

PESONet

FAQ PAMPHLET



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WHAT IS PESONET ACH?

PESONet ACH stands for the Philippine EFT System and Operations Network Automated Clearing House and is a Batch Electronic Fund Transfer (EFT) Credit ACH. The PESONet ACH sets the clearing and settlement rules to facilitate fund transfer from one (1) account (payer) to one or several accounts (payee/s) maintained in different Bangko Sentral ng Pilipinas (Bangko Sentral)' Supervised Financial Institutions (BSFIs). Under the rules, the fund transfer and/or payment instructions will be processed in bulk and cleared at batch intervals. Each payee will then receive the full value in their account within the same banking day, provided the payment instruction was sent within the cut-off time set in the ACH and the clearing rules.

WHAT ARE THE KEY FEATURES OF PESONET?

1. Settle before clear and availability of funds after clearing cycle

Settlement risk is managed as settlement of netting results through the Demand Deposit Account (DDA) maintained with the Bangko Sentral needs to be successful for all participants for each batch prior to releasing the inward clearing file to the receiving institutions (RIs).

It is only upon receipt of the inward clearing file from the Clearing Switch Operator (CSO) that RIs will be able to initiate crediting to the beneficiary.

2. Multiple clearing and settlement cycles within the day and clearing at batch intervals

Multiple clearing and settlement cycles within the day allows for timelier crediting of funds to the beneficiary account by RIs. The CSO will release the inward clearing file to the RI once the cycle is complete independent of the other cycles. Thus, credit to the beneficiaries may already be initiated within the day.

At the initial stages of PESONet, the Bangko Sentral and the industry agreed to limit clearing and settlement cycle to just once per day. Prospectively, as the processes mature, clearing and settlement cycles may be as frequent as the industry requires. Frequency and timing will be based on the collective agreement among the ACH participants and may be driven by factors like uptake in usage of PESONet, and changes in consumer behavior/needs relative to making payments.

3. Settlement through the real time gross settlement system operated by Bangko Sentral

Settlement will be through the real time gross settlement (RTGS) system operated by the Bangko Sentral using funds in the participant's DDA maintained in the Bangko Sentral.

WHAT ARE THE PROSPECTIVE USE CASES FOR PESONET?

PESONet supports payments that are recurring and may be used by individuals, businesses and government depending on how it will be made available by the various BSFIs via their electronic channels.

Initially, it has the potential to be a viable alternative to checks and may be used to facilitate payment for salary and benefits, government collections and disbursements, payment to suppliers (e.g., for purchase of goods and services), bills payments or other non-time critical transactions.

WHO WILL BE THE CLEARING SWITCH OPERATOR (CSO) FOR PESONET?

The Philippine Clearing House Corporation (PCHC) is the designated CSO for PESONet for a two-year transitory period beginning from the time of PESONet's launch.

What are the changes expected under PESONet ACH?

PESONet will introduce a new facility that enables existing accountholders of BSFIs participating in PESONet to make electronic account-to-account fund transfer. It will also bring about the following:

1. Multiple clearing and settlement cycles within the day. This will allow receipt of funds transferred to beneficiary's account within the same banking day, provided the payment instruction was sent within the cut-off time set in the ACH and clearing rules;
2. Better management of settlement risk with the adoption of the "settle before clear" process. This means that funds are settled among the participants before transactions are cleared and before funds are made available to beneficiaries;
3. Greater availability of EFT capability in electronic delivery channels in compliance with regulatory requirements. This means that EFT features will be more accessible to end-users; and
4. Full receipt of the amount as the recipient shall not pay for electronic crediting to the recipient's account.

HOW DOES THE BANGKO SENTRAL SUPPORT THE IMPLEMENTATION OF PESONET ACH?

The Bangko Sentral issued the Circular on the adoption of the NRPS framework. This Circular contains policies that will support the following positive changes on the account-to-account electronic fund transfer environment under the PESONet ACH, including the following:

1. The beneficiary will not pay for the electronic crediting made by the RI to the beneficiary's account;
2. Availability of PESONet service facility in the participant's electronic delivery channels, whenever applicable; and
3. Faster and more convenient electronic payments facilitated by straight through processing (STP).

Moreover, the Bangko Sentral has been closely working with PCHC, as the CSO, and the industry to ensure readiness in the operationalization of multiple clearing and settlement cycles within the day, which will be useful not only for PESONet ACH but for other prospective ACHs as well.

HOW CAN A BSFI JOIN THE PESONET ACH?

BSFIs may participate in the PESONet ACH either as a direct or indirect clearing participant, with the latter dependent on the BSFI sponsoring them into clearing being a direct clearing participant of the PESONet ACH.

BSFIs that meet the criteria set to be a direct clearing participant may approach representatives of the Philippine Payments Management, Inc (PPMI) or the PESONet ACH technical working group for details on how to join.

In case a BSFI is not qualified to be a direct clearing participant, it can opt to be sponsored into clearing by a qualified participant. Such arrangement is referred to as "indirect clearing" where both clearing and settlement are done on behalf of said BSFI by the qualified participant. The sponsoring entity is accountable for the compliance of the sponsored participant with the PSMB and ACH rules.