

IRISH RETAIL ELECTRONIC PAYMENTS CLEARING Co Ltd (IRECC)

Direct Debit Bulk Change Services & Procedures



and



Version 1.6

November 2011

Direct Debit Bulk Change Service

What is Direct Debit Bulk Change?

The Bulk Change Service has been established to cater for Originators who need to make changes to a large number of their Direct Debit Instructions, and is used when Payers will not be completing new DDIs as part of the change, for example when Originators need:

- To change their name
- To change their reference numbers
- To move from one OIN(s) to another OIN(s)

The Bulk Change Service caters for both full and partial changes.

This service is available to Originators at the discretion of the Sponsoring Bank.

There are now 6 different services. See table as follows:

Service	Bulk Change Services	Notification of Change Form	Bulk Change Novation Agreement	Bulk Change Advice List	Letter to Customers	Certification of Incorporation on change of Name	Template Letter to IPSO	Certificate of Registration of Company Name
A	Transfer between existing Originator Numbers (Full or Partial-same legal entity) For Originators who intend transferring all or some DD collections from one OIN to another where there is no change to the legal identity of the Originator	Yes		Yes				
B	Transfer between <u>existing</u> Originators (Full or Partial-change of legal entity) For existing Originators who acquire all or some of the DD related business of another Company, and wish to retain the right to collect Direct Debits from Payers accounts under existing DDIs using their existing OIN	Yes	Yes	Yes <u>where applicable</u> ***	Yes			
C	Change of Originators Name (same legal entity) For originators who change their name, but retain their existing legal identity (e.g. companies retaining their existing company registration number)	Yes			Yes	Yes		
D ****	Change of Originators Name (change of legal entity) For originators who change name and legal identity. For example a sole trader who changes trading name to 'Limited Company'	Yes	Yes		Yes *** refer to service D example			Yes
E	Change of Reference Number only (Full or Partial-same legal entity) For an originator who wishes to restructure their reference numbers of some or all DDIs. This change is available only at the discretion of the Sponsoring Bank	Yes		Yes				
F	Change of Sponsoring Bank <u>OR</u> Change of Originator Address/Contact details This is for change of Sponsoring Bank <u>OR</u> a change of an Originator's address/contact details <u>only</u>						Yes	

** Letter to customer only required where the customer's statement narrative will change

*** Bulk Change Advice List only required in Service B when a Partial transfer performed.

**** In the case of a Bulk Change involving a non existing Originator taking over an existing OIN service D applies and Indemnity and Authorising Resolution must be obtained from the new Originator.

What is Direct Debit Bulk Change SERVICE A?

SERVICE A – Transfer between existing Originator Numbers (Full or Partial) (same legal entity)

For Originators who intend transferring all or some Direct Debit collections from one OIN to another. Where there is no change to the legal identity of the Originator after the transfer has taken place.

Example of Direct Debit Bulk Change SERVICE A

Company ABC has two OINs (123456 & 789789) for different segments of their business. For business reasons they wish to transfer all or some DD collections into one OIN.

Please note, care must be taken if OIN's are with different sponsoring Banks, please check the IPSO database first. If OIN(s) are with a different sponsoring Bank you will be required to perform a change of sponsoring bank in the first instance.

Forms Required for Service A:

The following form(s) will be required by IPSO:

- Bulk Change Request Cover Letter (Appendix 1)
- Notification of Change Form (Appendix 2)

The following form(s) will be required by other Banks

- Bulk Change Advice List (Appendix 4)
- Please note in the case of a full change IPSO will cancel the old OIN once bulk change has been completed, and banks should remove these OINs from their databases.
- Please note where a Bulk Change Advice List is required, four week's notice must be provided to other banks within the scheme.

What is Direct Debit Bulk Change SERVICE B?

SERVICE B – Transfer between existing Originators (Full or Partial) (Change of legal entity)

For existing Originators who acquire all or some of the Direct Debit related business of another Company, and wish to retain the right to collect Direct Debits from Payers accounts under existing DDIs using their existing OIN.

Example of Direct Debit Bulk Change SERVICE B Transfer between existing Originators (Change of legal entity)

Company XYZ acquires Company ABC. Both are existing Originators.
OIN 123456 (XYZ) OIN 789789 (ABC)

Company XYZ uses Bulk Change Service B to transfer some or all of the business from ABC OIN 789789 to their own existing OIN 123456. In the case of a Full bulk change OIN 789789 will be cancelled after the Bulk Change has been performed and banks should remove these OINs from their databases.

If a Partial transfer is performed the original OIN remains active on the system collecting remaining DDIs. In this case a Bulk Change Advice List must be produced and submitted to all member banks 4 weeks prior to the final transfer date.

Forms Required for Service B:

The following form(s) will be required by IPSO:

- Bulk Change Request Cover Letter (Appendix 1)
- Notification of Change Form (Appendix 2)
- Bulk Change Novation Agreement (Appendix 3)

The following form(s) will be required by other Banks

- Bulk Change Advice List (Appendix 4) where applicable (Partial transfer only).
- *** Please note where a Bulk Change Advice List is required, four week's notice must be provided to other banks within the scheme.

The following is required to be sent to customers:

- Letter to Customers (Appendix 5)

What is Direct Debit Bulk Change SERVICE C?

SERVICE C - Change of Originators Name (Same Legal entity)

For Originators who change their name, for some strategic reason but retain their existing legal identity (e.g. companies retaining their existing company registration number).

Example of Direct Debit Bulk Change SERVICE C

Company ABC changes their name to XYZ for some strategic reason but retains their existing legal identity

Note: The customer should always be notified of any change that involves a change to their bank statement narrative.

Forms Required for Service C:

The following form(s) will be required by IPSO:

- Bulk Change Request Cover Letter (Appendix 1)
- Notification of change form (Appendix 2)
- Certification of Incorporation on Change of Name (Appendix 6)

No forms will be required by other Banks

The following is required to be sent to customers:

- Letter to Customers (Appendix 5)

What is Direct Debit Bulk Change SERVICE D? ** / ****

SERVICE D - Change of Originators Name (Change of Legal Entity)

For Originators who change name and legal identity. For example a sole traders who changes trading name to “Limited Company” e.g. Joe Smith to Joe Smith Ltd, in this case there is no need to notify the customer, as the statement narrative will not change. If however the Sole Trader Name, Joe Smith, changes to Joe Jones Ltd, the customers will need to be advised.

****Note: The customer should always be notified of any change that involves a change to their bank statement narrative.**

Forms Required for Service D:

The following form(s) will be required by IPSO:

- Bulk Change Request Cover Letter(Appendix 1)
- Notification of change form(Appendix 2)
- Bulk Change Novation Agreement (Appendix 3)
- Certificate of Registration of Company Name

No forms will be required by other Banks

**** The following is required to be sent to customers:**

(only if there is a change to their bank statement narrative)

- Letter to Customers (Appendix 5)

****** In the case of a Bulk Change involving a non existing Originator taking over an existing OIN service D applies and Indemnity and Authorising Resolution must be obtained from the new Originator.**

What is Direct Debit Bulk Change SERVICE E?

SERVICE E - Change of reference numbers only (Full or Partial - same legal entity)

For Originators who wish to restructure their reference numbers of some or all DDIs. This change is available only at the discretion of the Sponsoring Bank.

Example of Direct Debit Bulk Change SERVICE E Change of reference numbers only (same legal entity)

Company XYZ needs to change the reference numbers for some DDIs to identify them within their accounts department as relating to a particular segment of the business. (In this instance this would be a partial bulk change).

Forms Required for Service E:

The following form(s) will be required by IPSO:

- Bulk Change Request Cover Letter (Appendix 1)
- Notification of Change Form (Appendix 2 - for record purposes only)

The following form(s) will be required by other Banks

- Bulk Change Advice List (Appendix 4)

What is Direct Debit Bulk Change SERVICE F?

SERVICE F - Change of sponsoring bank or change of Originator address/contact details

This service permits an Originator to change sponsoring banks within the Direct Debit Scheme. Or provides a mechanism by which an existing Originator can change their address/contact details within the Direct Debit Scheme.

Example of Direct Debit Bulk Change SERVICE F?

Change of Sponsoring Bank OR Change of Originator Address/Contact Details.

An Originator moves from Bank A to Bank B (change of Sponsoring Bank) OR requires an update to the Direct Debit Scheme database of their Address/Contact details.

Forms Required for Service F:

The following form(s) will be required by IPSO:

- Template letter to IPSO (Appendix 7)

Change of Sponsoring Bank:

If a change of sponsoring Bank is required, please note the following:

- Original Indemnity and Authorising Resolution to be provided by old Bank to new Bank;*
- No new Indemnity or Authorising Resolution required; however new forms will be accepted if necessary
- New Sponsoring Bank must verify Company details;
- Covering letter (Appendix 7) by (email) required by IPSO.

*** The new Sponsoring Bank must keep the Indemnity and Authorising Resolution forms on file. This can be obtained from the “Old” Sponsoring Bank or directly from the Originator.**

For all applications/amendments to be included in the Weekly Update:

- All documentation must be with IPSO by close of business Thursday
- Update email will be issued by 13:00 on Friday
- Banks must complete internal updates by close of business Monday

Bulk Change Service

Obligations of Sponsoring Bank:

The Sponsoring Bank's main role is to oversee the Bulk Change procedure and guide the Originator through the steps involved, which include:

- Accepting and reviewing the Originator's application to use the service.
- Giving initial approval to the Originator to use the service.
- Liaising with the Originator in the preparation of documentation, and maintaining all bulk change records.
- Informing IRECC within the agreed timelines.
- Giving final approval to the Originator and informing all other members at least 1 week in advance of completion date where no Bulk Change Advice List required, and at least 4 weeks in advance of completion date where a Bulk Change Advice List is required.
- Distributing the Bulk Change Advice Lists to each of the other Sponsoring Banks at least 4 weeks in advance of completion date.

Where there are two Originators involved in a Bulk Change operation, the responsibility falls on the Sponsoring Bank of the new Originator acquiring the Indemnity to perform the above tasks.

Liaising with the Other Parties

The Sponsoring Bank liaises closely with other Members to ensure that changes are processed in accordance with the Originator's requirements, giving other members at least 4 week's notice for all bulk changes requiring a Bulk Change Advice List, and at least 1 week's notice where this form is not required.

Admitting New Originators

If the new Originator is not a member of the Direct Debit Scheme, the Sponsoring Bank must arrange for this, including the completion of the Direct Debit Indemnity, Authorising Resolution and Direct Debit Instruction.

Obligations of Originators:

The Originator's first responsibility is ensuring that the correct details are passed to the Sponsoring Bank, and accompanied by all the necessary documentation.

Timing Bulk Changes

If collections under a single DDI are more frequent than monthly, then the Bulk Change advice list must clearly indicate the date of the change.

Originators can carry out Bulk Change procedures only in accordance with the date approved on the Notification of Change Form. Any deviation from the agreed date requires agreement from their Sponsoring Bank.

Obligations of Paying Banks:

Paying Banks shall ensure that bulk change implementation is effected and completed within the timeframe notified to IRECC.

Best Practice:

- Always validate OIN(s) against IPSO database
- Check Sponsoring Bank details on IPSO database (in case a change of sponsorship is required before you proceed with bulk change)
- Advise IPSO of change as soon as possible
- Provide Step by Step guide to Originators on procedures
- Approve all relevant documentation
- Correct version of forms
- Ensure dates /signatures are correct
- All relevant fields must be completed on forms
- New covering letter for Bulk Changes to be used
- Timelines – 4 weeks must be provided to other banks where a Bulk Change Advice List is required.
- Any incomplete requests will be returned to the Sponsoring Bank by IPSO.

Appendix 1. Direct Debit Bulk Change Service

Bulk Change Request Cover Letter

DD Scheme Administrator
IPSO Ltd
12-13 Cumberland Street
Dun Laoghaire
Co. Dublin

Re: Direct Debiting Scheme – Bulk Change Request

ORIGINATOR details e.g. OIN No. (if known)	
Company Name	
To whom should amendments, claims, etc be addressed e.g. DD Administrator – Title, Name, Address, Telephone & email address	
Bulk Change Service (Circle)	A B C D E F (complete appendix 9)
For IRECC use only	

Dear

I enclose herein a copy of the relevant bulk change forms for the above Customer.

The Originator's accounts are held in **Bank Location & NSC – 9**

I look forward to hearing from you at your earliest convenience.

Yours sincerely

Name
Bank
Email Address

Appendix 2 . Direct Debit Bulk Change Service

NOTIFICATION OF CHANGE FORM

(A separate form to be used for each OIN)

Note: This form is not required if payers will be completing new Direct Debit Instructions

(Originator's Identification Number)

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Originator Name.....

Contact Name..... Tel. Number

Sponsoring Bank

Type of change required (tick as appropriate)

SERVICE TYPE	FULL	PARTIAL
A – Transfer between existing OINs (full/partial – same legal entity)	<input type="checkbox"/>	<input type="checkbox"/>
B – Transfer between existing Originators (full/partial – change of legal entity)	<input type="checkbox"/>	<input type="checkbox"/>
C – Change of Originators Name (same legal entity)	<input type="checkbox"/>	N/A
D – Change of Originators Name (change of legal entity)	<input type="checkbox"/>	N/A
E – Change of Reference Number only (full/partial – same legal entity)	<input type="checkbox"/>	<input type="checkbox"/>
F – Change of Sponsoring Bank OR Change Originators address/contact details only	<input type="checkbox"/>	N/A

Trading Name Change	
From:	
To:	

OIN Transfer			
Old OIN			
New OIN			

Estimated volumes (Number of Customers/Accounts)	
Date of last collection under old DDI details	
Date of first collection under new DDI details	
For service E please enter date of 1st collection with new reference number	

For and on behalf of Originator:.....
(insert Originator Name)

Signature(Capacity).....

For and on behalf of old Originator (if applicable).....
(insert old Originator Name)

Signature(Capacity).....

For and on behalf of Sponsoring Bank

Name of Sponsoring Bank

Duly Authorised Official of Sponsoring Bank

Sponsoring bank Company Stamp

THIS DAY OF 20.....

Appendix 3. Direct Debit Bulk Change Service

Direct Debiting Scheme – Bulk Change Novation Agreement

(Agreement covering a New Originator taking over responsibility from another Originator for future Indemnity claims, whether for PAST or FUTURE Direct Debit transactions, as arising from a transfer of some or all Direct Debit instructions between Originators)

TO: Each Member* at any time and from time to time of the Direct Debit Scheme in force from time to time (“Scheme”) as operated by or under the auspices of Irish Retail Electronic Clearing Company Limited (“IRECC”) or any successor thereto, and whether acting in the capacity of a Sponsoring Bank or a Paying Bank under the Scheme (as those terms are defined in the Scheme).

*** a list of the Members of the Scheme is available from IRECC on request**

1 Background

1.1 This Agreement is supplemental to an Indemnity dated/...../..... (“First Indemnity”) and given to each Member of the Scheme** by

..... of

*** (“Current Originator”) as an Originator under (and as defined in) the Scheme.

1.2 This Agreement is also supplemental to an Indemnity dated/...../..... (“Second Indemnity”) and given to each Member of the Scheme** by

..... of

*** (“New Originator”) as an Originator under (and as defined in) the Scheme

1.3 The Current Originator may transfer to the New Originator from time to time the benefit of certain existing Direct Debit instructions being the “Transferred Instructions” listed in the ‘ Bulk Change Advice List ‘ which is annexed to the Direct Debit Scheme Rules. The date on which benefit is transferred to the New Originator is the “Transfer Date”

1.4 The Current Originator wishes to transfer to the New Originator, and the New Originator wishes to take a transfer of, the benefit of the Transferred Instructions with effect as and from the/...../..... (“Transfer Date”)

1.5 As part of the arrangement for the transfer of the benefit of the Transferred Instructions from the Current Originator to the New Originator:

- a) the Current Originator wishes to be released and discharged from its indemnity obligations under the First Indemnity with respect to all Direct Debits listed in the Transferred Instructions (“Pre-Transfer Direct Debits”). This excludes any Pre-Transfer Direct Debits where a claim has been made under the First Indemnity and notified to the Current Originator at any time prior to the Transfer Date (“Excluded Pre-Transfer Direct Debits”); and
- b) the New Originator wishes to assume responsibility under the Second Indemnity for the above mentioned indemnity obligations of the Current Originator,

**** in each case with effect as and from the Transfer Date.**

This Agreement shall come into force and effect as of the date noted below on which the Sponsoring Bank of the New Originator has countersigned this Agreement for the purposes of acknowledging and consenting to, on behalf of itself and all other Members of the Scheme, the terms of this Agreement. The New Originator must be sponsored and approved by a member bank to affect this transfer.

****** if more than one Indemnity has been given and is in force, please list all such Indemnities in this clause, and amend the language accordingly such that this Agreement is noted as being supplemental to each such Indemnity (e.g where an Indemnity for DD + has been given in addition to an existing Indemnity)

******* insert above the full name and address of the Company etc, and in addition where appropriate its trading/ business name

******** For administrative convenience, at the instance of the New Originator the said instructions may be listed on a compact disk in triplicate, rather than in a hard copy paper format, with one original of

the compact disk to be annexed to this agreement and retained by the Sponsoring Bank of the New Originator for identification purposes.

2 Liability of New Originator

- 2.1 With effect from the Transfer Date, the New Originator assumes liability and accepts responsibility for Direct Debits as listed on the "Transfer Instruction". The terms of the Second Indemnity shall be construed accordingly.
- 2.2 The New Originator acknowledges that each and any Member will be entitled, with effect from the Transfer Date, to make a claim under the Second Indemnity against the New Originator with respect to any Pre-Transfer Direct Debit (other than any Excluded Pre-Transfer Direct Debit). Thus the New Originator is liable for claims on Direct Debit Instructions Pre-Transfer Date notified to the New Originator after the Transfer Date.
- 2.3 The Second Indemnity, as varied and supplemented by the terms of this Agreement, shall continue in full force and effect on the terms thereof in all respects.

3 Liability of Current Originator

- 3.1 The Current Originator shall cease to be liable under the First Indemnity in relation to Pre-Transfer Direct Debits listed on the "Transfer Instruction".
- 3.2 The Current Originator acknowledges their liability for transferred direct debits under the First Indemnity where a claim has been notified to the Current Originator prior to the Transfer Date of this Agreement.
- 3.3 The First Indemnity, as varied and supplemented by the terms of this Agreement, shall continue in full force and effect on the terms thereof so far as relating to any Excluded Pre-Transfer Direct Debit.

4 Acknowledgment by Sponsoring Bank

4.1of.....*****
in its capacity as Sponsoring Bank of the New Originator joins in this Agreement for the purposes of acknowledging and consenting to, on behalf of itself and all other Members, the terms of this Agreement.

*****insert above the full name and address of the Sponsoring Bank of the New Originator

To be completed by the Current Originator

Signed for and on behalf of
(Name of Current Originator) pursuant to due authority in that regard by
.....Director
.....Secretary/Director

To be completed by the New Originator

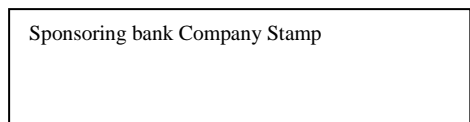
Signed for and on behalf of
(Name of New Originator) pursuant to due authority in that regard by
..... Director
.....Secretary/Director

To be completed by the Sponsoring Bank (of the New Originator)

Signed for and on behalf of(Name of Sponsoring Bank)
.....Duly Authorised Official of Sponsoring Bank

THIS DAY OF 20....

NB: PLEASE ANNEX TO THIS AGREEMENT A COPY OF



THE BULK CHANGE ADVICE LIST

Appendix 5. Direct Debit Bulk Change Service

DIRECT DEBIT BULK CHANGE - Specimen Letter to Customers

CHANGE OF COMPANY NAME/TRANSFER BUSINESS TO ANOTHER COMPANY

Originators Logo

Originator Name

1 The Quays
Dublin 1

Date

**Mr M McCarthy
110 Blacklion Road
Cork**

Dear Mr McCarthy

Change Of Company Name/Transfer Business To Another Company

Here the Originator will give a brief explanation of the reason for the change e.g. business acquired from another company etc.

This change will not affect the service you receive in any way, except that future Direct Debits will be collected by ABC Co, instead of ourselves with effect from dd/mm/yy. The only change you will notice will be the different name on you bank/building society statement for this Direct Debit. No action is required by you.

The members of the Direct Debiting Scheme Committee of the Irish Retail Electronic Clearing Company Ltd have approved this change, and details of the change have been supplied to your bank/building society. Your rights under the Direct Debit Scheme are not affected.

Yours Sincerely

Appendix 6. Direct Debit Bulk Change Service

COPY OF CERTIFICATE OF INCORPORATION ON CHANGE OF NAME
(sample copy)

4575560/1

Number

DUPLICATE FOR THE FILE

Certificate of Incorporation
on change of name

I hereby certify that

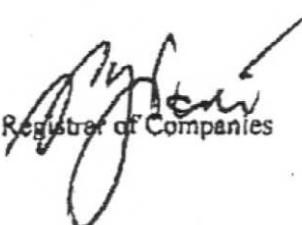
having, by a Special Resolution of the Company,
and with the approval of the Registrar of Companies,
changed its name, is now incorporated as
a limited company under the name

Certified as a true copy
of the original

and I have entered such name on the Register accordingly.

Given under my hand at Dublin, this

Wednesday, the 25th day of October, 2006


for Registrar of Companies

Certificate handed to/pasted to*:

Signed: 

Date: _____

*Delete as appropriate

Appendix 7. Direct Debit Bulk Change Service F only

Please tick relevant box and complete the relevant details below:	<input type="checkbox"/> change of Sponsoring Bank <input type="checkbox"/> change of Address/Contact Details
Originator name	
Originator Number	
Existing Sponsoring Bank & NSC	
New Sponsoring Bank & NSC	
Effective date of change of Sponsorship	
Originator Address, Phone, Contact Name & Email	

Dear

Can you please amend the Direct Debit Database to reflect the above changes. I confirm I have all the relevant documents to support the changes

I look forward to hearing from you at your earliest convenience.

Yours sincerely

Name

Bank

Email Address