



Onboarding of Participants

Updated: September 24, 2018



Step 1. Endorsement from PPMI and the ACH Steercom

- 1. PPMI Certification of Membership
- 2. ACH Steercom approval
- 3. Signed ACH Agreement with PPMI
- 4. DDA2/ SSA from BSP Payments and Settlement Office (and also set-up Philpass Participant Browser) OR

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Sponsorship Agreement with a Sponsor Bank

SETTLEMENT ACCOUNTS



Demand Deposit Account (DDA)

- Demand deposit account of a Participant maintained with the BSP that will be used to fund and top up the DDA2.
- <u>Net credit settlement</u> will be posted to this account.



Secured Settlement Account (SSA)/(DDA 2)

- Funds deposited with the BSP for the settlement of <u>net debit</u> clearing obligations arising from InstaPay transactions.
- InstaPay transactions shall be prefunded via the SSA so that every participant in the InstaPay ACH is assured of settlement.

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PARTICIPANT TYPE

Direct

Sponsoring (Parent)

a direct clearing participant who is a PhilPaSS member participating in InstaPay.

a direct member of PhilPaSS who enters into an arrangement with another Participant who is not a member of PhilPaSS, allowing the latter to settle their InstaPay transactions through the former's DDA

Sponsored (Child)

not a PhilPaSS member but directly participates in InstaPay through an arrangement with a Sponsor (Parent), allowing the Sponsored (Child) to settle its InstaPay transactions

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Step 2. Completion of the following requirements

- 1. Signed NDA with BancNet
- 2. Signed SLA with BancNet
- 3. Settlement of Connection Fee (waived for BancNet members)

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4. Unique BIN

Step 3. Connectivity Options

As Sender and Receiver

As Receiver

via API (Application Programming Interface)

Participant to define & develop API connection & integrate with BancNet.

via ATM Switch

Participant to define in their system the Acquirer Code for InstaPay transactions & initiate comfort testing.

*For BancNet members participating in IBFT

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Step 4. Preparation for Testing

- 1. Development of API by the Participant
- 2. Channels to be enabled as Sender
- 3. Accounts to be allowed as Sender and Receiver

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- 4. Application Form (Target date to start testing)
- 5. IPSec VPN Form (IP addresses and ports)

Step 5. Testing to Implementation

STAGE	M1		M2			M3			M4							
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Network Connection (Test)																
SIT																
 UAT ➤ UAT Certificate ➤ Activation Form ➤ IPSec VPN (Prod.) 																
 Preparation for Production Network Connection Operations Walkthrough Parameters Notification Form Access 																
Actual Implementation																

Insta Pay of

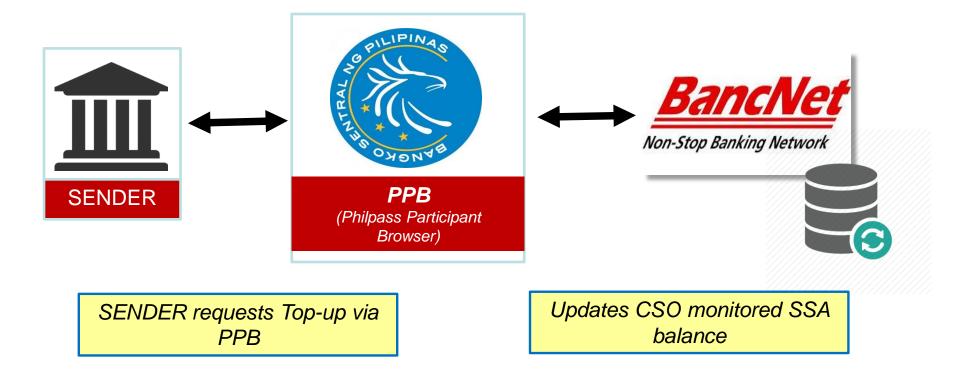
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Top-up Process

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Transaction Flow – Top-up Request



Top-up Request

Top-up window (based on time received by BancNet)	Top-up is applied at
9:15 am to 10:45 am	11:00:01 AM
10:46 am to 2:45 PM	3:00:01 PM
2:46 PM to 5:45 PM	12:00 AM (next day)



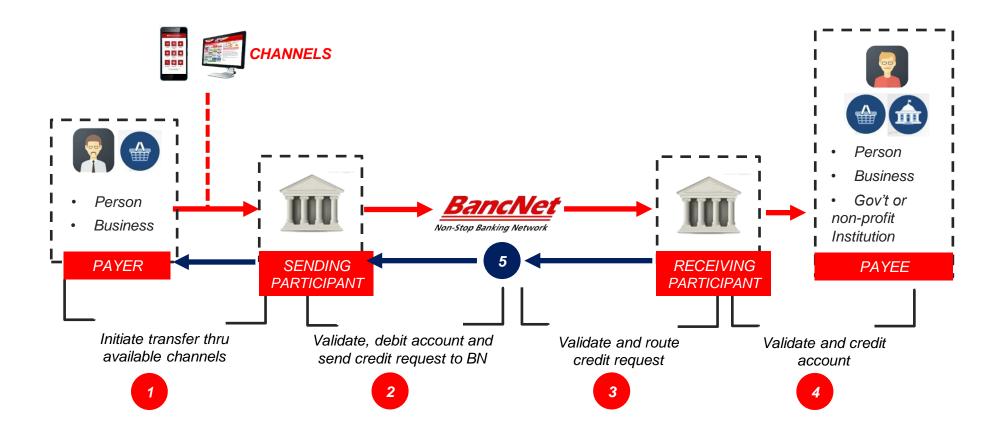
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Transaction Process

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Transaction Flow - Sending/Receiving





Sending/Receiving (Connectivity / Interface)

SENDER- sends Instapay requests to BancNet via API message format

RECEIVER

 receives Instapay transfers via <u>ATM switch</u> <u>format</u> or via <u>API message format</u>.

Note:

Instapay Receivers that are **non-BancNet members will be required to Receive via API.**

Sending/Receiving (Notifications)

- SENDER will receive Email alerts whenever SSA thresholds are reached.
- Thresholds are currently set at 50%, 70%, 90%, and >100% (rejected).

FILE	MESSAGE
To UBP_ins	Wed 4/11/2018 1:00 PM BancNet InstaPay <instapay@bancnetonline.com> Instapay Notification (50% of SSA balance reached) stapaynotify@bancnetonline.com</instapay@bancnetonline.com>
Dear Ui	nion Bank,
	o notify that as of Wed Apr 11 13:00:25 PHT 2018, you have reached 50% of your Instapay lance amounting to 9,900. Your remaining balance as of this time is 4,667.
Please f	und your SSA as necessary to avoid declined transactions.
BancNe	et,



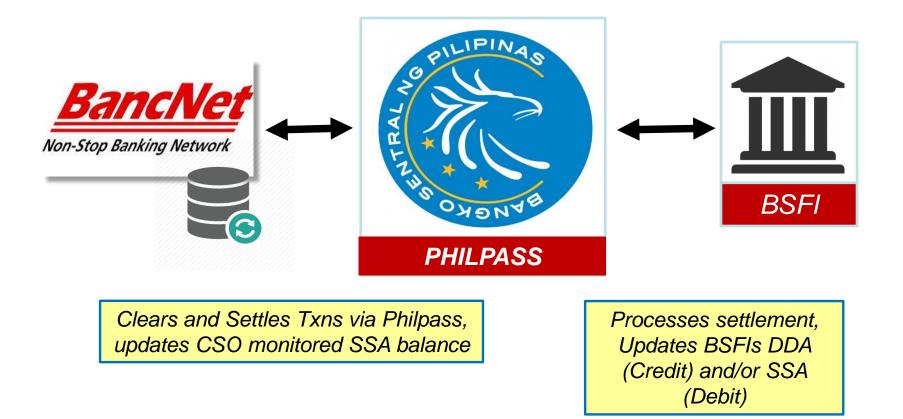
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Settlement Process

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Transaction Flow – Clearing and Settlement



Clearing and Settlement (Schedule)

• For regular working days, settlement with BSP is done 3 times a day

BSP Settlement Cycle	Settlement Sched with BSP	Settlement for Transactions of
Cycle 1	9:00 AM – 9:15 AM	3:00:01 PM to 11:59:59 PM of Prev day 12:00:00 AM – 8:00:00 AM
Cycle 2	12:00 PM – 12:15 PM	8:00:01 AM – 11:00:00 AM
Cycle 3	3:15 PM – 4:00 PM *BSP settlement closes at 4pm	11:00:01 AM – 3:00:00 PM

Clearing and Settlement (Schedule)

 For weekends/holidays, settlement is consolidated to BSP Cycle 1 of Monday or Working day after the Holiday

Settlement Sched with BSP	Settlement for Transactions of	BN cycle	BSP Settlement Cycle	
9:00 AM – 9:15 AM	WEEKEND Fri : 3:00:01 PM to 11:59:59 PM Sat: 12:00 AM to 11:59:59 PM Sun: 12:00 AM to 11:59:59 PM Mon: 12:00 AM to 8:00 AM	Cycle 4 Cycle 1 -4 Cycle 1 -4 Cycle 1	Cycle 1	
9:00 AM – 9:15 AM	HOLIDAY Day before holiday: 3:00:01 PM to 11:59:59 PM Holiday Day 1: 12:00 AM to 11:59:59 PM Holiday Day 2: 12:00 AM to 11:59:59 PM Holiday Day n: 12:00 AM to 11:59:59 PM Work day: 12:00 AM to 8:00 AM	Cycle 4 Cycle 1 -4 Cycle 1 -4 Cycle 1 -4 Cycle 1 -4	Cycle 1	

Sponsoring Arrangement

Clearing and Settlement

- Sponsored participant/s settlement will be via its Sponsoring bank's
- Since Net credits of the Sponsored participant will be credited to Sponsoring Bank's DDA, Sponsoring bank will have to handle crediting to the account of its Sponsored Participant maintained with the Sponsoring bank.

Scenario	Sponsor (Parent)	Sponsored (Child 1)	Sponsored (Child 2)	Philpass Entry
All Net Debits	1M (net debit)	2M (net debit)	1.5 M (net debit)	4.5M Debit SSA
All Net Credits	1M (net credit)	3M (net credit)	1.5 M (net credit)	5.5M Credit DDA
Net <u>Debits</u> and Net <u>Credts</u>	2M (net debit)	1 M (net credit)	1.5 M (net credit)	2M Debit SSA 2.5M Credit DDA
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Defund Process

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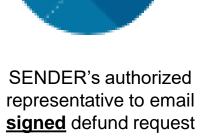


DEFUNDING PROCESS

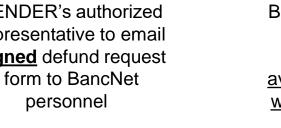
CURRENT PROCESS



SENDER would need to fill-out defund request form.



2



BancNet personnel to process request <u>Note that the</u> available/SSA balance would immediately be earmarked/not be available upon processing of request

3



Processed defund request will be included in next day's settlement (9AM) and corresponding reports will be provided to SENDER

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End of Presentation

