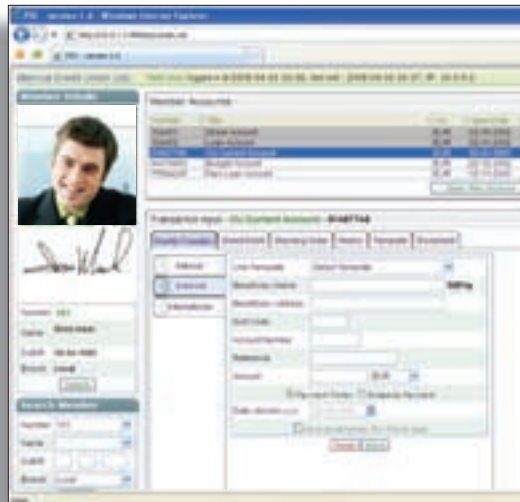


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There is still a heavy reliance within the Irish Credit Union Movement on the physical movement of cash and cheques. In order to streamline their business Credit Unions need to make use of, and provide their members with, an efficient and easy means of moving funds electronically.

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A Credit Union can now avail of full electronic payments using, both the Irish Clearing System and the new international pan-European SEPA (Single European Payment Area).

In the case of Irish payments this service offers 2 key benefits:-

- It allows a Credit Union to streamline its own internal processing of payment enabling:-
  - Payment of bills for overheads etc.,
  - Operation of Direct Debits for regular payments (e.g. rent, rates, insurance payments etc.),
  - Disbursement of loans directly to a member's (or other designated beneficiary) account at another financial institution,
  - Provision of credit transfer for members who do not have a CU Current Account.
- It provides members with the ability to use their CU Current Account to make and receive payment, enabling:-
  - Acceptance of incoming credit transfers,
  - Support for outgoing Credit Transfers to an account at another financial institution,
  - Processing of Direct Debits, including those from DD+ originators,
  - Processing of Standing Orders,
  - Completion of Billpay Payments.

In the case of International payments, this service offers the following key benefits for members:-

- Allowing a member to make and receive payments to or from any country connected via the SEPA network \*
- Offering cost effective funds transfer facilities for repatriation of funds for non-national members
- Facilitating ease of management of accounts for members with foreign interests / bank accounts

\* The SEPA network currently allows for the transfer of payments across approximately 45 countries ensuring the payment is made the following day and that the cost of such a transaction is no more than is charged for a local Irish payment.

A Member or the Credit Union itself may create payment templates for any of the above payment types. This will enable the creation of a template with all or most of the standard details (e.g. the beneficiary details but not the amount) which can be used again and again to execute payments, with just the remaining data to be completed.

When this service is used in conjunction with the CU Current Account service, the system automatically generates a correct IBAN number so that international SEPA payments can be correctly made. This also enables the Credit Union to meet its statutory requirements as regards printing IBAN numbers on all account statements.

In order to facilitate the smooth operation of this service, the system comes preloaded with a range of reference details which are used to check the validity of the inputted transactions, minimising the risk of rejection of external payments by the receiving institution. These reference tables are maintained by PSCubed centrally for all Credit Unions. They provide access to an up-to-date list of:

- All valid sort codes within the Irish Clearing System (including the ability to check that account numbers are validly entered depending on the sort code),
- All Direct Debit Originators, including clarification as to whether they are DD+ originators or not,
- Supported Billpay Beneficiaries (including the ability to validate the appropriate reference numbers for these beneficiaries),
- Valid SWIFT codes for the generation of international payments for SEPA.

## What is needed to have this service available in my Credit Union?

### In order to start using Electronic Payments you need to:

- Apply to IPSO (via BNP Paribas) for membership of the Irish Clearing System (PSCubed will assist in this),
- Complete the Credit Approval process with BNP Paribas (PSCubed will assist in this),
- Sign up for the Service with PSCubed,
- Decide what types of payments you want to undertake for the Credit Union's own business,
- Decide how you will roll out this product to your members. If you also have the CU Current Account product available for your members, they will immediately be able to make and receive electronic payments without any further changes,
- Decide, if appropriate, on any charging structures that you wish to apply for members using electronic payments (as a service and/or from their own CU Current Account),
- Decide on any other services that you may wish to implement with this service, such as CU Current Account, Web Transaction Banking, etc.\*

\*See separate Fact Sheets on these services for full details.

### PSCubed will undertake the following:

- Installation of computer equipment and network connection with the central service using Eircom's BIP Reach network,
- System Configuration according to business needs as defined above,
- Relevant Staff training,
- Assistance in product implementation,
- Provision of full procedures to the Credit Union for the operation of the service,
- Provision of ongoing support and access to a central support unit for any business process support.

## Frequently Asked Questions

### Q. How long does it take to implement this service?

- A. Once a Credit Union has signed for the service, it usually takes about 8 to 10 weeks to get approval from IPSO, complete the credit checks from BNP Paribas, get all the infrastructure in place and get the Credit Union ready to launch the product.

### Q. Are there any restrictions when compared to services offered by other financial institutions?

- A. No. This service offers you and your members the exact same type of functionality as offered by other financial institutions. In fact, with the SEPA capability, this service will put your credit union at the forefront of service provision in Ireland as most other financial institutions are not currently actively offering this service, although they have been obliged to do so since the start of this year.

### Q. How long does it take to get a credit transfer to an account at another financial institution?

- A. If the correct sort code and account number is given on the credit transfer, the money will be in the other account the next business (banking) day. If an incorrect account number is given (or the account is closed or otherwise inoperable at the other financial institution), the credit transfer is returned to the Credit Union account the following business day and the member or Credit Union staff are notified of the fact.

### Q. What happens on days when my Credit Union is closed?

- A. If a Credit Union is closed on a "normal" banking day (i.e. a day when the Irish Clearing System is open), the central support unit will assume the key responsibilities for the operation of the clearing service for the credit union on that day. This means that incoming transactions will be automatically processed and any outgoing transactions will be automatically sent to the Irish Clearing System on the Credit Unions behalf.