

- (a) are party to a Bilateral Agreement whose provisions relating to payment and/or receiving of Interchange Fees continued to apply on the Interchange Fee Commencement Date pursuant to Product Rule E33.2; or
- (b) are party to any agreement that commenced on or after the Interchange Fee Commencement Date, to vary any Interchange Fees set out in the Scheme Documentation.

E33.4 Fees are payable by Clearing Agents and Settlement Agents

Unless specified to the contrary, each Clearing Agent and Settlement Agent is liable to:

- (a) pay the Scheme Fees in respect of the eftpos Transactions for which it is the Clearing Agent or Settlement Agent; and
- (b) pay and/or entitled to receive the Interchange Fees, subject to any agreed bilateral pricing variations, in respect of the eftpos Transactions for which it is the Clearing Agent or Settlement Agent.

E33.5 Notice of fees

The Scheme Operator will notify Members, Direct Connectors and Service Providers of the fees payable by them (and any amendment to them) at least 60 days before the fees take effect, except if the change is needed to ensure the Scheme Operator remains compliant with the standards published from time to time by the RBA regulating fees payable in which case the Scheme Operator will provide to Members and Direct Connectors and Service Providers lesser notice but as much notice of fee changes as is possible in the circumstances while still complying with such standards.

E34 REPORTING AND PAYMENTS

E34.1 eftpos Transaction Report

- (a) At the end of each day each Issuer and Acquirer must submit a Member Batch File to the Scheme Operator containing, whether in their own right or on behalf of a Connected Service Provider, such information as required by the Product Procedures and such other information that the Scheme Operator may reasonably require from time to time.
- (b) The Scheme Operator may specify (and amend) the format and method of submitting the Member Batch File that relevant Members must use.
- (c) After the end of each calendar month, the Scheme Operator will provide to each Member an eftpos Transaction Report (except where the Member is a Non-Clearer or Indirect Settler represented by a Clearing Agent or Settlement Agent (as applicable), in which case the relevant Clearing Agent or Settlement Agent will receive the eftpos Transaction Report on behalf of that Non-Clearer or Indirect Settler), which forms part of a Tax Invoice issued by the Scheme Operator, containing the following information for the relevant Member (and each Non-clearer or Indirect Settler for which the Member acts as Clearing Agent or Settlement Agent (as applicable)):
 - (i) the number of each off-us eftpos Transaction type acquired by that Member during the calendar month with each Issuer with whom it directly settles;
 - (ii) the number of each off-us eftpos Transaction type performed by customers of that Member during the calendar month with each Acquirer with whom it directly settles; and
 - (iii) the number of On-Us Transactions for the Member by each eftpos Transaction type.
- (d) Unless disputed by the Member within 2 Business Days of receipt of the eftpos Transaction Report, each Member accepts that the eftpos Transaction Report is accurate and complete and will use the eftpos Transaction Report for the purposes of Product Rule E34.3.
- (e) If a Member does not submit the Member Batch File at the end of each day to the Scheme Operator or Interchange billing information to an Interchange counterparty, the Scheme Operator may require that Member to pay interest at the Late Payment Rate on any amounts due to the Scheme Operator or another Member for the preceding calendar month for the period of the delay.
- (f) In addition to Product Rule E34.1(e) above, if the Member does not submit or submits some but not all of the required categories of eftpos Transaction volume information to the Scheme Operator, the Scheme Operator may estimate the volume of the missing category of transaction information for the purposes of the billing of payments to the Scheme Operator. The estimation will be calculated by grossing up the missing category of transaction information by the Member's proportion (based on the last month of transactions reported by the Member) of the reported categories across all Members and applying the Member's proportion to that total.

For example:

Assuming the Member has 10% of the total monthly eftpos Transaction volume in all other categories, and all other Members have reported a total for the relevant category of 9,000,000 (representing an implied 90% of the total reported categories), then the category is grossed up by 10% for the relevant category to give 10,000,000 and the Member's share of the grossed up category would be 1,000,000 (i.e. 10% x 10,000,000).

E34.2 Calculation of fees and charges and tax invoices

The Scheme Operator will:

- (a) calculate the Scheme Fees payable by each Member for the week preceding the settlement of Scheme Fees and monthly Scheme Fees settled, on the Wednesday or the next RITS Business Day of the week;
- (b) calculate any Scheme Fees and Interchange Fees payable by each Member and each Connected Service Provider; and
- (c) issue to each Member and each Connected Service Provider a monthly report on the 3rd calendar day of each month consisting of Scheme Fees for the previous month.

E34.3 Payments between Members

Within 10 Business Days of the end of each calendar month, each Member (**Invoicing Member**) must extract from the reports which are provided by the Scheme Operator to the Invoicing Member, known as the Counterparty Invoicing Report and Invoice Reconciliation Report, on the basis of the aggregation for the relevant calendar month of the data obtained from the eftpos Hub and data submitted by the relevant Invoicing Member as part of that Invoicing Member's Member Batch File:

- (a) the gross Interchange Fees payable by it to each other Member for the preceding calendar month;
- (b) the gross Interchange Fees owing to it by each other Member for the preceding calendar month; and
- (c) issue or cause to be issued a Tax Invoice to each other Member in respect of any Interchange Fees that Member owes to the Invoicing Member as calculated under Product Rule E34.3(a).

E34.4 Set-off

An Invoicing Member may set off the amount payable to it by another Member under Product Rule E34.3(b) against the amount the Invoicing Member owes to that Member under Product Rule E34.3(a).

E34.5 Payment and interest on overdue amounts

- (a) Each Member must within 10 Business Days of receipt of a Tax Invoice pay the Scheme Fees and or Interchange Fees specified on that invoice, or the undisputed portion of such fees, to the Scheme Operator or any other Member as applicable.
- (b) In addition to any interest payable on unpaid Scheme Fees under Scheme Rule 7.2(c) (Scheme Fees), interest at the Late Payment Rate is payable on any Interchange Fees that have not been paid within 20 Business Days, unless a discrepancy has been notified under Product Rule E34.6.

E34.6 Discrepancies between Members

- (a) If there is a discrepancy between two Members as to the amounts due to or from each other under the Scheme Documentation, they must use their best endeavours to resolve the discrepancy within 10 Business Days after receipt of the Tax Invoices issued under Product Rule E34.3. The relevant Members will verify and exchange the relevant eftpos Transaction data required to calculate net discrepancies as part of this process.
- (b) Within 10 Business Days of resolution of a discrepancy under Product Rule E34.6(a) each relevant Member must pay any amount which is owing to the Invoicing Member.

- (c) Without limiting Members' obligations under this Product Rule E34.6, to disclose counterparty data to assist two Members to resolve a discrepancy, for example, to enable the resolution of discrepancies, including Disputed Transactions, the Scheme Operator may provide each Member with information from each other's Interchange Billing Reports or from the eftpos Hub to facilitate Settlement reconciliation.
- (d) If the relevant Members cannot resolve a discrepancy, after complying with the procedure in Product Rule E34.6(a), the discrepancy may be treated as a Dispute in accordance with the AP+ Scheme Rules.

E34.7 Review of eftpos Transaction Report

- (a) A Member may dispute any eftpos Transaction Report it receives or which is applicable to it or the Scheme Fee Report by notifying the Scheme Operator of a dispute within 2 Business Days of receipt of the relevant report. If a Member disputes an eftpos Transaction Report or the Scheme Fee Report, the Scheme Operator and Member will meet within 5 Business Days to resolve the dispute, with each providing such additional information as is necessary to resolve the dispute. If a dispute is not resolved within 5 Business Days of the date of the relevant report, the Scheme Operator will appoint an auditor in accordance with Product Rule E34.7(c) to audit the disputed report.
- (b) If requested to do so by the Scheme Operator, a Member must promptly provide the Scheme Operator with additional information to substantiate the dispute.
- (c) The Scheme Operator may appoint an appropriately qualified accountant to audit an eftpos Transaction Report, in which case:
 - (i) the Member concerned will, during normal business hours:
 - (A) co-operate with the person so appointed; and
 - (B) provide them with access to all of the books and records they reasonably require; and
 - (ii) the costs and expenses incurred in conducting the audit of:
 - (A) eftpos Transaction Reports will be borne by the Scheme Operator; and
 - (B) Member Batch Files will be borne by the Scheme Operator unless the audit determines that one or more Member Batch Files submitted by the Member concerned were incorrect in a material particular, in which case the costs and expenses will be borne by the Member concerned.
- (d) If the Member and Scheme Operator cannot resolve the dispute, after complying with the procedure in this Product Rule E34.7, the dispute may be treated as a Dispute in accordance with the AP+ Scheme Rules.

E34.8 Record retention

The Scheme Operator may retain, for as long as is required for legitimate business purposes of the Scheme Operator, any Member and any Connected Service Provider for their participation in the eftpos Scheme, information about eftpos Transactions of that Member, and any of its Indirect Settler or Non-clearers despite any termination of the participation of a Member or a Connected Service Provider.

E35 [NOT USED]

E36 [NOT USED]

E37 [NOT USED]

E38 PROCEDURAL FAIRNESS

E38.1 Procedural Fairness – refused Application for Membership, Non-Compliance Charges and ineligibility for a Direct Connection

- (a) Prior to making a decision to:
- (i) refuse an Application for Membership under Scheme Rule 3 (Membership);
 - (ii) apply a Non-Compliance Charge to a Member under Scheme Rule 11.2 (Compliance Framework) and Product Rule E16; or
 - (iii) determine a prospective Direct Connector is ineligible for a Direct Connection under Product Rule E26.7(a),

the ICCC or Scheme Operator (as applicable) must:

- (iv) notify the Applicant, Member or prospective Direct Connector;
 - (v) give the Applicant, Member or prospective Direct Connector a reasonable opportunity to address:
 - (A) the criteria on which the ICCC is proposing to refuse to admit the Applicant as a Member;
 - (B) the event(s) that gave rise to the ICCC's right to apply a Non-Compliance Charge to the Member; or
 - (C) the reasons causing the Scheme Operator to determine that the prospective Direct Connector is ineligible for a Direct Connection,
(as the case may be); and
 - (vi) give due consideration to any reasons given by the Applicant, Member or prospective Direct Connector:
 - (A) as to why its Application for Membership should not be refused;
 - (B) as to why it should not be subject to a Non-Compliance Charge; or
 - (C) as to why it should be eligible for a Direct Connection,
(as the case may be).
- (b) As soon as practicable after making its decision, the ICCC or Scheme Operator must give the Applicant, Member or prospective Direct Connector notice in writing of the ICCC or Scheme Operator's decision and an outline of the reasons for the decision (**Notice of Decision**).

E38.2 Procedural Fairness – suspensions, disablements, conditions and terminations

- (a) Prior to making a decision to:
- (i) suspend a Member under Scheme Rule 4.1 (Suspension);
 - (ii) disable a Direct Connection under Product Rule E15.1(a)(iv);
 - (iii) impose a condition on a Member's or Connected Service Provider's activities or waive or vary other Member's' or Connected Service Provider's obligations to a Member under Product Rule E17.1;
 - (iv) terminate a Member's participation under Scheme Rule 4.4 (Termination); or
 - (v) terminate a Direct Connection under Product Rule E19.1(a),

(as the case may be) the ICCC or Scheme Operator must:

- (vi) notify the affected Member(s) or Connected Service Provider(s) of the proposed decision;
- (vii) give the affected Member(s) or Connected Service Provider(s) a reasonable opportunity to address:
 - (A) the issues relating to the application or the conditions;
 - (B) the event(s) that gave rise to the ICCC's right to suspend the Member or the Scheme Operator's right to disable the Direct Connection;
 - (C) the event(s) that gave rise to the Scheme Operator's right to impose a condition or waive or vary obligations; or
 - (D) the event(s) that gave rise to the ICCC's right to terminate the Member's participation, or the Scheme Operator's right to terminate the Direct Connection (as the case may be), provided that in the ICCC or Scheme Operator's opinion the provision of such opportunity is not likely to have an adverse effect on Scheme Integrity. An opportunity provided by the ICCC under this Product Rule E38.2(a)(vii) in relation to a decision to terminate a Member's membership, will be taken to satisfy Scheme Rule 4.4(d)(ii) (Termination); and
- (viii) give due consideration to any reasons given by the Member(s) or Connected Service Provider(s) as to why:
 - (A) the application should be granted or the conditions should not be imposed;
 - (B) the Member or Connected Service Provider should not be suspended or disabled;
 - (C) the condition should not be imposed or the obligations waived or varied; or
 - (D) its participation or Direct Connection should not be terminated, (as the case may be).
- (c) As soon as practicable after making its decision, the ICCC or Scheme Operator must give the affected Member(s), or Connected Service Provider(s) a Notice of Decision.

E38.3 Grant of Stay of decision to suspend or terminate a Member

- (a) In the Notice of Decision to be provided to a Member pursuant to Product Rule E38.2(b), the Scheme Operator may notify the Member that the ICCC has granted a stay of the ICCC's decision to suspend or terminate that Member under Product Rule E38.2(a) (as the case may be), the period of such stay to be determined by the ICCC.
- (b) In considering:
 - (i) whether the ICCC should grant a stay of a decision to suspend or terminate a Member under Product Rule E38.3(a); and
 - (ii) the period of such a stay,
 the ICCC must have regard to:
 - (i) Scheme Integrity; and
 - (ii) the adverse consequences that a Member may suffer as a result of such suspension or termination.

E39 [NOT USED]

E40 REVIEWABLE DECISIONS

E40.1 Application of this Product Rule

This Product Rule applies to a decision of the Scheme Operator under Product Rules E15, E19, or E26.7(a) (each a **Reviewable Decision**).

E40.2 Notification of Reviewable Decision

- (a) A prospective Direct Connector or Member who wishes to request a review of a Reviewable Decision must issue a notice in writing to the Scheme Operator to that effect (**Reviewable Decision Notice**). For clarity, where a Reviewable Decision impacts a Connected Service Provider, the Member who has engaged the Connected Service Provider may submit a Reviewable Decision Notice under this Product Rule E40.2.
- (b) The Reviewable Decision Notice must be provided to the Scheme Operator within 10 Business Days of receipt by the Member of notification of a decision of the Scheme Operator under Product Rules E15, E19, or E26.7(a). The Scheme Operator will submit the Reviewable Decision Notice to the ICCC for review.

E40.3 Stay Order

- (a) A Member who requests a review of a Reviewable Decision under Product Rules E15 or E19 may request that the ICCC stay the operation of the Scheme Operator's decision until the ICCC reaches a determination under this Product Rule E40 (**Stay Order**).
- (b) In considering whether it should make a Stay Order, the ICCC must have regard to:
 - (i) Scheme Integrity; and
 - (ii) the adverse consequences that a Member may suffer as a result of such disablement or termination.

E40.4 Information to be provided to the ICCC

- (a) The parties to the Reviewable Decision must provide to the ICCC all information requested by the ICCC, including:
 - (i) in the case of a prospective Direct Connector who has been determined to be ineligible for a Direct Connection under Product Rule E26.7(a), all information provided by the prospective Direct Connector to the Scheme Operator in support of the request to establish a Direct Connection;
 - (ii) the notification of the ineligibility, disablement or termination (as the case may be) given by the Scheme Operator under Product Rules E15, E19, or E26.7(a);
 - (iii) the prospective Direct Connector's or Member's response to any notification given by the Scheme Operator under Product Rules E15, E19, or E26.7(a);
 - (iv) any documents in connection with the Scheme Operator's consideration of the reasons given by the prospective Direct Connector or Member or as to why it or its Connected Service Provider should be considered eligible or not be disabled or terminated (as the case may be); and
 - (v) the written notice provided by the Scheme Operator to the prospective Direct Connector or Member notifying the Company's decision and the outline of the reasons for the decision.

- (b) The parties must provide any information requested under Product Rule E40.4(a) within the time period specified by the ICCC.
- (c) The parties may provide written submissions or any other documents relevant to the Reviewable Decision to the ICCC before the ICCC makes its decision.

E40.5 Actions after reviewing Reviewable Decisions

- (a) In reviewing the Reviewable Decision, the ICCC must have regard to all matters considered relevant, including:
 - (i) the Scheme Documentation;
 - (ii) the desirability of Reviewable Decisions being reviewed in a timely manner;
 - (iii) the legitimate business interests of the parties to the Reviewable Decision;
 - (iv) the security, operational and technical requirements necessary for the safe and reliable processing of eftpos Transactions; and
 - (v) the information provided under Product Rule E40.4.
- (b) The ICCC may:
 - (i) confirm the decision reviewed;
 - (ii) vary the decision reviewed;
 - (iii) set aside the decision reviewed; or
 - (iv) set aside the decision reviewed and substitute a new decision.
- (c) The decision of the ICCC is final and binding on the parties.
- (d) The ICCC must terminate the review process without making a final decision if it thinks that:
 - (i) the Reviewable Decision Notice was vexatious; or
 - (ii) the basis for seeking a review of the Reviewable Decision is trivial, misconceived or lacking in substance.

E40.6 Losses of Members

If the ICCC varies or sets aside a decision that is the subject of the Reviewable Decision, the Scheme Operator will not be liable for any loss or damage to any prospective Direct Connector or Member, whether such loss or damage is direct or consequential (including economic loss and loss of profits).

E40.7 Costs

If the ICCC:

- (a) confirms the Reviewable Decision, the prospective Direct Connector or Member (as the case may be) must pay all costs reasonably incurred by the Scheme Operator, the prospective Direct Connector or the Member and the ICCC (including any fees payable to the members of the ICCC), in connection with the Review Process (**Review Costs**); or
- (b) varies or sets aside the Reviewable Decision, the ICCC must determine which party or parties will be responsible for paying some or all of the Review Costs.

E40.8 Procedures

The Scheme Operator may specify additional procedures for the conduct of reviews under this Product Rule E40.

E41 [NOT USED]

E42 WARRANTIES AND LIABILITIES

E42.1 Member warranties

At all times each Issuer and Acquirer, and to the extent relevant when on behalf of a Connected Service Provider, represents and warrants to each other Member and the Scheme Operator that:

- (a) it has the power to observe its obligations under the Scheme Documentation;
- (b) it performs its obligations under the Scheme Documentation in good faith;
- (c) except as contained in the Scheme Documentation, it has not relied on any representation made by any other Issuer, Acquirer or the Scheme Operator to induce it to become a Member, participate in the eftpos Scheme or otherwise act in accordance with the Scheme Documentation;
- (d) it has made (without reliance on any other Issuer, Acquirer or the Scheme Operator) its own independent assessment of:
 - (i) the Scheme Documentation; and
 - (ii) the financial condition of any Connected Service Provider with which it has entered an agreement relating to eftpos Transactions,
as being appropriate for its needs and requirements;
- (e) its obligations under the Scheme Documentation are valid and binding on it; and
- (f) it will not seek to prevent any other Issuer, Acquirer or the Scheme Operator from obtaining specific performance of its obligations in respect of a Direct Connection.

E42.2 No liability for indirect and consequential loss from a Direct Connector

- (a) Subject to Product Rules E14 to E19, to the maximum extent permitted by law none of the Scheme Operator nor any Issuer, Acquirer or Connected Service Provider is liable in respect of the eftpos Hub or a Direct Connection (as the case may be) for, and no measure of damages including a party's liability under Product Rule E42.4 will under any circumstances include:
 - (i) special, indirect, incidental, consequential or punitive damages;
 - (ii) loss of profits or loss of any of the following – revenue or clients, goodwill, bargain, anticipated savings, use of products or equipment, software, data or management time; or
 - (iii) in the case of the Scheme Operator, any other loss (direct or indirect) that is not caused by the negligence of the Scheme Operator,

whether the relevant claim is made for breach of contract, in tort (including negligence), under product liability legislation, under any other statute, under an indemnity or otherwise and whether or not the party was aware or should have been aware of the possibility of such loss or damage.

- (b) To the maximum extent permitted by law, but subject to Product Rule E42.2(c), the Scheme Operator, each Issuer, Acquirer and Connected Service Provider expressly disclaims all conditions and warranties, express or implied, in respect of the provision of the eftpos Hub, Direct Connection or the eftpos Settlement Service (as the case may be) that are not expressly set out in the Scheme Documentation.
- (c) If any guarantee, term, condition or warranty is implied or imposed in the Scheme Documentation pursuant to any legislation (including, without limitation, the *Competition and Consumer Act 2010* Cth) and the legislation avoids or prohibits provisions in a contract excluding or modifying the application of,

exercise of such guarantee, term, condition or warranty and the Scheme Operator, an Issuer, Acquirer or Connected Service Provider (as applicable) is able to limit its liability, the guarantee, term, condition or warranty is deemed to be included in the Scheme Documentation provided that the liability of the Scheme Operator, Issuer, Acquirer or Connected Service Provider (as the case may be) for breach of such guarantee, term, condition or warranty, if the legislation so permits, is limited to one or more of the following at the option of the Scheme Operator, Issuer, Acquirer or Connected Service Provider (as applicable):

- (i) resupply of the service; or
- (ii) cost of resupply of the service.

E42.3 Project delays for Standard Direct Connection services

- (a) The sole remedy available to either the Scheme Operator or a Direct Connector that made its systems available for testing to implement a Standard Direct Connection Service at the time agreed in a Standard Direct Connection Project Document (**Available Party**) when a counterparty to the Standard Direct Connection Service did not (**Delaying Party**) will be the Liquidated Damages.
- (b) Each Delaying Party agrees that the Liquidated Damages are a conservative and genuine pre-estimate of loss that each Available Party may suffer as a result of a delay in testing a Standard Direct Connection Service.

E42.4 Indemnities

- (a) Subject to Product Rules E42.2 and E42.8, each Direct Connector agrees to indemnify, and pay on demand, each other Direct Connector and the Scheme Operator against any and all liability, losses, claims, demands, actions, suits or proceedings (including all costs) which it suffers or incurs as a result of:
 - (i) in respect of any Service Provider to that Direct Connector, any failure or malfunction of and any Data Breach to the extent caused or contributed to by its respective Service Providers following a root cause analysis; or
 - (ii) in respect of a Direct Connection to the eftpos Hub, any Data Breach to the extent caused or contributed to by its respective Direct Connection following a root cause analysis.
- (b) Subject to Product Rules E42.2, E42.5, E42.7 and E42.8, the Scheme Operator agrees to indemnify, and pay on demand, each Issuer and each Acquirer against any and all liability, losses, claims, demands, actions, suits or proceedings (including all costs) which it suffers or incurs as a result of any Data Breach to the extent caused or contributed to by the eftpos Hub as a result of the Scheme Operator's negligence following a root cause analysis, calculated by reference to each Issuer and Acquirer's proportionate losses when compared to the aggregate losses incurred by all Members arising from the Data Breach caused or contributed to by the eftpos Hub.
- (c) For the purposes of this Product Rule E42.4, a root cause analysis is an investigation (which may include a forensic investigation), initiated by the Scheme Operator, of the conditions existing in respect of the premises, equipment, software and processes at each Direct Connector and the eftpos Hub involved in connection with a Data Breach and may include an audit pursuant to Product Rule E28.13. Each Direct Connector and the Scheme Operator will co-operate to perform a root cause analysis.

E42.5 The Scheme Operator is not liable

Subject to Product Rule E42.2, to the maximum extent permitted by law, the Scheme Operator will not be liable for any loss to any persons or damage to persons or property, whether such loss or damage is direct or consequential (including economic loss, loss of profits, loss of data, loss of potential savings or loss of business opportunity), howsoever arising out of the performance of the Scheme Operator's obligations under the Scheme Documentation (apart from Scheme Rule 16 (Confidentiality)) or other notification issued by the Scheme Operator, including:

- (a) any decision made by the Scheme Operator in connection with its rights or obligations under the Scheme Documentation;
- (b) any act or omission by any Member or Connected Service Provider or any person other than the Scheme Operator, its officers, employees or agents (including any errors or delays, any breach of warranty or undertaking or representation, any breach of the Scheme Documentation or any fraud or any forgery);
- (c) any act or omission by, or any refusal to do any act by, the Scheme Operator, its officers, employees or agents in good faith and without negligence or in reliance on any act, conduct or consent of any other person or on any instructions, information or document provided by any other person;
- (d) the failure of the Scheme Operator, its officers, employees or agents to receive instructions, information or documents from any other person, unless the failure has resulted from a negligent act or omission of the Scheme Operator;
- (e) the terms of any instructions, information or document given to the Scheme Operator, other than an error or omission resulting from a negligent act or omission of the Scheme Operator;
- (f) any error or omission in any document issued by the Scheme Operator, other than an error or omission resulting from a negligent act or omission of the Scheme Operator;
- (g) any technological failure of any sort (including without limitation any telephone computer or electrical failure);
- (h) any contractual arrangements between any Member and any other person;
- (i) any change in the status, financial condition, affairs or creditworthiness of a Member or another person, including in its capacity as a Direct Connector, Direct Clearer or Clearing Agent; or
- (j) any claim by a third party that the Scheme Operator or a Member has breached the Intellectual Property Rights of that third party (**Claim**) in respect of Licensed Materials under Product Rule E45.1(d).

E42.6 Response to Claim

Upon receipt of notification of a potential Claim, the Scheme Operator, at its sole discretion will use its reasonable endeavours to:

- (a) procure for the Scheme Operator and each Member and their Certified Users the right to continue using such Licensed Materials; or
- (b) replace or modify the infringing item(s) to make their use non-infringing, providing that any such replacement or modification will be at least functionally equivalent and without the Intellectual Property Right infringement causing the Claim, and that such replacement or modification will be carried out as soon as reasonably practical so as to avoid or reduce so far as possible any interruption in the Scheme Operator's and each Member's operations.

E42.7 Limitation of liability

If, notwithstanding Product Rule E42.5, any liability is incurred by the Scheme Operator in relation to the Scheme Documentation, to the maximum extent permitted by law, the aggregate amount of that liability in respect of all claims made by Members (and any of their Non-clearers or Service Providers) or Direct Connectors (and any entity for which they provide Clearing or Settlement services) in respect of, or arising out of, any one event will not exceed the aggregate amount of fees paid to the Scheme Operator by those Members or those Direct Connectors during the twelve (12) months preceding the month in which the liability is incurred.

E42.8 Contribution and limitation of claims period

Any amounts payable by the Scheme Operator, a Member or a Connected Service Provider under this Product Rule E42 is reduced in respect of each Member or Connected Service Provider or each other Member or Connected Service Provider (as the case may be) proportionately to the extent that the liability was caused or contributed to by that other party. No claims can be made under this Product Rule more than 12 months after the event giving rise to the liability first occurred.

E43 [NOT USED]

E44 [NOT USED]

E45 INTELLECTUAL PROPERTY

E45.1 Acknowledgement of the Scheme Operator's rights

- (a) Each Member acknowledges that the right, title and interest in and to all Intellectual Property Rights in the Scheme Documentation is and remains the property of the Scheme Operator.
- (b) From time to time, the Scheme Operator may make materials, including software and Standards, available to Members for use in connection with eftpos Transactions (**Licensed Materials**). The Scheme Operator will, in such instances, attribute ownership or copyright in Licensed Materials on the face of the Licensed Materials or through notification by the Scheme Operator to the Member.
- (c) Except as expressly set out in these Product Rules, no right, title or interest in the Intellectual Property Rights in the Licensed Materials is created or vests in any Member and nothing in these Product Rules operates to assign or transfer any title in, or ownership of, any Intellectual Property Rights in the Licensed Materials to any person.
- (d) Where copyright is attributed in Licensed Materials or other software to the Scheme Operator:
 - (i) the Licensed Materials or other software are the Confidential Information of the Scheme Operator and Scheme Rule 16 (Confidentiality) applies to those Licensed Materials or other software;
 - (ii) if required by the Scheme Operator, the Member will track Use and disclosure by the Member and will cause any of its Sub-Issuers, Sub-Acquirers or Service Providers to track Use and disclosure by that Sub-Issuer, Sub-Acquirer or Service Provider, of the Licensed Materials or other software;
 - (iii) unless otherwise stated in the Software Sublicence for the relevant software, the Scheme Operator grants to each Member and any
 - (A) Sub-Issuer or Sub-Acquirer for whom it acts as Representative; or
 - (B) Service Provider of the Member
 that is certified pursuant to Product Rule E9.2 and who enters a deed poll with the Scheme Operator in respect of this Product Rule E45.1 (**Certified User**) a non-exclusive, non-transferable, non-sublicensable, royalty-free licence (subject to Scheme Rules 4.4 (Termination) and 18 (Trade mark)) on the terms set out in the Software Sublicence of all of the Scheme Operator's Intellectual Property Rights that are incorporated, embedded in or otherwise associated with the Licensed Materials, for Use (excluding Development) of the Licensed Materials by the relevant Member and their Certified User, solely in connection with eftpos Transactions;
 - (iv) where stated in the Software Sublicence for the relevant software, the Scheme Operator authorises each Member and any Certified User of the Member, rights to use software, on terms set out in the deed poll, Scheme Rule 16 (Confidentiality) and the Software Sublicence for the relevant software; and
 - (v) the Licensed Materials or other software are delivered by the Scheme Operator to the Member and any of its Sub-Issuers, Sub-Acquirers or Service Providers on an "as is" basis and without representation or warranty, except to the extent that a representation or warranty cannot be excluded by law in which case the Scheme Operator's liability is limited to resupply of the goods or the cost of resupply of the goods or re-performance of the services or the cost of re-performance of the services.
- (e) Where copyright is attributed in Licensed Materials or other software to a third party, the Member acknowledges that:
 - (i) the Licensed Materials or other software are the Confidential Information of the nominated third party and that, as between the Scheme Operator and the Member (including any Sub-Issuer, Sub-

- Acquirer and Service Provider of the Member), Scheme Rule 16 (Confidentiality) applies to those Licensed Materials or other software;
- (ii) if required by the Scheme Operator, the Member will track Use and disclosure by the Member and will cause any of its Sub-Issuers, Sub-Acquirers or Service Providers to track Use and disclosure by that Sub-Issuers, Sub-Acquirers or Service Provider, of the Licensed Materials or other software;
 - (iii) the Scheme Operator may have limited rights to grant sub-licences for the Member or any of its Sub-Issuers, Sub-Acquirers or Service Providers to use the Licensed Materials or other software;
 - (iv) unless otherwise stated in the Software Sublicence for the relevant software, a separate licence, which will have terms substantially similar to those set out in the Software Sublicence (as applicable), is required to be entered into between the Scheme Operator and either or both of the Member and any of its Sub-Issuers, Sub-Acquirers or Service Providers (to the extent the Scheme Operator is permitted to do so) in respect of the use of the Licensed Materials;
 - (v) where stated in the Software Sublicence for the relevant software, the Scheme Operator authorises each Member and any Certified User of the Member, rights to use software, on terms set out in the deed poll, Scheme Rule 16 (Confidentiality) and the Software Sublicence for the relevant software; and
 - (vi) the Licensed Materials or other software are delivered by the Scheme Operator to the Member and any of its Sub-Issuers, Sub-Acquirers or Service Providers on an “as is” basis and without representation or warranty, except to the extent that a representation or warranty cannot be excluded by law in which case the Scheme Operator’s liability is limited to resupply of the goods or the cost of resupply of the goods or re-performance of the services or the cost of re-performance of the services.
- (f) Each Member agrees to immediately cease using and return to the Scheme Operator and cause all of its Sub-Issuers, Sub-Acquirers or Services Providers to immediately cease using and return to the Scheme Operator the Licensed Materials or other software if the Member ceases to be a Member or on request from the Scheme Operator.
- (g) The Member must not:
- (i) create or assert any lien, charge, mortgage, encumbrance or other right against the Licensed Materials or other software; or
 - (ii) transfer, licence, assign or otherwise deal in the Licensed Materials or other software.

E46 PRODUCT GLOSSARY

Acceptance Device means a Digital Acceptance Device or an eftpos Terminal as the case maybe.

Acquirer means a person participating in the eftpos Scheme as a Member and who:

- (a) provides acquiring services to a Merchant to allow the Merchant to accept eftpos Transactions as a method of payment; and
- (b) in connection with any eftpos Transaction involving the Merchant engages in eftpos Interchange Activities with the Issuer to the relevant eftpos Consumer.

For clarity, a Self-Acquirer is a type of Acquirer.

Active BIN means a BIN that is designated as active in the BIN Database.

Acquirer Identification Number or **AIN** means a unique 6-9 digit numeric institutional identifier specified or adopted by the Scheme Operator to identify Acquirers. Where the Acquirer is also an Issuer, the BIN allocated in relation to its proprietary debit cards may be utilised as its Acquirer Identification Number.

AP+ Scheme Rules means the document titled 'AP+ Scheme Rules' issued by AP+, originally approved by the Board of AP+ in August 2024 and as may be subsequently modified from time to time in accordance with Scheme Rule 6 (Governance and decision making) of the AP+ Scheme Rules.

API Platform means the application programming interface used to transmit and receive information in a form which can be read and used by the other parties of the Scheme Infrastructure to facilitate eftpos services and functionality.

Applicable Non-clearer has the meaning given in Product Rule E4.1(e).

Application for Membership means the application and associated documentation referred to in Product Rules E8 and E9.

Auditor means auditors, inspectors or other representatives, which operate internationally or are specialists in the field of the particular audit and have not been engaged by the entity being audited in respect of matters to which the audit relates.

Authorised eftpos Digital Merchant means a Merchant authorised by an Acquirer to accept eftpos Transactions in accordance with the Product Procedures.

Available means that the Direct Connection is capable of exchanging messages in respect of eftpos Transactions in accordance with the Standard Direct Connection Service Levels.

Available Party has the meaning in Product Rule E42.3

Batch Administrator means operator of the eftpos Batch Settlement Service with the authority to enter into RITS the net Batch Participant positions to be settled simultaneously in the eftpos Batch Settlement.

Batch Agency Report means a report for each Direct Settler and Indirect Settler pairing for their netted position.

Batch Participant Report means a report of the netted position of an eftpos Batch Participant (including any Indirect Settler on whose behalf they Settle) against each other eftpos Batch Participant (including any Indirect Settler on whose behalf they Settle).

Batch Recorded Date means:

- (a) the Transaction Settlement Date if that date is the same as a RITS Business Day; or
- (b) the next RITS Business Day if the Transaction Settlement Date is not a RITS Business Day.

Bilateral Agreement means an existing agreement between two (2) Members one being an Issuer and the other being an Acquirer with respect to eftpos Transactions and/or eftpos Interchange Activities.

BIN means a bank identification number, a unique 6-9 digit numeric institutional identifier for Issuers (also known as Issuer Identification Number (IIN)). BIN can include card BINs and/or token BINs.

BIN Database means the AIN-BIN database or any token BIN database maintained by the Australian Payments Network or such other administrator of the database from time to time and adopted by the Scheme Operator for use to identify Issuers.

Business Day means a day on which banks are open for business excluding Saturdays, Sundays and public holidays in New South Wales.

Cashout means a transaction that is used by an Acquirer (on behalf of a Merchant) to obtain authorisation from an Issuer to complete an eftpos Consumer initiated Cashout request at an eftpos Terminal.

Cardholder Initiated Transactions means any transaction where the Cardholder is present and provides their payment credential. This can be through an Acceptance Device. A Cardholder Initiated Transaction contains verification that a Cardholder was involved in the transaction.

Card-Not-Present (CNP) means card not present, which in the case of an eftpos Transaction means where a Cardholder's credentials are used without the Cardholder being physically present. For the purposes of the eftpos Scheme, this does not include mail order, telephone order transactions.

Certification Body means a subsidiary or a division of the Scheme Operator established to certify whether eftpos Form Factors, eftpos Terminals and any process or infrastructure utilised to process eftpos Transactions complies with the Standards and Specifications issued by the Scheme Operator from time to time.

Certified User has the meaning given in Product Rule E45.1(d)(iii).

Chargebacks has the meaning given in the Product Procedures.

Claims and Demands means claims, demands, damages, losses, costs, charges, expenses, actions, proceedings and liabilities whether at law, in equity or otherwise.

Clearing means the process of transmission and/or authorisation and, in the case of bilateral Settlement agreements reconciliation of payment instructions, between Issuers and Acquirers, arising out of eftpos Transactions.

Clearing Agent means a Direct Clearer that has been appointed by a Member who is a Non-Clearer to carry out Clearing on that Member's behalf.

COIN means the Community of Interest Network, administered by the Australian Payments Network, used to transmit eftpos Transaction and Settlement information for the purposes of approved payment systems, including the eftpos Scheme. For clarity, this is not the same as the eftpos Hub.

COIN Operating Manual means the operating manual maintained and administered by the Australian Payments Network for the purposes of the COIN.

Commencement Date means 1 January 2011.

Connected Service Provider has the meaning given in Product Rule E4.2(b).

Consumer Data means any information that is stored on, or appears on, an eftpos Form Factor.

Corrective Batch means:

- (a) the Batch Participant Report for the eftpos Batch Settlement netting only the adjusted Settlement obligations of each Direct Settler against each other Direct Settler following incorrect values being submitted to RITS in the Primary Batch after the Primary Batch has settled; and
- (b) the RITS Instruction for the eftpos Batch Settlement that is submitted to RITS to adjust incorrect values being sent to RITS for settlement in the Primary Batch after the Primary Batch has settled.

Counterparty has the meaning given to that term in Product Rule E4.1(d).

Deferred Payment means a single transaction which the cardholder has granted the merchant permission to perform, but which is processed by the merchant sometime after the consent has been granted. For clarity, the amount the merchant eventually charges may be less than (but never more than) the amount to which the cardholder has consented.

Delaying Party has the meaning in Product Rule E42.3.

Deposit means a transaction to credit funds to the account of an eftpos Consumer, other than in the process of returning goods or services.

Develop means develop in connection with the licence in Product Rule E45.1(d) includes create, add, modify, enhance, reduce, adapt or prepare derivative works based on that thing, and Development has a corresponding meaning.

Digital Acceptance Device means a website, mobile application, tablet application and any other acceptance equipment or application used through a payment channel where a physical eftpos Terminal is not present, as prescribed by the Scheme Operator from time to time, operated by or on behalf of an Authorised eftpos Digital Merchant.

Direct Clearer means a Member that is:

- (a) an Acquirer that carries out Clearing of eftpos Transactions directly with an Issuer (or that Issuer's Clearing Agent, as the case may be); or
- (b) an Issuer that carries out Clearing of eftpos Transactions directly with an Acquirer (or that Acquirer's Clearing Agent, as the case may be).

Direct Clearing Arrangement means an arrangement between two indirectly connected Members for the purposes of Clearing with each other directly.

Direct Connection means:

- (a) a direct communications link to the eftpos Hub for the purposes of exchanging payment instructions and related messages; or
- (b) a direct interface to any other Scheme Infrastructure, including:
 - (i) the eftpos TSP; or
 - (ii) as nominated by the Scheme Operator from time to time

Direct Connection Administration Fee means the fee determined by the ICCC and published by the Scheme Operator from time to time as the fee for evaluation of applications for Direct Connection.

Direct Connector means each Member with a Direct Connection and each Connected Service Provider.

Direct Settler means a Member that is:

- (a) an Acquirer that settles with an Issuer (or that Issuer's Settlement Agent, as the case may be), for the value of payment obligations arising from eftpos Interchange Activities between it and the Issuer; or
- (b) an Issuer that settles with an Acquirer (or that Acquirer's Settlement Agent, as the case may be), for the value of payment obligations arising from eftpos Interchange Activities between it and the Acquirer.

Disputed Transactions has the meaning given in the Product Procedures.

DSEP means in relation to an FTS Event, a Direct Settler excluded from the Primary Batch which, prior to becoming a DSEP:

- (a) fails to discharge Settlement obligations incurred by it (or any Indirect Settler or Non-clearer on behalf of whom it Settles) under or in accordance with the Scheme Documentation. This includes a failure to have sufficient funds in their ESA to settle their net Settlement obligation by 12 noon on the relevant RITS Business Day;

- (b) suffered an Insolvency Event, other than Statutory Management, in respect of itself; or
- (c) is otherwise suspended or terminated as a Member under Scheme Rule 4 (Suspension and termination).

DSEP Batch means:

- (a) the Batch Participant Report for the eftpos Batch Settlement netting only the Settlement obligations of each Survivor against a DSEP; and
- (b) the RITS Instruction netting only the Settlement obligations of all Survivors against a DSEP, where an FTS Event, not being an Insolvency Event, has occurred.

eftpos Access Code means the access code published by eftpos Access Australia Limited ABN 99 119 811 344 and effective until 30 November 2015.

eftpos Account Types means the eftpos Account Types specified in the Primary BIN Record for an Active BIN.

eftpos API Specifications means the document entitled eftpos API Specification published by the Scheme Operator from time to time.

eftpos Batch Participant means a Direct Settler that participates in eftpos Batch Settlement.

eftpos Batch Settlement means the settlement batch within RITS known as the eftpos Batch using a RITS Instruction provided by the Scheme Operator, whether through:

- (a) the Primary Batch;
- (b) the Secondary Batch;
- (c) DSEP Batch; or
- (d) Corrective Batch.

eftpos Card is a card which meets the requirements of Product Rule E23.1(a).

eftpos Card-Not-Present (CNP) Standard means the document of that name as published by the Scheme Operator from time to time. Formerly known as eftpos Digital Acceptance Framework (eDAF) Acceptance Criteria Standard.

eftpos Card-Not-Present (CNP) Solution Assessment Criteria defines the criteria by which a Member and all parties involved in the usage and handling of Card-Not-Present Transactions and the Member can prove compliance with the eftpos Card-Not-Present Standard. Formerly known as eftpos Digital Acceptance Framework (eDAF) Solution Assessment Criteria and includes reference to the eftpos Digital Acceptance Framework Assessor Guide.

eftpos Cobrand Card means a Multi-Network Debit Card issued by an Issuer where one of the eftpos (ACe) applications is the primary application on the chip.

eftpos Consumer means a customer of an Issuer who is issued with an eftpos Form Factor and a PIN or other authentication method or process prescribed by the Scheme Operator from time to time for use with that form factor.

eftpos Digital means eftpos Digital Acceptance and eftpos In-App Payment and any other payment channel notified by the Scheme Operator from time to time.

eftpos Digital Acceptance means functionality which enables:

- (a) a Registered eftpos Consumer to initiate eftpos Transactions with an Authorised eftpos Digital Merchant, using a Digital Acceptance Device;
- (b) an Authorised eftpos Digital Merchant to initiate an eftpos Transaction where the card is stored, or
- (c) an Authorised eftpos Digital Merchant to initiate a deposit to an eftpos Consumer using eftpos Digital, or

- (d) An registered eftpos Click to Pay Consumer to initiate eftpos Transactions with an Authorised eftpos Digital Merchant that supports eftpos Click to Pay.

eftpos Digital Acceptance Solution means a solution that performs eftpos Digital Acceptance functionality.

eftpos Digital Acceptance Framework Acceptance Criteria Standard has the same meaning as eftpos Card-Not-Present (CNP) Standard.

eftpos Digital Acceptance Framework Assessor Guide has the same meaning as eftpos Card-Not-Present (CNP) Solution Assessment Criteria.

eftpos Form Factor means an eftpos Card and any other form factors as prescribed by the Scheme Operator from time to time, which meet the requirements of Product Rule E23.1(a).

eftpos Hub means the centralised connectivity, message transmission, transaction storage and reporting infrastructure, operated by or for the Scheme Operator, for the Clearing of eftpos Transactions between Issuers and Acquirers and for related eftpos Interchange Activities. For clarity, this includes tokenisation and de-tokenisation of messages where the Scheme Operator is a token service provider.

eftpos Hub Application Fee means the aggregate of the Direct Connection Administration Fee, Standard Hub Direct Connection Fee and eftpos Hub Workshop Fee.

eftpos Hub Link Specification means the document entitled eftpos Hub Link Specification (eLS) published by the Scheme Operator from time to time.

eftpos Hub Processing Fee means the infrastructure fee, determined by the ICCC and published by the Scheme Operator from time to time as periodically payable by a Direct Connector for use of the eftpos Hub and in connection with the Standard Hub Direct Connection services.

eftpos Hub Workshop means a workshop in respect of an implementation project for a Standard Hub Direct Connection.

eftpos Hub Workshop Fee means the fee determined by the ICCC and published by the Scheme Operator from time to time for eftpos Hub Workshop attendance.

eftpos In-App Payment means an eftpos Transaction within a Merchant's Acceptance Device, using an OEM solution which includes eftpos.

eftpos Interchange Activities means the exchange of payment instructions and related messages between Members, usually by electronic means, in relation to eftpos Transactions.

eftpos Mobile means functionality which enables an eftpos Consumer, using an eftpos Form Factor, embodied as a Mobile Device, to initiate eftpos Transactions to purchase goods or services from a Merchant.

eftpos Mobile Service means the services, as defined in the Standard Mobile Service Schedule, provided by the Scheme Operator in support of eftpos Mobile.

eftpos Payment Token service means the service provided by the Scheme Operator for the issuance of Payment Tokens and detokenisation of tokenised Transactions.

eftpos Prop Card means an eftpos Card which is issued using:

- (a) an eftpos BIN;
- (b) Member owned BIN; or
- (c) eftpos Payment Token and displays the eftpos trade mark on the front of the card.

eftpos Secure means the functionality which enables Members, Connected Service Providers and Service Providers to utilise a Risk Based Analysis, a Strong Customer Authentication method or any other method as communicated by the Scheme Operator from time to time.

eftpos Settlement Service means the Settlement service provided by the Scheme Operator to Members, using eftpos Batch Settlement.

eftpos Terminal means a device or method (whether or not in conjunction with equipment) used by an Acquirer to put into effect an eftpos Transaction and includes each hardware and software component of it.

eftpos Transaction means an electronic funds transfer that:

- (a) involves an Issuer and an Acquirer; and
- (b) is processed via:
 - (i) an Interchange Link; and/or
 - (ii) processing infrastructure owned or operated by, or on behalf of, the Scheme Operator; and
- (c) is one of the transaction types described in Product Rule E22.1.

eftpos Transaction Report means the report referred to in Product Rule E34.1, which is an aggregation for the relevant calendar month of the relevant Member's Member Batch File.

eftpos TSP means the applications operated by the Scheme Operator for provision of Payment Tokens by the Scheme Operator for eftpos Mobile and eftpos Digital.

EMV Specifications means the EMVCo LLC Integrated Circuit Card Specifications for Payment Systems as in force from time to time.

Exchange Settlement Account or **ESA** means an exchange settlement account maintained with the RBA, which can be used for Settlement.

External Documentation has the meaning given in the section titled 'AP+ Scheme Rules' (immediately prior to Product Rule E1).

Fallback means a transaction that is used by an Acquirer (on behalf of a Merchant) when an eftpos Transaction cannot be completed on-line.

Fixed Frequency Payment means where an eftpos Consumer and a Merchant entered a Payment Arrangement where the frequency of transactions is fixed, e.g. memberships, subscriptions. The amount of each transaction may vary, e.g. utility bills.

Force Majeure Event means:

- (a) fire, flood, earthquake, or acts of God; or
- (b) acts of war, terrorism (excluding acts or omissions of the Scheme Operator's or Direct Connector's Personnel), riots, civil disorders or rebellions or revolutions impacting Australia and/or the relevant Direct Connector's premises and/or the eftpos Hub or other eftpos infrastructure or applications to which a Direct Connection applies (as the case may be).

Foundation Member means the Members that were Members of the eftpos Scheme as at 2010.

FTS Event occurs in respect of a Direct Settler, where that Direct Settler:

- (a) fails to discharge the Settlement obligations incurred by it (as payer) under the Scheme Documentation. This includes a failure to have sufficient funds in their ESA to settle their net Settlement obligation by 12 noon on the relevant RITS Business Day;
- (b) suffers an Insolvency Event in respect of itself; or
- (c) is otherwise suspended or terminated as a Member under Scheme Rule 4 (Suspension and termination).

Harmonisation Date has the meaning given in the section titled 'AP+ Scheme Rules' (immediately prior to Product Rule E1).

IAC means the Issuer and Acquirer Community Framework, as amended from time to time.

IAC Code Set means the code set administered by the Australian Payments Network for the Issuers and Acquirers Community as amended from time to time.

IAC Regulations means the regulations administered by the Australian Payments Network for the Issuers and Acquirers Community as amended from time to time.

Indirect Settler means a Member that has appointed a Settlement Agent to settle on its behalf.

Input Tax Credit has the meaning given to that term in the GST Law.

Instalment Payment means one of a series of purchase transactions, initiated by a Merchant, using card details previously provided by a cardholder to the Merchant, acting under authority granted to that Merchant by the cardholder, where the number of such transactions, the amount of each transaction, and the frequency of transactions being initiated have each been agreed between cardholder and Merchant prior to the first such transaction being initiated.

Intellectual Property Rights means all intellectual property rights including:

- (a) patents, copyrights, rights in circuit layouts, designs, trade or service marks, trade, business or company names, indication of source or appellation of origin, domain names, keywords, and any right to have confidential information kept confidential, whether registered or unregistered;
- (b) any application or right to apply for registration of, or assert or waive, any of the rights referred to in (a); and
- (c) moral rights.

Interchange Fee means the fee payable by an Acquirer to an Issuer for the processing of an eftpos Transaction, as determined by the ICCC and published by the Scheme Operator from time to time.

Interchange Fee Commencement Date means the date upon which the interchange fees (and/or formula for their calculation) first determined by the ICCC take effect.

Interchange Line means the communications channel that provides the medium over which Interchange is supported for a Standard Hub Service.

Interchange Link means each of the logical links between an Acquirer and the eftpos Hub and an Issuer and the eftpos Hub (as the case may be), which facilitates Interchange between them. Interchange Links are supported by an Interchange Line, and are either indirect via a third party intermediary, or direct between an Issuer and the eftpos Hub and an Acquirer and the eftpos Hub.

Interchange Settlement Report has the meaning given to it in the document called eftpos Hub Files and Reports.

Issuer means a person participating in the eftpos Scheme as a Member who issues an eftpos Form Factor and, in connection with any eftpos Transaction effected using that eftpos Form Factor:

- (a) assumes obligations to the relevant eftpos Consumer, which obligations are in the first instance discharged on its behalf by an Acquirer; and
- (b) as a result, engages in eftpos Interchange Activities with that Acquirer.

Licensed Materials has the meaning set out in Product Rule E45.1(b)

Liquidated Damages means the amount which is the lesser of:

- (a) the sum of Wages, Materials and Outsourced Testing Expenses; and
- (b) Liquidated Damages Cap.

Liquidated Damages Cap means 75% of the Standard Hub Direct Connection Fee.

Materials means the amount paid and which cannot be recouped by the Available Party for consumables purchased in anticipation of testing, which did not occur.

Medicare Claim Refund means the payment of a Medicare benefit from Medicare Australia to a patient.

Member has the meaning given in Product Rule E1.1(a).

Member Batch File is the file of that name specified in Product Procedure E9 (Reporting).

Membership Criteria for the purposes of the AP+ Scheme Rules, has the meaning given in Product Rule E7.

Merchant means a person which provides goods or services to an eftpos Consumer and which, in the normal course, is reimbursed directly or indirectly by the Acquirer to which it electronically transmits that eftpos Transaction, from the Acceptance Device that it operates. Note that a Staged Digital Wallet Operator is a sub-set of Merchant.

Merchant Initiated Transaction means an authorisation request that:

- (a) relates to a previous Cardholder-Initiated Transaction; or
- (b) relates to a Payment Arrangement,

but conducted without the Cardholder present, and without any Cardholder validation performed.

Merchant Service Fee means the transaction-based fee charged by the Acquirer to a Merchant for acquiring eftpos Transactions from that Merchant, whether collected on an ad valorem or flat fee basis or charged as a blended rate across all eftpos Transaction types or on the basis of a margin added to an interchange rate or any other basis.

mPOS (Mobile Point-Of-Sale) means a-wireless portable Acceptance Device which could either be an SPoC or a TTM.

mPOS – SpoC means Software-based PIN Entry on Commercial off-the-shelf means an external Acceptance Device paired with a Commercial Off the Shelf (COTS) device that has Software - based PIN Entry Capability that can facilitate transactions for eftpos Form Factors.

mPOS - TapToMobile (TTM) means acceptance directly on NFC-enabled Commercial Off the Shelf (COTS) mobile device without the need for an additional external Acceptance Device, that can facilitate transactions for eftpos Form Factors via contactless-only.

Multi-Network Card means either a Multi-Network Debit Card or a Multi-Network Credit Card.

Multi-Network Credit Card means a credit card issued by an Issuer that can be used to initiate either:

- (a) an eftpos Transaction; or
- (b) a transaction that is processed by another payment system, not being one connected to the eftpos Hub, accessing a credit account and/or a combined deposit and credit account, irrespective of form factor.

Multi-Network Debit Card means a debit card issued by an Issuer that can be used to initiate either:

- (a) an eftpos Transaction; or
- (b) a transaction that is processed by another payment system, not being one connected to the eftpos Hub, accessing a deposit account, irrespective of form factor.

Non-clearer means a Member that has appointed a Clearing Agent to carry out Clearing on its behalf.

Notice of Decision has the meaning given in Product Rule E38.1(b).

On-Us Transaction means a transaction that is:

- (a) initiated by a customer of a Member; and
- (b) acquired by that same Member.

Outsourced Testing Expense means the costs paid and which cannot be recouped by the Available Party to a third party provider to undertake or assist in testing, which did not occur.

Pay As You Go Payment (PAYG) means a Payment Arrangement where the eftpos Consumer or their behaviour has triggered an eftpos Transaction to occur. This could either be:

- (a) an ad-hoc transaction, e.g. order ahead apps; or
- (b) a transaction with variable frequency and fixed amount, e.g. auto-top up.

Payment Arrangement means where the eftpos Consumer and the Merchant entered an arrangement and the eftpos Consumer granted authority for to process eftpos Transaction(s) to occur for specific terms, which may include:

- (a) Fixed Frequency Payment;
- (b) Instalment Payment;
- (c) Post Payment Adjustment Payment;
- (d) Deferred Payment; and/or
- (e) Pay As You Go Payment.

PIN means a personal identification number which is either issued by an Issuer or selected by an eftpos Consumer for the purpose of the Issuer of the eftpos Form Factor authenticating the eftpos Consumer.

Post-Payment Adjustment means a single transaction arising when cardholder action subsequent to a previously authorised payment has resulted in additional charges being owed to the merchant, which the merchant has initiated using the card details provided during the original payment.

Potential FTS Event means any act, matter or thing which with the lapse of time or the fulfilment of any condition would, or would reasonably be likely to, result in an FTS Event.

Pre-Authorised means a transaction that is used by an Acquirer (on behalf of a Merchant) to obtain authorisation from an Issuer for a purchase transaction up to a certain amount prior to the purchase amount being calculated.

Primary Batch means:

- (a) the Batch Participant Report for the eftpos Batch Settlement netting the Settlement obligations of each Direct Settler against each other Direct Settler; and
- (b) the first RITS Instruction for the eftpos Batch Settlement that is submitted to RITS on a RITS Business Day.

Primary BIN Record means a record for a BIN by that name in the BIN Database.

Product has the meaning given in Product Rule E1.1(d)(iii).

Purchase means a transaction that is used by an Acquirer (on behalf of a Merchant) to obtain authorisation from an Issuer to complete an eftpos Consumer initiated purchase transaction with a Merchant. For the purposes of eftpos Open Loop Transit, a Deferred Card Present Purchase transaction is considered a Purchase transaction.

Purchase and Cashout means a transaction that is used by an Acquirer (on behalf of a Merchant) to obtain authorisation from an Issuer to complete an eftpos Consumer initiated:

- (a) Purchase transaction with a Merchant or Service Provider; and
- (b) Cashout request at an eftpos Terminal.

Quarter means a 3 month period commencing on 1 January, 1 April, 1 July or 1 October.

Reasonable Cost of Acceptance means the Cost of Acceptance in Standard 3 of 2016 "Product Rules Relating to Merchant Pricing for Credit, Debit and Prepaid Card Transactions" published by the RBA on 26 May 2016.

Recurring Payment means one of a series of purchase transactions, initiated by a Merchant, using card details previously provided by a cardholder to the Merchant, acting under authority granted to that Merchant by the cardholder, where there may or may not be a pre-agreed limit to the number of such transactions that the Merchant may initiate. For clarity, the amount of each transaction, and the frequency of each transaction, may be fixed or variable. Differentiated into following Payment Arrangements as part of eftpos CNP Standard:

- (a) Fixed Frequency Payment Arrangement; or
- (b) Pay As You Go (PAYG) Payment Arrangement.

Refund means a transaction that is initiated by an Acquirer (on behalf of a Merchant) when a Merchant has a need to return funds to an eftpos Consumer in respect of a prior Purchase; for example, if the eftpos Consumer has returned unwanted goods.

Registered eftpos Consumer means an eftpos Consumer holding an eftpos Form Factor and registered to use eftpos Digital in accordance with the Product Procedures.

Restoration Period means the time period specified by the Product Procedures for restoration to Availability of a Direct Connection which is not Available for any reason.

Restricted Subject Matter means:

- (a) clearing and settlement;
- (b) the functionality required to effect an eftpos Transaction;
- (c) wholesale pricing, including Scheme Fees and Interchange Fees;
- (d) eftpos Interchange Activities;
- (e) technical or operational rules and standards;
- (f) dispute resolution;
- (g) the display of any Trade Marks;
- (h) branding or requirements for marketing and advertising programs, including use of logos;
- (i) sanctions for non-compliance with the Scheme Documentation;
- (j) payment of financial incentives to Members;
- (k) the infrastructure that may be used to effect an eftpos Transaction; and
- (l) requirements for a Member to resign as a Member.

Reviewable Decision has the meaning given in Product Rule E40.1.

Risk Based Analysis means a method of authentication approved by the Scheme Operator which is proportional to the risk profile of the resource the Cardholder is trying to access and/or action it is seeking to execute.

RITS means the RBA Information and Transfer System.

RITS Business Day means a day RITS is open and able to effect settlement, which is every weekday except for weekdays which are declared public holidays for both Sydney and Melbourne.

RITS Instruction means a file in the format prescribed by the RBA and complying with the specifications for the RITS Batch Feeder.

Scheme Fee Report has the meaning given to it in the document called eftpos Hub Files and Reports – POS Specification.

Scheme Service Provider has the meaning given in the AP+ Scheme Rules and in these Product Rules includes the eftpos Hub Service Provider.

Secondary Batch means:

- (a) the Batch Participant Report for the eftpos Batch Settlement netting only the Settlement obligations of each Survivor against each other Survivor, excluding a DSEP; and
- (b) the second RITS Instruction for the eftpos Batch Settlement that is submitted to RITS on a RITS Business Day, netting only the Settlement obligations of all Survivors against each other Survivor, excluding a DSEP,

where an FTS Event, not being an Insolvency Event, has occurred.

Self Acquirer means a Merchant that is an Acquirer who electronically transmits or receives payment instructions for value to or from Issuers as a result of eftpos Transactions which are initiated at Acceptance Devices operated by that Merchant or any of the Merchant's Related Bodies Corporate.

Service Provider has the meaning given in the AP+ Scheme Rules and in these Product Rules includes Connected Service Providers, ACS providers, a card personalisation entities and terminal manufacturers.

Settlement means the process of funds being transferred from an Issuer's customer's account to an Acquirer's customer to discharge payment obligations between them, and between Members and the Scheme Operator, arising from eftpos Interchange Activity or eftpos Transactions.

Settlement Agent means a Direct Settler that has been appointed by a Member who is an Indirect Settler to settle on that Member's behalf.

Settlement Items means the payment obligations (whether as a payer or payee) between Issuers and Acquirers arising from eftpos Transactions and between Members and the Scheme Operator for Scheme Fees.

Single Payment means where the eftpos Consumer provided their card credentials to a Merchant for the purpose of a once-off transaction. The card credentials are not stored on file but the eftpos Consumer may elect post transaction to have their card credentials stored. Single Payment includes transactions at guest checkout.

Software Sublicence means the Secondary Document titled Software Sublicence.

Specification means any document, by whatever name called, that sets out principles for and timing required and methods suggested by the Scheme Operator for implementation of Standards.

Standard means the technical and business requirements prescribed by the Scheme Operator for the implementation of revised or new eftpos functionality or infrastructure enhancements related to eftpos Transactions, Acceptance Devices, eftpos Interchange Activities and any matter covered by the Product Rules.

Standard Direct Connection Process means the process to be followed by prospective Direct Connectors, including any documentation, process, timeline, project framework, change management process, testing process and protocols, certification process, communications protocols and such other explanation and information, which:

- (a) for a Standard Hub Service is as provided by the Scheme Operator from time to time to prospective Direct Connectors; and
- (b) for any connection to infrastructure or applications nominated by the Scheme Operator for the purposes of the eftpos Scheme, is as provided by the Scheme Operator from time to time to prospective Direct Connectors.

Standard Direct Connection Service means:

- (a) for Clearing, eftpos Interchange Activities of Settlement, the Standard Hub Service;
- (b) for the eftpos Mobile Service, a Direct Connection to the eftpos Hub or, where permitted by the Scheme Operator, to the eftpos TSP; and
- (c) for any other services made available by the Scheme Operator to Members for the purposes of the eftpos Scheme, a connection service nominated by the Scheme Operator to the relevant infrastructure or applications.

Standard Direct Connection Service Levels means the service levels referred to in Product Rule E28.4.

Standard Direct Connection Project Documents means the documents and project artefacts as they apply to a Standard Direct Connection Service set out in the document entitled Direct Connector On-Boarding Pack.

Standard Direct Connection Testing Protocol means the testing protocol prescribed by the Scheme Operator to test the Standard Direct Connection Service.

Standard Direct Connection Timeframe means, subject always to such delays as are necessary to ensure Scheme Integrity:

- (a) in respect of the eftpos Hub, the period of up to 9 months from the date of acknowledgement of receipt by the Scheme Operator of the application for membership, plus periods of commensurate duration as any extended testing or certification period or project delay caused by the relevant Direct Connector; and
- (b) in respect of any other Direct Connection, the period specified by the Scheme Operator in the Direct Connector On-Boarding Pack.

Standard Hub Direct Connection means a Direct Connection using a Standard Hub Service.

Standard Hub Direct Connection Fee means the amount determined by the ICCC and charged periodically by the Scheme Operator to each Direct Connector on a per Direct Connection basis as published by the Scheme Operator from time to time.

Standard Hub Service means the service described in the Standard Hub Service Schedule as published by the Scheme Operator from time to time for connection through the eftpos Hub.

Standard Hub Service Schedule means the document of that name published by the Scheme Operator from time to time.

Standard Mobile Service Schedule means the document of that name published by the Scheme Operator from time to time.

Standard Service means the Direct Connection services and the activities associated with those Direct Connection services as set out in the Direct Connection service catalogue published by the Scheme Operator from time to time, including without limitation:

- (a) the Standard Hub Service;
- (b) the eftpos Mobile Service;
- (c) the eftpos TSP Service Schedule;
- (d) the eftpos API Platform Service Schedule; and
- (e) administration services related to Disputed Transactions and Chargebacks.

Statutory Management has the meaning given in the AP+ Scheme Rules, however when used in these eftpos Product Rules refers to Statutory Management only where it occurs in respect of a Direct Settler.

Sub-Acquirer means a person who, through a Representative Arrangement with an Acquirer provides acquiring services to a Merchant to allow the Merchant to accept eftpos Transactions as a method of payment.

Sub-Issuer means a person who, through a Representative Arrangement with an Issuer, issues an eftpos Form Factor and, in connection with any eftpos Transaction effected using that eftpos Form Factor, through its Representative assumes obligations to the relevant eftpos Consumer, which obligations are in the first instance discharged on its behalf by an Acquirer.

Survivor means, in relation to an FTS Event, each eftpos Batch Participant other than the DSEP.

Termination Event has the meaning given in Product Rule E14.3.

Testing Window means any of the periods prescribed by the Scheme Operator in the change calendar issued by the Scheme Operator for the relevant calendar year.

Transaction Settlement Date means the date that the eftpos Hub assigns to the eftpos Transaction, derived from field 15 of an eftpos Transaction message.

Use means

- (a) in respect of Product Rule E45.1(d) install, use, copy, access, execute, reproduce, distribute, transmit, perform and display, and execute all other acts of copyright (other than Develop) now known or hereinafter devised; and
- (b) in respect of Product Rule E45.1(e) such activities as are permitted in the relevant licence.

Wages means the wages paid to the personnel of the Available Party for time spent or set aside in anticipation of testing, which did not occur, but only for the period until the personnel resumed other duties.

Withdrawal means a transaction that results in a debit to an eftpos Consumers' account, other than in the process of performing a Cashout, Purchase or Purchase and Cashout.

AMENDMENT HISTORY

Version	Date	Key changes
0.4.3	20 Aug 2010	Final Draft – for Board approval on 24/8/10. Incorporates final changes to version 0.3.4 sent to Members and Directors on 8/8/10.
0.4.4	23 Aug 2010	Amendment to clause 29.1 to clarify ability to vary ePAL specified interchange fees.
0.4.5	25 Aug 2010	As approved by Board on 24/8/10 (with date of commencement of Pre-Authorised transaction). To be considered at class meetings on 28 September 2010.
1.0	29 Sept 2010	As approved by Board on 24/8/10 and Issuer/Acquirer Class Meetings on 28/9/10.
1.1	7 Dec 2010	Amendment to clause 29.2 approved by the Board on 7 December 2010.
2.0	21 Sept 2012	<ul style="list-style-type: none"> Amendments to clauses 1.5, 4, 12, 15, 22, 24, 25, 31, 32, 38, 41, Schedule 1 definitions of Merchant Service Fee and Reasonable Costs of Acceptance and Schedule 2. As approved at class meetings on 20 November 2012. Additional minor and technical changes have been made to clauses 6, 10, 16, 21, 29, 31.2(b) and (c), 32.2(e), 32.3, 35, 37, 38.2 preamble and (a), 38.4, 40, Schedule definitions (except Merchant Service Fee and Reasonable Costs of Acceptance) and Schedule 2 and to the style and formatting.
3.0	02 Dec 2012	<ul style="list-style-type: none"> Amendments made across most Scheme Rules to incorporate the eftpos Access Code concepts, support the eftpos Chip and Contactless program, support the implementation of the eftpos Hub, support certain regulatory undertakings, as consequential changes and to remove obsolete language. New Rules were added as clauses 15, 19, 26, 27, 28, 29 and new Schedules 4 and 5 which caused consequential renumbering and cross reference changes to most rules. As a result, amendments appear in Scheme Rules 1.5, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42 and Schedules 1, 2, 3, 4 and 5.
3.1	7 Mar 2015	<ul style="list-style-type: none"> Amendments to introduce eftpos Digital. Update amendments and consequential amendments
3.2	Nov 2015	Amendments to facilitate eftpos Mobile, together with consequential changes arising from revocation of eftpos Access Code.
3.3	Mar 2016	<ul style="list-style-type: none"> Amendments to definition of Reasonable Cost of Acceptance

Version	Date	Key changes
		<ul style="list-style-type: none"> Alignment of notice for interchange fee changes to May 2016 RBA Card Payments Standards
3.4	Mar 2016	Amendments to incorporate settlement through the eftpos Batch Settlement Service
3.4	Jul 2016	Amendments following feedback from RBA, G&T and KWM
3.4	Oct 2016	<ul style="list-style-type: none"> Introduction of eftpos Settlement Service. Transfer of Mobile Licence from clause 3.4.1.1 of TOSR to Scheme Rules. Inclusion of licence for use of eftpos Disputes and Chargebacks workflow tool. Inclusion of support for direct connections by Members and Member Service Providers as token requestors and token aggregators and for Disputed Transactions and Chargeback services. Clarification of Member invoicing requirements following implementation of eftpos Centralised Interchange Fee calculation.
3.5	Mar 2017	Minor and technical changes relating to APCA name change.
3.6	Oct 2017	<ul style="list-style-type: none"> Addition of Deposit and Withdrawal as eftpos Transaction Types, and Corrective Batch as part of eSS. Updates to definitions for Digital Acceptance Device, eftpos Digital, eftpos Digital Acceptance (formerly eftpos Online), eftpos In-App Payment. Amendments to Direct Connector Application.
3.7	Mar 2018	Amendments to bilateral Interchange Link and bilateral Settlement provisions.
3.8	Sept 2018	Additions of definitions for supporting eDAF Merchant Initiated Transactions and some minor & technical changes.
3.9	Jun 2019	<ul style="list-style-type: none"> Member obligations for Service providers Updates to few existing definitions and addition of new definitions. Updates to cater for the Consumer Data Right regulations Minor & technical corrections
3.10	Jun 2020	Addition of API Platform functionality
3.11	Oct 2020	<ul style="list-style-type: none"> Additions of definitions for supporting eftpos CNP Taxonomy changes & eftpos Secure. Changes for eSS enhancements some minor & technical changes.

Version	Date	Key changes
3.12	Apr 2021	<ul style="list-style-type: none"> • Updates for API Gateway • Introduction of eftpos Cobrand Cards.
4.0	26 Sept 2021	To facilitate consolidation and the change in the nature of eftpos from a company limited by guarantee to a company limited by shares within a group owned by Australian Payments Plus Limited
4.1	07 Apr 2022	Minor changes (Distribution list and Approvals list)
4.2		Changes for: <ul style="list-style-type: none"> • eQR • mPOS • Minor changes to Approvals List
4.3		Board approval for: <ul style="list-style-type: none"> • Post harmonisation changes to introduce Sub-Acquirers and Sub-Issuers; and minor clarifications • Changes for Click to Pay (definition of).
5.0	1 Mar 2025	Restructure of eftpos Scheme Rules into eftpos Product Rules for AP+ scheme harmonisation