

**Nacha**<sup>®</sup>

**Request for Comment/Request for Information:  
International ACH Transactions (IATs) and Related Topics**

Issue date: March 31, 2025

Close date: May 30, 2025



# Table of Contents

Opening/Background.....	Slide #3
Request For Comment Proposals.....	Slide #5
IAT E-Commerce Marketplace Scenarios.....	Slide #55
Request For Information Topics.....	Slide #68

# International ACH Transactions (IATs)

The ACH Network supports the flow of credits and debits into or out of the U.S. through the International ACH Transaction (IAT). A U.S.-based ODFI can send an outbound IAT through the ACH Network to a Gateway that then transfers the transactions out of the U.S. Conversely, a U.S.-based RDFI can receive inbound IATs from an ACH Operator that were originated into the ACH Network by a Gateway.

The original IAT rules went into effect in 2009 (replacing the prior rules for cross-border payments), with a format that carries certain data elements to satisfy requirements of the “Travel Rule,” identifying correspondent financial institutions and allowing limited remittance information. The IAT rules were last modified in 2014. Recently, an IAT Work Group discussed additional topics related to IAT processing and made recommendations for resource, guidance and Rules updates. Many of the topics in this Request for Comment/Request for Information stemmed from this group’s work.

# IATs and Related Topics – RFC and RFI

Nacha's ACH Roadmap strategies for the ACH Network include efforts to improve the ACH user experience, increase awareness and understanding of ACH capabilities, and improve data flow for ACH payments. The proposals related to IATs in the following Request for Comment (RFC) and topics discussed in the Request for Information (RFI) align with these objectives for the ACH Network.

## IAT Topics

### Request for Comment

1. Definition of IAT Entries
2. Eligibility of IAT Entries for Same-Day Processing
3. Date of Birth Field for IAT Entries
4. Non-Bank Financial Agencies in IAT Entries
5. Registration of IAT Contacts
6. Valid Characters for [All] ACH Records
7. New Return Reason Code for Entry Returned Per OFAC Instruction (Remove from R16, New R90)
8. *IAT E-Commerce Marketplace Scenarios*

### Request for Information

1. IAT Data Quality
2. Additional Addenda Records
3. Additional Indicators
4. Communication of Changes



# Request for Comment

## International ACH Transactions (IATs) and Related Topics

Responses Due May 30, 2025

# Request for Comment on IATs and Related Topics

This set of Rules proposals for International ACH Transactions (IATs) aligns with Nacha's strategies and objectives for the ACH Network to improve the ACH user experience, increase awareness and understanding of ACH capabilities, and improve data flows for ACH payments.

Nacha is issuing for comment seven proposals to amend the Nacha Rules. The first five pertain solely to IATs, while two other proposals directly relate to IATs but also cover other types of ACH transactions

1. Revise the definition of IAT.
2. Eliminate the restriction on IATs for same-day processing.
3. Enable the optional inclusion of Date of Birth in the IAT format using optional fields.
4. Allow identification of foreign source or foreign destination of funds from non-traditional financial institutions.
5. Require financial institutions to register an IAT contact in the ACH Contact Database.
6. Define valid characters for ACH Records.
7. Establish a Return Reason Code (R90) to specifically designate when a return is processed per OFAC instructions.

Additionally, Nacha is requesting comment on ten specific "IAT/not IAT" scenarios to be added to the Nacha Operating Guidelines related to e-commerce marketplace processing.

These topics have been compiled for a single Request for Comment on IAT Topics. Responses on these proposed changes are requested by **May 30, 2025**.

# Proposal #1 – Definition of IAT Entries

Industry participants have indicated difficulty in understanding the existing definition of IAT. The intention of this proposal is to update the definition to provide more clarity for users when making IAT determinations.

The existing definition of IAT is as follows:

*“An Entry that is part of a payment transaction involving a Financial Agency that is not located in the territorial jurisdiction of the United States. An office of a Financial Agency is involved in the payment transaction if it (a) holds an account that is credited or debited as part of the payment transaction, (b) receives payment directly from a Person or makes payment directly to a Person as party of the payment transaction or (c) serves as an intermediary in the settlement of any part of the payment transaction. An International ACH Transaction cannot be a Same Day Entry.”*

# Proposal #1 - Definition of IAT Entries

This proposal would replace the existing definition of IAT with the following:

*“An IAT Entry is the U.S. ACH Network component of an international payment transaction that moves money into or out of the jurisdiction of the United States.*

*For purposes of this definition, an international payment transaction is the totality of all the steps that are used to effect the transfer of funds from a payer to a payee into or out of the jurisdiction of the United States. An IAT Entry is used for the domestic component of the international payment. An International ACH Transaction cannot be a Same Day Entry.”*

- This proposed definition eliminates references to other defined terms: Inbound; Outbound; Financial Agency; Person.
- The related definition of Financial Agency would be deleted, as its use is limited to the existing definition of IAT.
- IAT eligibility for Same Day ACH is being proposed separately. Corresponding language changes would be made if approved.



# Proposal #1 - Definition of IAT Entries

In addition to the proposed definition of IAT (Article Eight Section 8.55), other rule language would be adjusted to incorporate the new language:

- Subsection 2.5.8.1 General Rule
  - Aligns general rule language for IAT Entries to incorporate the proposed IAT definition.
- Appendix Three Subpart 3.2.2 Glossary of Data Elements – Standard Entry Class Code
  - Updates the IAT SEC Code description to align with the proposed IAT definition.
- Article Eight, Section 8.44 – “Financial Agency”
  - Removes the formal definition of a Financial Agency.
- Article Eight, Section 8.45 – “Foreign Correspondent Bank”
  - Revises the reference to Financial Agency, as defined, to adopt a more generic use of the term “financial agency”.

# Proposal #1 – Definition of IAT Entries

## Anticipated Benefits

The anticipated benefits of this proposal include:

- For Originators, Third Party Service Providers/Third Party Senders (TPSPs/TPSSs) and Originating Depository Financial Institutions (ODFIs):
  - Improved understanding of what makes an ACH transaction an IAT.
    - Easier compliance based upon this improved understanding.
    - Improved customer due diligence, when appropriate.
    - Improved customer service.
- For Receiving Depository Financial Institutions (RDFIs):
  - Potential reduction in entries received that are mis-identified as IATs.

# Proposal #1 – Definition of IAT Entries

## Potential Impacts

The potential impacts of this proposal include:

- For Originators, TPSPs/TPSs and ODFIs:
  - Potential alteration of IAT volume based upon new IAT understanding.
  - If the new definition causes a shift from a domestic payment to IAT, new IAT Originator on-boarding activities could be required.
    - Agreement updates
    - Due diligence requirements
    - Receiver information provision requirements
- For RDFIs:
  - Potential alteration of IAT volume based upon new IAT understanding, leading to a change in RDFI compliance screening volume.

# Proposal #1 - Definition of IAT Entries Feedback Requested

Feedback is sought from the industry, via the Request for Comment, on the following related to the proposed new IAT definition:

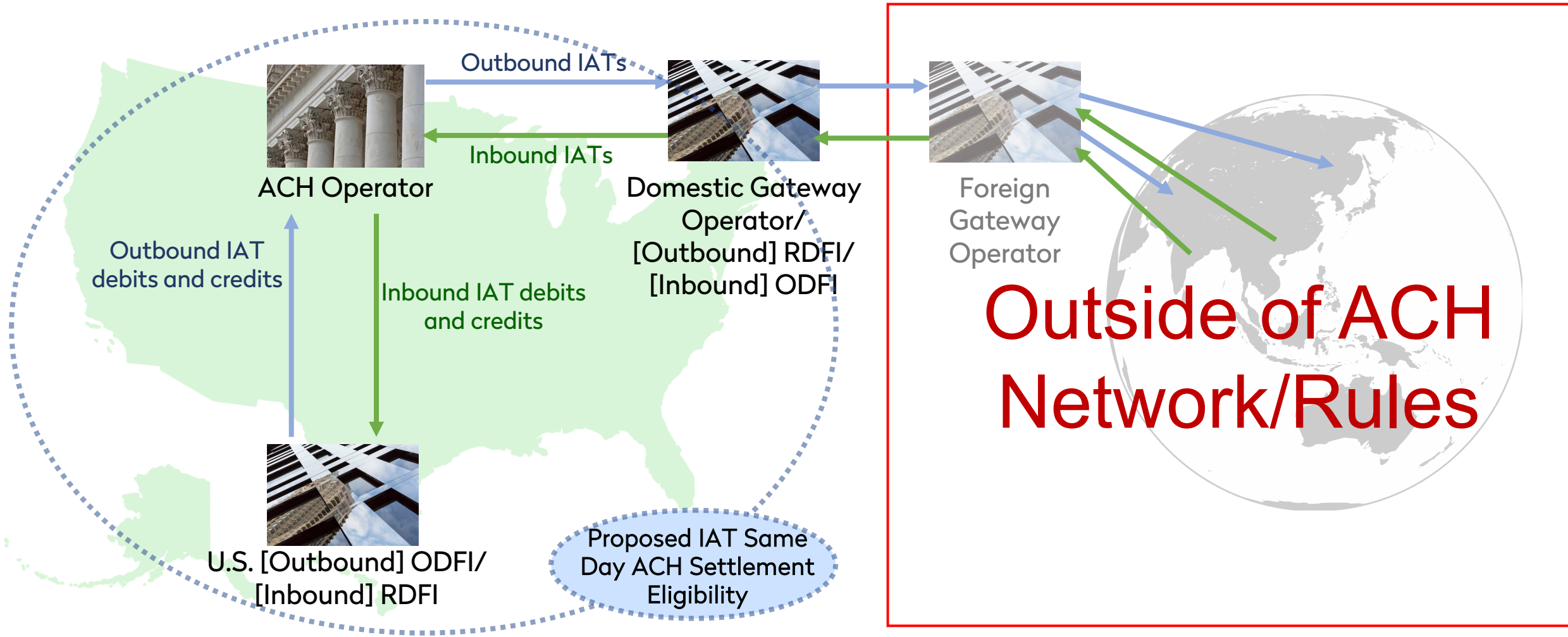
- 1) Accuracy and adequacy of the proposed definition.
- 2) Ease of understanding in determining application of IAT.
- 3) Impacts – identification of potential unintended consequences or significant shifts in IAT usage.

# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing

Currently, IAT entries are not eligible for same-day settlement. Eliminating this exclusion would allow for same-day settlement of the U.S. ACH Network portion of an international payment.

- Outbound IAT Entries:
  - Same-day settlement would be permitted between the U.S. ODFI and the outbound Gateway (i.e., the U.S. RDFI/Gateway).
- Inbound IAT Entries:
  - Same-day settlement would be permitted between the inbound Gateway (i.e., the U.S. ODFI/Gateway) and the U.S. RDFI.
- However, the Nacha Operating Rules do not govern or control processing and settlement schedules for any steps of an international payment that take place outside of the U.S. ACH Network.
  - Processing outside of the U.S. ACH Network will take place in accordance with appropriate payment system rules and might not be same-day.

# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing



# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing

Inbound IAT credits with a same-day settlement would need to meet funds availability requirements.

- An exclusion exists in the Rules (Article One, Subsection 1.2.1 Effect of Illegality) to allow for delay in providing funds availability related to clearing potential OFAC matches.
  - To meet the conditions for this exclusion, the delay must be due to time needed for clearing potential matches, not due to a lack of review.
  - Same-day IAT credit entries that do not result in an exception in the OFAC review process would need to meet funds availability requirements (Article Three, Subsection 3.3.1.2 - Availability of Credits That Are Same Day Entries).
- Both ACH Operators offer the ability to deliver IAT entries to RDFIs in a separate file from all other ACH entries.
  - May streamline RDFI processing by eliminating the need to segregate IAT Entries from other ACH Entries upon receipt.

# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing

Under this proposal, the Rules language related to IAT Entries, Same Day Entries, and the Settlement Date of entries would be updated to remove references excluding IAT entries from same-day processing and settlement.

- Subsection 2.5.8.1 General Rule
  - Removes ‘An IAT Entry cannot be a Same Day Entry.’
- Section 8.55 “International ACH Transaction” or “IAT Entry” or “IAT”
  - Removes ‘An IAT Entry cannot be a Same Day Entry.’
- Appendix Three SUBPART 3.2.2 Glossary of Data Elements – Settlement Date
  - Updates the situations in which the Receiving ACH Operator will insert the Banking Day following the Banking Day of processing as the Settlement Date (i.e., the next Banking Day).



# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing Anticipated Benefits

## Anticipated Benefits:

- For Originators, TPSPs/TPSs and ODFIs:
  - Provides a same-day settlement option for the domestic component of international payments.
  - Same-day option for inbound credit IAT credits to provide faster funds availability and for posting of inbound debit IATs, when appropriate, to meet the terms of the transaction.
- RDFIs:
  - Domestic RDFIs can provide faster access to funds for consumer and business accountholders.
  - Better alignment with account-holder expectations for faster payment options.

# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing Potential Impacts

## Potential Impacts

- For Originators, TPSPs/TPSs and ODFIs:
  - Parties opting to originate same-day domestic settlement for Outbound IATs would need to remove any existing system and software edits that may prevent the origination of same-day IATs.
  - Training, policies and procedures might need to be updated according to applicable product offerings/schedules.
  - Origination, including either IAT or same-day settlement, is always optional.
- For RDFIs:
  - For domestic RDFIs, IAT screening capabilities must be able to meet processing and funds availability schedules.
- For ACH Operators
  - Remove current edits that restrict same-day settlement of IAT Entries
  - Operators would settle same-day IATs identical to other SEC Codes – timely submission into a same-day processing window and a “today” Effective Entry Date
- For domestic Gateway Operators
  - Ability to process and account for IATs with same-day settlement
- For all parties, including Receivers
  - Potential lack of understanding that same-day processing of IATs would apply only to the domestic ACH Network component of an international payment

# Proposal #2 – Eligibility of IAT Entries for Same-Day Processing Feedback Requested

Feedback is sought from the industry, via the Request for Comment, on the following questions related to same-day processing in the ACH Network for IAT Entries:

1. Does same-day settlement for IATs meet business and/or consumer needs?
2. Are the screening capabilities of participants, particularly domestic RDFIs, sufficient for IAT Entries processed same day?
3. Can domestic RDFIs meet the funds availability requirements for IAT Entries processed same day?
4. Does the industry understand that the proposed same-day settlement capability would apply only to the domestic, U.S. ACH Network component of an international payment?

# Proposal #3 - Date of Birth Field for IAT Entries

Industry participants report that the most requested piece of information to resolve IAT exceptions is the Date of Birth (DoB) for the party identified as a potential match in compliance screening.

- Industry input indicates that potentially 20% of received IATs must be reviewed manually for potential matches.
- This proposal would provide an optional field for the known DoB of a natural person sender and/or receiver of an IAT Entry.
- Other capabilities support the exchange of information related to IAT exceptions:
  - Nacha's Risk Management Portal includes a secure module for an FI to request information from another FI in order to clear an IAT
  - Nacha's ACH Contact Registry currently includes the ability to voluntarily list IAT/OFAC-related contacts.
    - A separate proposal would require FIs to list IAT-specific contacts.

# Proposal #3 - Date of Birth Field for IAT Entries

In early 2017, Nacha issued a Request for Comment that proposed including the DoB as a required field for any natural person party to the IAT.

- Comments indicated support for improving the ability to provide and receive DoB information; however, commenters also expressed concerns regarding the mandated use of a required field and sought additional clarity around both the definition of a natural person and instances where the DoB is unknown or is not relevant (i.e., an IAT to a Non-Consumer Account).
- The current RFC proposes inclusion of the DoB as an optional (rather than required) field.
- Use of the proposed new DoB field would be encouraged, where possible, to provide additional information to facilitate the clearing of an IAT Entry for greater efficiency; however, the absence of a DoB would not result in the rejection of an IAT Entry.

# Proposal #3 - Date of Birth Field for IAT Entries

- Reserved space in the addenda records would be allocated for the optional inclusion of the DoB for the sender, receiver, and, for split transactions, the ultimate beneficiary or payor.
- The fields would be designated as Optional for use by the Originator (that is, not edited by ACH Operator), as there would be no content if not elected to be used, or if the sender or receiver is not a natural person.
  - Appendix Three, SUBPART 3.1.12 - Sequence of Records for IAT Entries
    - This proposed change re-purposes currently-reserved spaces 74-83 within the Third and Seventh IAT Addenda Records.
  - Appendix Three, SUBPART 3.2.2 - Glossary of Data Elements
    - Adds Originator Date of Birth and Receiver Date of Birth to the listing of data elements.
    - Updates Payment Related Information to permit the inclusion of Date of Birth for the ultimate beneficiary or payor.

# Proposal #3 - Date of Birth Field for IAT Entries

## Anticipated Benefits

### Anticipated Benefits

- Originators, TPSPs/TPSs and ODFIs:
  - Populating a party's date of birth, when possible, within the IAT record should reduce the number of inquiries received from RDFIs requesting this information to resolve a potential compliance scanning match.
- RDFIs:
  - Receiving a party's date of birth, when possible, within the IAT record should reduce the number of inquiries needing to be made to request this information to resolve a potential compliance scanning match. RDFIs have indicated this is the #1 data element requested to resolve exceptions.

# Proposal #3 - Date of Birth Field for IAT Entries

## Potential Impacts

### Potential Impacts

- For Originators, TPSPs/TPSs and ODFIs:
  - Determination and implementation of policies and procedures related to date of birth collection, where appropriate.
  - Assessment of data security measures for DoB information.
  - System updates to generate revised IAT format.
- For RDFIs:
  - System updates to receive revised IAT format.
  - Training/Procedure updates to locate information, when populated.
  - Assessment of data security measures for DoB information.
- For ACH Operators:
  - System updates to process revised IAT format.



# Proposal #3 - Date of Birth Field for IAT Entries

## Feedback Requested

Feedback is sought from the industry, via the Request for Comment, on the following related to the optional inclusion of the Date of Birth for natural person parties to an IAT:

1. Amount of potential usage – how frequently would Originators populate a Date of Birth field?
2. Can Date of Birth information be readily collected for use in IAT Entries?
3. Would access to Dates of Birth in IAT Entries reduce the effort to resolve IAT exceptions?
4. The formatting requirements: the Date of Birth itself and positioning in the addenda records.

# Proposal #4 - Non-Bank Financial Agencies in IAT Entries

- Currently, the IAT specifications identify the foreign financial agency receiving funds from an Outbound IAT Entry, or the foreign financial agency as source of funds for an Inbound IAT Entry, as a traditional financial institution (e.g., foreign bank or foreign financial institution, as identified by a National Clearing System Number or BIC Code).
- Industry participants report that this may be too limiting for current processing scenarios, noting that outside of the U.S. it is more common for receivers to use non-traditional accounts not held by a depository financial institution.
  - Example: sending funds to a foreign receiver's account held at a telecom company.
- This proposal expands several field descriptions that identify the Originating and Receiving DFIs in an IAT Entry to recognize the possibility that the financial agency outside the U.S. is a non-traditional account-holding institution or organization.
  - Expands existing references to bank or financial institution to include a generic reference to financial agency.
  - Incorporates an "other" option in the types of codes used to classify the financial agency's identification number.
- This proposal does not affect the receipt of inbound IATs, which must continue to be at RDFIs.

# Proposal #4 - Non-Bank Financial Agencies in IAT Entries

The Request for Comment proposes expanding the following field descriptions to accommodate the identification of a non-traditional account holding institution in an IAT Entry:

Appendix Three Subpart 3.2.2 (Glossary of Data Elements):

- Descriptions of these fields would be expanded to include generic references to "financial agency:"
  - Originating DFI Name (Inbound/Outbound IAT)
  - Receiving DFI Name (Outbound IAT)
  - Originating DFI Identification (Inbound/Outbound IAT)
  - Receiving DFI Identification (Outbound IAT)
  - Originating DFI Branch Country Code
  - Receiving DFI Branch Country Code
- Receiving and Originating DFI Identification Number Qualifier 2-digit code values would be supplemented with an alternative organization type: ("03 – Other").
  - Note: The existing identifier value "03 IBAN" will be deleted. Because IBAN identifies an account number format rather than a financial institution numbering scheme, it does not apply to this field.

# Proposal #4 - Non-Bank Financial Agencies in IAT Entries

## Anticipated Benefits and Potential Impacts

### Anticipated Benefits:

- Originators, TPSPs/TPSs and ODFIs:
  - Ability to originate outbound IATs to non-traditional accounts, if desired.
- RDFIs:
  - Potential receipt of IATs from new sources (or more accurate description of existing sources) on behalf of account holders.

### Potential Impacts:

- Originators, TPSPs/TPSs and ODFIs:
  - Review of current processes, if applicable, and potential programming updates to enable use of non-traditional accounts in IATs (if desired).
- RDFIs:
  - None anticipated.

# Proposal #4 - Non-Bank Financial Agencies in IAT Entries Feedback Requested

Feedback is sought from the industry, via the Request for Comment, on the following related to the identification of the non-DFI account-provider parties to an IAT:

1. Effectiveness of the identifier and clarity of the proposed field descriptions.
2. Is there a need for additional or more specific identifiers beyond one “Other” category?

# Proposal #5 – Registration of IAT Contacts

In 2019, the ACH Contact Registry rule was passed, to create an industry resource for financial institutions to be able to more easily connect with other financial institutions about ACH operations, exceptions and risk management. In 2020, the ACH Contact Registry was launched to fulfill this purpose, with mandatory registration required under the rule by October 30, 2020.

- All financial institutions participating in the ACH Network (Participating DFIs) are required to register contact information for personnel or departments responsible for ACH operations and fraud/risk management.
- In addition to the mandatory fields, many optional fields are available to users, including check, wire and IAT contacts.
- While many thousands of users have completed some optional fields in the registry, all Participating DFIs must be capable of receiving IAT Entries. Therefore, requiring the registration of IAT contact information will aid in streamlining exception processing, in accordance with the registry's original goal.

# Proposal #5 – Registration of IAT Contacts

## Data Quality

- The ACH Contact Registry is available to Participating DFI, Payments Association and ACH Operator registered users through Nacha's Risk Management Portal.
- Financial institutions must update contact information within 45 days of any change, and they are required to validate the information at least annually.
  - Through the Risk Management Portal, Nacha sends out an annual notice to all FIs reminding and encouraging them to update contact information.
- Nacha periodically audits a sample of the data.
  - Through an audit, Nacha tests that contact information is appropriate as a correct point of contact for a financial institution.
- Financial institutions that do not provide contact information at all, or that do not validate information, can be subject to enforcement.

# Proposal #5 – Registration of IAT Contacts

This proposal would require a Participating DFI to register their IAT-handling contact with either:

- The name, title, email address, and phone number for at least one primary and one secondary contact person for the area of responsibility; or
- Department contact information that includes an email address and a working telephone number.

Phone numbers and email addresses must be those that are monitored and answered during normal business hours for financial institution inquiries.

These are the same as the existing requirements for required contact registration fields (ACH Operations and Fraud/Risk Management).



# Proposal #5 – Registration of IAT Contacts

Under this proposal, Section 1.14 (Participating DFI Contact Registration) would be updated within the first paragraph to include (c) International ACH Transaction (IAT Entry) handling, in addition to the existing (a) ACH operations; and (b) fraud and/or risk management.

- All existing requirements would apply to all contact types including:
  - Information required for registration.
  - Update and verification requirements.
  - Information to be used internally only by permissive parties.

Further, Section 1.14 regarding provision of information via secure means only to registered Participating DFIs, ACH Operators and PAs, and use by Nacha, would be updated to include allowance for purposes of addressing ACH operational issues, fraud and risk management, and IAT handling within the ACH Network.

# Proposal #5 – Registration of IAT Contacts

## Anticipated Benefits and Potential Impacts

### Anticipated Benefits

- All network participants involved in IAT processing would benefit from this proposal by a reduction in time in determining who and how to contact another financial institution regarding an exception with an IAT Entry.
  - Non-FI participants, such as Originators and Receivers, would benefit by faster processing of their international payments.

### Potential Impacts

- Impacts of this proposal are anticipated to be limited to the addition of IAT-handling contact information to the registry and maintenance with the existing contact information required of every Participating DFI.
  - All Participating DFIs are currently required to have ACH operations and risk/fraud management contacts registered, updated within 45 days of a change and verified annually.

# Proposal #5 – Registration of IAT Contacts

## Feedback Requested

Feedback is sought from the industry, via the Request for Comment, on the following related to the mandatory registration of IAT contacts by Participating DFIs in the ACH Contact Registry:

1. Agreement with the proposal to make IAT a required contact.
2. Anticipated benefits of requiring IAT contact information to be registered.
3. Current usage of voluntary contacts.

# Proposal #6 - Valid Characters for ACH Records

The purpose of this proposal is to clarify the data specifications for ACH Record Valid Characters, identifying specific acceptable characters rather than utilizing references to standards that may be open to interpretation.

**Applies to ALL  
SEC Codes!!**

While this proposal impacts **all types of ACH entries using all SEC Codes**, it is being included in this RFC as the subject was originally raised by the IAT Industry Work Group and can bring benefit to many types of ACH participants.

This proposal is intended to address issues identified with current rule language for ACH Valid Characters:

- Current rules allow ASCII characters above hex 1F and EBCDIC above hex 3F; however, there is not consistency for character translation of some of those hex codes.
- Parties not using legacy mainframe for processing increasingly use extended character sets.
- UTF-8 uses leading bytes and continuation bytes to allow for many more than 256 characters; however, this requires more than one byte per character and may cause the ACH Operator to reject files if any record does not have precisely 94 bytes.

# Proposal #6 - Valid Characters for ACH Records

The proposed rule change would update Appendix One, Part 1.2 (Data Specifications for ACH Records) to replace EBCDIC and ASCII value references with reference to specific valid characters identified in the Nacha Operating Guidelines.

These data specifications apply to ACH Records related to all Entries, regardless of SEC Code.

TYPE OF FIELD	ALPHABETIC/ ALPHAMERIC	NUMERIC
<b>Valid Characters</b>	0-9, A-Z, a-z, space, <del>EBCDIC values greater than hexadecimal "3F", ASCII values greater than hexadecimal "1F"</del> <u>and those special characters specifically identified in Appendix R (Valid Characters for ACH Entries) of the Nacha Operating Guidelines</u>	0-9
<b>Justification</b>	Left	Right
<b>Empty Field Handling</b>	Space filled	Zero filled
<b>Special Notes</b>	Certain fields require the use of UPPERCASE characters (noted in Part 1.2)	Must be unsigned (Neither positive (+) <del>or</del> <u>nor</u> negative (-) signage.)

# Proposal #6 - Valid Characters for ACH Records

Nacha is seeking comment from the industry on both the concept of defining valid characters in a more easily updated table in the Nacha Operating Guidelines and the content of the table.

The following slides contain two tables of characters.

- The first table contains commonly used English-language characters currently accepted by both ACH Operators.
- The second table contains suggested defined valid extended characters.

When considering the sets of characters to be included in the “Valid Characters for ACH Entries” table in the Guidelines, respondents should factor in downstream impacts of these characters in systems of record, for reporting, account activity, etc.

# Proposal #6 - Valid Characters for ACH Records

**Table One:** Characters already used in common by FRB and EPN: ASCII Hex 20 – 7E; these are well-established, common characters on Windows PCs and ISO/IEC 8859.

ASCII Hex	20	21	22	23	24	25	26	27	28	29	2A	2B	2C	2D	2E	2F
Unicode character	space	!	"	#	\$	%	&	'	(	)	*	+	,	-	.	/
EBCDIC Code	40	4F	7F	7B	5B	6C	50	7D	4D	5D	5C	4E	6B	60	4B	61
ASCII Hex	30	31	32	33	34	35	36	37	38	39	3A	3B	3C	3D	3E	3F
Unicode character	0	1	2	3	4	5	6	7	8	9	:	;	<	=	>	?
EBCDIC Code	F0	F1	F2	F3	F4	F5	F6	F7	F8	F9	7A	5E	4C	7E	6E	6F
ASCII Hex	40	41	42	43	44	45	46	47	48	49	4A	4B	4C	4D	4E	4F
Unicode character	@	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
EBCDIC Code	7C	C1	C2	C3	C4	C5	C6	C7	C8	C9	D1	D2	D3	D4	D5	D6
ASCII Hex	50	51	52	53	54	55	56	57	58	59	5A	5B	5C	5D	5E	5F
Unicode character	P	Q	R	S	T	U	V	W	X	Y	Z	[	\	]	^	_
EBCDIC Code	D7	D8	D9	E2	E3	E4	E5	E6	E7	E8	E9	4A	E0	5A	5F	6D
ASCII Hex	60	61	62	63	64	65	66	67	68	69	6A	6B	6C	6D	6E	6F
Unicode character	`	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
EBCDIC Code	79	81	82	83	84	85	86	87	88	89	91	92	93	94	95	96
ASCII Hex	70	71	72	73	74	75	76	77	78	79	7A	7B	7C	7D	7E	
Unicode character	p	q	r	s	t	u	v	w	x	y	z	{		}	~	
EBCDIC Code	97	98	99	A2	A3	A4	A5	A6	A7	A8	A9	C0	6A	D0	A1	

# Proposal #6 - Valid Characters for ACH Records

**Table Two:** Proposed extended characters: ASCII Hex C0 – FF (except for D0, D7, DE, F0, F7, FE) Common Western European characters in UTF-8 ISO/IEC 8859.

Decimal	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207
ASCII Hex	C0	C1	C2	C3	C4	C5	C6	C7	C8	C9	CA	CB	CC	CD	CE	CF
Unicode character	À	Á	Â	Ã	Ä	Å	Æ	Ç	È	É	Ê	Ë	Ì	Í	Î	Ï
EBCDIC Code	64	65	62	66	63	67	9E	68	74	71	72	73	78	75	76	77
Decimal	209	210	211	212	213	214			216	217	218	219	220	221		223
ASCII Hex	D1	D2	D3	D4	D5	D6			D8	D9	DA	DB	DC	DD		DF
Unicode character	Ñ	Ò	Ó	Ô	Õ	Ö			Ø	Ù	Ú	Û	Ü	Ý		ß
EBCDIC Code	69	ED	EE	EB	EF	EC			80	FD	FE	FB	FC	AD		59
Decimal	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239
ASCII Hex	E0	E1	E2	E3	E4	E5	E6	E7	E8	E9	EA	EB	EC	ED	EE	EF
Unicode character	à	á	â	ã	ä	å	æ	ç	è	é	ê	ë	ì	í	î	ï
EBCDIC Code	44	45	42	46	43	47	9C	48	54	51	52	53	58	55	56	57
Decimal	241	242	243	244	245	246			248	249	250	251	252	253		255
ASCII Hex	F1	F2	F3	F4	F5	F6			F8	F9	FA	FB	FC	FD		FF
Unicode character	ñ	ò	ó	ô	õ	ö			ø	ù	ú	û	ü	ý		ÿ
EBCDIC Code	49	CD	CE	CB	CF	CC			70	DD	DE	DB	DC	8D		DF



# Proposal #6 - Valid Characters for ACH Records

The following rationale was used during consideration of valid extended characters for ACH Records:

- ASCII Hex 00 – 1F are not permitted under existing Subpart 1.2 language.
- ASCII Hex 7F – 9F are omitted; used as leading bytes and continuation bytes in UTF-8.
- ASCII Hex A0 – BF are omitted; inconsistent use and mostly symbols, not letters.
- ASCII Hex D0, D7, DE, F0, F7, FE are omitted; inconsistent use; symbols and uncommon letters.
- Similar considerations for ambiguous EBCDIC encoding.

# Proposal #6 - Valid Characters for ACH Records

## Anticipated Benefits and Potential Impacts

### Anticipated Benefits

- Defining valid characters for the ACH Network provides consistency for all participants and eliminates the potential for RDFIs to receive unexpected values.
- Clarity of valid characters may help reduce the number of rejected ACH files during origination processes.
- The proposed characters are aligned with current electronic payment industry standards.
- Support of extended characters may aid in the accuracy of legal identification of transaction participants.

### Potential Impacts

- Ancillary or downstream systems, for all types of participants, may require adjustments to accurately handle extended characters not currently supported to maintain the integrity of the record.

# Proposal #6 – Valid Characters for ACH Records

## Feedback Requested

Feedback is sought from the industry, via the Request for Comment, on the following related to the defining of Valid Characters for all ACH Records:

1. Is there benefit in revising the description of Valid Characters?
2. Concept of defining characters in the Nacha Operating Guidelines for easier update.
3. Which characters should be considered valid?
4. Value - Do you now or could you have use for the defined extended characters?
5. Impacts beyond ACH processing systems.

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction

Currently Return Reason Code (RRC) R16 is defined for use as Account Frozen/Entry Returned Per OFAC Instruction

- The meanings of these two reasons are only linked at the highest level because they may deal with potential legal actions.
- The interpretation by the ODFI/Originator matters when receiving an R16 return, as the resulting actions vary significantly.
  - If the Entry is, in fact, being returned per Office of Foreign Asset Control (OFAC) instruction, then the ODFI must take immediate action and determine further OFAC instructions for the entry and entity relationships, working with its client.
  - By contrast, an RDFI's action on the receiving account due to delinquency or garnishment, for example, does not require action by the ODFI and different action by the Originator to collect payment.

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction

This proposal expands Article Three, Section 3.8 (RDFI's Right to Transmit Return Entries) to adopt a unique return time frame for OFAC-related returns:

## **Subsection 3.8.3.6 Timing Requirements for Entries Returned Per OFAC Instruction** (New Subsection)

An RDFI that has been instructed by OFAC to return an Entry must Transmit such a Return Entry to its ACH Operator by the ACH Operator's deposit deadline for the Return Entry to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's receipt of OFAC's instruction to return the Entry.

- Provides RDFIs with the time necessary to work with OFAC to determine appropriate action while placing a time limit on the return to facilitate timely notice to the ODFI or Gateway of the transaction.
- This return deadline aligns with an RDFI's obligation to return any credit entries declined by the Receiver using Return Reason Code R23 (Credit Entry Refused by Receiver)

"The RDFI must transmit any such return entry to its ACH Operator by its deposit deadline for the return to be made available to the ODFI no later than the opening of business on the second Banking Day following the RDFI's receipt of notification from the Receiver that it has declined the Entry."

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction

This proposal would designate a new return reason code, R90, for use by an RDFI or Gateway for entries returned per OFAC instruction.

Examples of use include:

- Inbound debit IAT Entry- RDFI (not a Gateway) receives an inbound debit IAT Entry. The compliance review indicates a match for a party on the sending side. OFAC instructs the RDFI to capture the funds.
  - When the IAT Entry settles with the ACH Operator, the funds will have been debited from the RDFI's settlement account and credited to the ODFI/Gateway's settlement account.
  - To fulfill OFAC's instructions, the RDFI would capture the funds from the receiving account, place them in suspense, and return the debit IAT Entry as R90 to recoup the funds from the ODFI/Gateway and communicate the reason why.
- Outbound debit IAT Entry – RDFI/Gateway receives an outbound debit IAT Entry. The compliance review indicates a match for a party on the receiving side. OFAC instructs the RDFI/Gateway to capture the funds.
  - When the IAT Entry settles with the ACH Operator, the funds will have been debited from the RDFI/Gateway's settlement account and credited to the ODFI's settlement account.
  - To fulfill OFAC's instructions, the RDFI/Gateway would capture the funds from the receiving account, place them in suspense, and return the debit IAT Entry as R90 to recoup the funds from the ODFI and communicate the reason why.
- In the unlikely instance that OFAC instructs the return of a domestic ACH Entry, R90 would be used in a similar fashion as described above.

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction

This proposal would also update Appendix Four, Part 4.2 - Table of Return Reason Codes.

- Language in the return reason code table related to R16 would be updated to remove “Entry Returned Per OFAC Instruction” from the title, remove references in the description and remove Gateway from the initiating party.
  - R16 would revert to its original title “Account Frozen” and be described as “Access to the account is restricted due to specific action taken by the RDFI or by legal action.”
- R90 (Entry Returned Per OFAC Instruction) would be added to the return reason code table.
  - The same OFAC-specific language removed from R16 would be used for new Return Reason Code R90 (Entry Returned Per OFAC Instruction) and describe uses where OFAC has instructed the RDFI or Gateway to return the Entry.
  - The return time frame described for this code’s use would be aligned with the new Subsection 3.8.3.6 to reflect the RDFI’s requirement to return the entry within two banking days from the receipt of OFAC’s instructions.

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction - Anticipated Benefits

## Anticipated Benefits

- Removing ambiguity as to the reason for return would allow ODFIs, third-parties, and Originators to act definitively upon receipt of the return.
  - R16 Return Entries would be understood as occurring due to legal or RDFI account action.
  - R90 Return Entries would be understood as occurring per OFAC instructions.
- Improved legal compliance for ODFIs/Third-Party Senders/Originators.
- The time frame for a return per OFAC instructions would take into consideration the time needed for an RDFI to communicate with OFAC and still provide a timely return to the ODFI.
- R16 returns may be able to be remediated in the future if the account status should change.



# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction - Potential Impacts

## Potential Impacts

- ACH Operators would need to implement a new Return Reason Code, R90.
  - Operators would be required to process this code.
  - Systems for creating or deriving a return would require updates for this new code.
  - Reporting updates would be required for this new code, including customer reports and ACH debit entry return monitoring reports.
  - Updates to the description of R16 would be required in reporting and customer-facing systems.
- All Participating FIs would need to implement a new Return Reason Code, R90.
  - RDFIs would need to be capable of originating a return with this code.
  - ODFIs would need to be capable of receiving, interpreting and reporting this code to its originating customers.
  - All FIs would also need to adjust descriptions for R16 (Account Frozen).

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction - Potential Impacts

## Potential Impacts, continued

- Originators and Third-Party Senders would need to understand the new purposes for R16 and R90 Return Reason Codes.
  - Reporting systems may require updates.
  - Updated procedures for receipt of these codes would be required.
- Third-Party Service Providers would need to assist clients in implementing the new R90 Return Reason Code for origination, receiving and reporting.
  - Description of R16 would also require updating.
- All Participants would require training on the new uses of R16 and R90 Return Reason Codes

# Proposal #7 – New Return Reason Code for Entry Returned Per OFAC Instruction

Feedback is sought from the industry, via the Request for Comment, on the following related to OFAC-related return processing.

- Would separating the reasons currently defined within R16 allow for definitive handling of OFAC-instructed returns?
- Agreement with the creation of a new Return Reason Code to specifically designate when a return is processed per OFAC instructions.
- Agreement with the creation of Return Reason Code R90 for any entry returned per OFAC instruction.
- The usefulness of the time frame proposed for R90.
- Current usage of R16 per OFAC instruction.

# Proposed Effective Dates

This RFC on IAT Topics proposes an implementation date of **September 18, 2026**, for two of the proposals that do not impact the processing of IATs:

1. Revise the definition of IAT. (Proposal #1)
2. Require financial institutions to register an IAT contact in the ACH Contact Registry. (Proposal #5)

Proposals that impact the processing of IATs, as well as the modifications to return reason codes and clarifications on valid characters, would have a later proposed implementation date of **March 19, 2027**.

1. Eliminate the restriction on IATs for same-day processing. (Proposal #2)
2. Enable the optional inclusion of Date of Birth in the IAT format. (Proposal #3)
3. Allow foreign source or foreign destination of funds from non-traditional financial institutions. (Proposal #4)
4. Clarify valid characters in ACH records. (Proposal #6)
5. Establish a Return Reason Code (R90) to specifically designate when a return is processed per OFAC instructions. (Proposal #7)

The ten specific “IAT/not IAT” scenarios would be issued to the industry via an operations bulletin and subsequently included within the Nacha Operating Guidelines.

# Proposed Effective Dates 2025 Through 2027

This table shows the proposed effective dates for the IAT proposals (in italics) in relation to existing Rules effective dates (in bold).

Effective Date	Rule Amendments
<b>April 1, 2025</b>	<ul style="list-style-type: none"> <li>• <b>RDFIs must respond to an ODFI's Request for Return within 10 Banking Days</b></li> </ul>
<b>March 20, 2026</b>	<ul style="list-style-type: none"> <li>• <b>Fraud Monitoring by ODFIs</b></li> <li>• <b>Fraud Monitoring by large Originators, TPSPs, and TPSs (Phase 1)</b></li> <li>• <b>ACH Credit Monitoring by large RDFIs (Phase 1)</b></li> <li>• <b>New Company Entry Descriptions – PAYROLL and PURCHASE</b></li> </ul>
<b>June 22, 2026</b>	<ul style="list-style-type: none"> <li>• <b>Fraud Monitoring by all other Originators, TPSP, and TPS</b></li> <li>• <b>ACH Credit Monitoring by all other RDFIs</b></li> </ul>
<i>September 18, 2026</i>	<ul style="list-style-type: none"> <li>• <i>Revise the definition of IAT.</i></li> <li>• <i>Require financial institutions to register an IAT contact in the ACH Contact Registry.</i></li> </ul>
<i>March 19, 2027</i>	<ul style="list-style-type: none"> <li>• <i>Allow for same-day IAT processing.</i></li> <li>• <i>Enable the optional inclusion of Date of Birth in the IAT format.</i></li> <li>• <i>Allow foreign source or foreign destination of funds from non-traditional financial institutions.</i></li> <li>• <i>Clarify valid characters in ACH records.</i></li> <li>• <i>Establish a Return Reason Code (R90) to specifically designate when a return is processed per OFAC instructions.</i></li> </ul>

# General RFC Feedback Requested

Nacha also seeks input from the industry, generally, related to:

- Respondent's role in the ACH Network.
- Experience with IAT origination and receipt.
- General agreement with the concepts in these proposals.
- Impacts of the proposals to participants, including origination, technical, operational, and receipt.
- Existence of other opportunities related to the proposals.
- Proposed effective dates and implementation effort.



# IAT E-Commerce Marketplace Scenarios

## Proposed additions to the Nacha Operating Guidelines

# IAT E-Commerce Marketplace Scenarios

The Nacha Operating Guidelines (Guidelines) contain ACH payment scenarios to aid in the determination of whether a similarly-modeled payment is an International ACH Transaction or a domestic ACH Entry (IAT or not IAT).

- The following slides contain new scenarios since the original set was created, related to e-commerce marketplace processing.
- Changes to the Guidelines are not typically included in the Request for Comment process; however, the importance of industry input on the topic suggests their inclusion in this RFC.
- Nacha is seeking comments related to the new scenarios:
  - Agreement with the proposed determination.
  - Potential impacts related to the proposed determination.
  - Accuracy of the proposed scenarios.
  - Any additional needed scenarios.
- The scenarios are not intended to be exhaustive or exclusive of others that might or might not result in IATs; they are intended to serve as examples that identify principles that can be used in determining whether IAT should be used.



# IAT E-Commerce Marketplace Scenarios

## Preface to scenarios:

In the following scenarios, an entity operates an online marketplace (“Marketplace”) that facilitates the purchase of goods between buyers and sellers who may be located in the U.S. or outside the U.S. The Marketplace enables a U.S. buyer to 1) pre-fund a wallet and subsequently use those funds stored in the wallet to make purchases; and 2) make purchases with concurrent funding by authorizing an ACH debit to their U.S. bank account. The Marketplace enables a U.S. seller to receive funds concurrently with a sale into the seller’s wallet. The seller may disburse funds from the wallet via ACH. The scenarios assume that all U.S. domestic payments are made via ACH, but in practice the Marketplace uses many other payment methods (debit card, credit card, wire transfer, instant payments). In several of the scenarios, the location of the Marketplace (“U.S. Marketplace” or “Non-U.S. Marketplace”) affects the determination of IAT or not IAT.

# IAT E-Commerce Marketplace Scenarios

## Scenario 1

**Q.** A U.S. buyer makes a \$100 purchase on the Marketplace from a non-U.S. seller. The U.S. buyer pays for the purchase with \$100 held in a proprietary wallet account with the Marketplace. The Marketplace transfers the \$100 to a proprietary wallet account of the non-U.S. seller within its own system. Is this transfer an IAT?

**A.** No. The transfer takes place entirely within the proprietary wallet system of the Marketplace. The U.S. ACH Network is not used in the transfer of funds; therefore, there is no IAT. The location of the Marketplace has no effect on the determination.

# IAT E-Commerce Marketplace Scenarios

## Scenario 2

**Q.** A U.S. buyer makes a \$100 purchase on the Marketplace from a non-U.S. seller. The U.S. buyer pays for the purchase by authorizing the Marketplace to debit their U.S. bank account. The Marketplace initiates an ACH debit to the customer's U.S. bank account to collect the \$100. The seller has instructions on file with the Marketplace to forward any credits from sales out of the wallet account to a non-U.S. bank account. Is this ACH debit an IAT?

**A.** Yes. The ACH debit used to collect \$100 from the buyer's U.S. bank account is an IAT, because it is the domestic, ACH Network component of an international payment to effect the transfer of funds from the U.S. buyer (payer) to the non-U.S. seller (payee) in a non-U.S. bank account. The location of the Marketplace has no effect on the determination.

# IAT E-Commerce Marketplace Scenarios

## Scenario 3

**Q.** A U.S. buyer makes a \$100 purchase on the Marketplace from a non-U.S. seller. The U.S. buyer pays for the purchase by authorizing the Marketplace to debit their U.S. bank account. The Marketplace initiates an ACH debit to the customer's U.S. bank account to collect the \$100. The seller has instructions on file with the Marketplace to retain credits from sales in the wallet account. Is this ACH debit an IAT?

**A.** For a U.S. Marketplace: No. The ACH debit used to collect \$100 from the buyer's U.S. bank account is not an IAT, because it is not a component of an international payment to effect the transfer of funds from a U.S. account to a non-U.S. financial agency account. The destination of the funds is a wallet account held by the U.S. Marketplace at a U.S. financial institution.

For a non-U.S. Marketplace: Yes. The ACH debit used to collect \$100 from the buyer's U.S. bank account is an IAT, because it is the domestic, ACH Network component of an international payment to effect the transfer of funds from the U.S. buyer (payer) to the payee (seller) via the non-U.S. Marketplace.

# IAT E-Commerce Marketplace Scenarios

## Scenario 4

**Q.** A U.S. buyer makes a \$100 purchase on the Marketplace from a non-U.S. seller. The U.S. buyer pays for the purchase using a combination of \$50 held in a proprietary wallet account with the Marketplace and authorizing the Marketplace to debit their U.S. bank account for the additional \$50. The Marketplace initiates an ACH debit to the buyer's U.S. bank account to collect the \$50. The seller has instructions on file with the Marketplace to forward any credits from sales out of the wallet account to a non-U.S. bank account. Is this ACH debit an IAT?

**A.** Yes. The ACH debit used to collect \$50 from the buyer's U.S. bank account is an IAT, because it is the domestic, ACH Network component of an international payment to effect the transfer of funds from the U.S. buyer (payer) to the foreign bank account of the non-U.S. seller (payee). The ACH debit is an IAT, even though it is not for the full amount of the proprietary transfer, because the funds are being used as part of an international payment. The location of the Marketplace has no effect on the determination.

# IAT E-Commerce Marketplace Scenarios

## Scenario 5

**Q.** A U.S. buyer makes a \$100 purchase on the Marketplace from a non-U.S. seller. The U.S. buyer pays for the purchase using a combination of \$50 held in a proprietary wallet account with the Marketplace and authorizing the Marketplace to debit their U.S. bank account for the additional \$50. The Marketplace initiates an ACH debit to the buyer's U.S. bank account to collect the \$50. The seller has instructions on file with the Marketplace to retain credits from sales in the wallet account. Is this ACH debit an IAT?

**A.** For a U.S. Marketplace: No. The ACH debit used to collect \$50 from the buyer's U.S. bank account is not an IAT, because it is not a component of an international payment to effect the transfer of funds from a U.S. account to a non-U.S. financial agency account. The destination of the funds is a wallet account held by the U.S. Marketplace at a U.S. financial institution.

For a non-U.S. Marketplace: Yes. The ACH debit used to collect \$50 from the buyer's U.S. bank account is an IAT, because it is the domestic, ACH Network component of an international payment to effect the transfer of funds from the U.S. buyer (payer) to the payee (seller) via the non-U.S. Marketplace. The ACH debit is an IAT, even though it is not for the full amount of the proprietary transfer, because the funds are being used as part of an international payment.

# IAT E-Commerce Marketplace Scenarios

## Scenario 6

**Q.** The Marketplace allows a domestic, U.S. buyer to occasionally replenish or top-off funds in a proprietary wallet account. To do so, it initiates an ACH debit to the buyer's domestic, U.S. bank account. The buyer authorizes an ACH debit to add \$50 to their proprietary wallet account. This funding transfer to load the wallet is not associated with a specific purchase. Is the ACH debit an IAT?

**A.** For a U.S. Marketplace: No. The ACH debit used to add \$50 to the buyer's proprietary wallet account with the Marketplace was not part of an international payment; therefore, it is not an IAT.

For a Non-U.S. Marketplace: Yes. The ACH debit used to add \$50 to the buyer's proprietary wallet account with the Marketplace incorporated outside of the U.S. (or not operating solely out of a U.S. bank account) is part of an international payment; therefore, it is an IAT.

# IAT E-Commerce Marketplace Scenarios

## Scenario 7

**Q.** A U.S. buyer makes a purchase on the Marketplace from a non-U.S. seller, and the ACH debit to pay for the purchase is an IAT (as described in Scenario 2). The next day, the same U.S. buyer makes another purchase on the Marketplace, this time from a U.S. seller, and again pays using an ACH debit. Is this subsequent ACH debit an IAT?

**A.** For a U.S. Marketplace: No. The subsequent ACH debit is not part of an international payment; therefore, it is not an IAT. It is immaterial that the previous ACH debit was an IAT.

For a Non-U.S. Marketplace: Yes. The subsequent ACH debit is part of an international payment if the Marketplace is not a U.S. entity operating solely out of a U.S. bank account. The Marketplace's foreign account is used to facilitate the movement of the funds between the buyer and seller; therefore, it is an IAT.



# IAT E-Commerce Marketplace Scenarios

## Scenario 8

**Q.** A U.S. seller makes a sale of \$100 on the Marketplace to a non-U.S. buyer. The funds for this purchase were added to the wallet by the non-U.S. buyer from a non-U.S. account. The Marketplace transfers funds to the seller using an ACH credit for \$100 to the U.S. bank account of the seller. Is this ACH credit an IAT?

**A.** Yes. The ACH credit used to pay \$100 to the seller is an IAT, because it is the domestic, ACH Network component of an international payment to effect the transfer of funds from the non-U.S. buyer (payer) to the U.S. seller (payee). The location of the Marketplace has no effect on this determination.

# IAT E-Commerce Marketplace Scenarios

## Scenario 9

**Q.** A U.S. seller makes a sale of \$100 on the Marketplace to a non-U.S. buyer. The funds for this purchase came from the buyer's existing balance in their Marketplace-proprietary wallet account. The Marketplace transfers funds to the seller using an ACH credit for \$100 to the U.S. bank account of the seller. Is this ACH credit an IAT?

**A.** For a U.S. Marketplace: No. The ACH credit is not an IAT because it was not part of an international payment to transfer funds from a non-U.S. payer (buyer) to the U.S. payer (seller), as the funds for the purchase were being held in a wallet account held by the U.S. Marketplace at a U.S. financial institution; therefore, it is not an IAT.

For a Non-U.S. Marketplace: Yes. The ACH credit is part of an international payment to transfer funds from a non-U.S. payer (Marketplace) to the U.S. payee (seller); therefore, it is an IAT.

# IAT E-Commerce Marketplace Scenarios

## Scenario 10

**Q.** A U.S. seller makes occasional sales on the Marketplace to both U.S. buyers and non-U.S. buyers. Proceeds from all sales are deposited into the proprietary wallet account the seller holds with the Marketplace. Once a month, the seller withdraws sales proceeds from the proprietary wallet account of the Marketplace to their U.S. bank account. In August, the seller withdraws \$500, and the Marketplace uses an ACH credit to send the \$500 to their U.S. bank account. Is this ACH credit an IAT?

**A.** For a U.S. Marketplace: No. The ACH credit is not an IAT because it was not part of an international payment to transfer funds from a non-U.S. payer (buyer or Marketplace) to the U.S. payer (seller); therefore, it is not an IAT.

For a Non-U.S. Marketplace: Yes. The ACH credit is part of an international payment to transfer funds from a non-U.S. payer (Marketplace) to the U.S. payee (seller); therefore, it is an IAT.



# Request for Information

**International ACH Transactions (IATs) and Related Topics**  
**Responses Due May 30, 2025**

# Request for Information – IATs and Related Topics

Nacha is seeking information from the industry on four additional topics related to International ACH Transactions (IATs).

1. IAT Data Quality
2. Additional Addenda Records
3. Additional Indicators
4. Communication of Changes

A Request for Information (RFI) is not a proposal to amend the Nacha Operating Rules. The purposes of the RFI are to gather information related to the improvement of IAT resources, socialize potential changes to the Nacha Operating Guidelines, and determine whether there is any potential need for additional rulemaking.

Nacha requests that industry stakeholders provide comments and perspectives on the topic, its scope, and the potential benefits and impacts of various options by May 30, 2025.

# RFI Topic #1 - IAT Data Quality

Nacha is seeking information from ACH Network Participants pertaining to IAT data quality concerns.

- Potential issues include populated data that is either not the correct information for that field or data that is formatted incorrectly, as well as data that is partially accurate/in the correct format.
- Nacha is seeking information related to specific formatting issues users may be experiencing, from an originating and receiving perspective, in order to provide education and guidance on these issues via mapping examples.

Additionally, Nacha is reviewing IAT guidelines to address instances when multiple data elements are missing. The current language addresses one missing data element per field.

- Current logic may need to be updated to be more processing-friendly.
- More than one missing element is not addressed.

# RFI Topic #1 - IAT Data Quality

## IAT Formatting Guidelines – Two Elements Missing

The Nacha Operating Guidelines do not address how to format an IAT when all data elements in a field are missing, and RDFIs are reporting inconsistencies in received transactions with no information in a field.

Example of an IAT with no information in fields:

- Payroll Company (Originator) receives an NOC from an RDFI indicating that the PPD sent to the employee's (Receiver's) account should have been an IAT. RDFI makes this determination due to standing instructions for the payment amount to be forwarded internationally.
- The employee has not provided the international payment instructions on file at RDFI to their employer; therefore, Payroll Company is not in possession of complete information related to the foreign receiver of funds.
- Next pay cycle, Payroll Company originates an IAT credit to the employee's account at RDFI with missing data in some of the foreign receiver information fields. RDFI generates an international clearing transaction to forward the funds to the foreign receiving bank. That transaction includes the foreign receiver's information that it holds, as well as the original source of funding information provided in the IAT.

Note: The IAT Addenda Record Fields referenced are mandatory, meaning that the ACH Operators review solely to ensure the fields are not blank; they do not edit for content validity.

# RFI Topic #1 - IAT Data Quality

## IAT Formatting Guidelines – Missing Data Elements

Potential scheme for updated guidance on the creation of IATs with one or two missing data elements.

Current Guidelines		Potential New Guidance	
Resulting IAT Entry data	Condition	Resulting IAT Entry data	
CHICAGO*IL\	City known, State known	CHICAGO*IL\	
CHICAGO\	City known, State unknown	CHICAGO*-\	
*IL\	City unknown, State known	-*IL\	
Not Addressed	City unknown, State unknown	-*-\	
US*60606\	Country known, Postal known	US*60606\	* Data Element Separator
US\	Country known, Postal unknown	US*-\	
*60606\	Country unknown, Postal known	-*60606\	- <u>Missing Element Place Holder (New)</u>
Not Addressed	Country unknown, Postal unknown	-*-\	\ Field Terminator



# RFI Topic #2 - Additional IAT Addenda Records and Formats

Nacha is seeking additional information from the industry on any needs for additional IAT addenda records, such as:

- Mandatory addenda records
- Optional-use addenda records

Respondents are requested to provide any specific needs they have identified for addenda records that would either be used in every IAT entry (mandatory) or as needed/desired (optional).

# RFI Topic #3 - Additional IAT Indicators

Nacha is seeking additional information from the industry on any needs for additional or specific code indicators for use in the IAT record formats.

Respondents are requested to provide any specific needs they have identified for an indicator, as well as any comments related to the use case.

# RFI Topic #4 - Communication of IAT-Related Changes

The Nacha Operating Rules provide mechanisms for communicating when an ACH Entry has been incorrectly coded through the Notification of Change (NOC) and return processes.

Nacha has heard anecdotally that some RDFIs have established routing number/account number schemes for ease of identifying international pass-through accounts, and/or communicating changes to ODFIs and Originators via alternative methods, such as fax or secured email.

This RFI seeks to learn more about how IAT-related changes are communicated to determine if additional guidance and/or functionality are needed to the NOC or return processes to more easily facilitate the necessary exchange of information for IAT compliance.

# International ACH Transaction (IAT) and Related Topics Request for Comment/Request for Information

Responses Due May 30, 2025

## NACHA STAFF CONTACTS

Administrative questions:

Maribel Bondoc, Manager, Network Rules  
E-mail: [mbondoc@nacha.org](mailto:mbondoc@nacha.org)

Questions:

Cari Conahan, AAP, Associate Managing Director,  
ACH Network Rules & Enforcement  
E-mail: [cconahan@nacha.org](mailto:cconahan@nacha.org)

Amy Morris, Senior Director, ACH Network Rules  
E-mail: [amorris@nacha.org](mailto:amorris@nacha.org)