



International ACH Transactions (IATs) and Related Topics Request for Comment

IAT E-Commerce Marketplace Scenarios March 31, 2025

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 contains 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 (RFC) 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 and:
 - 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

This document is provided for your convenience, in addition to the full Request for Comment/Request for Information. Full documentation, including the survey enabling comments, can be found online at <https://www.nacha.org/rules/proposed>. The survey should be completed online at by **May 30, 2025**.