

NPCI/NFS/OC No. 120/2014 – 15

27th May, 2014

To,

All Members of National Financial Switch (NFS)

Dear Sir/Madam,

Subject: NFS - Revision of timelines for raising Debit Adjustments.

Debit Adjustment is raised by Acquirer to settle the transaction for which cash was dispensed to the cardholder but have not received the credit through daily settlement due to processing of incorrect reversal by the acquirer. Acquirer needs to provide the copy of EJ/JP as a proof of dispense of cash to the cardholder i.e. the transaction should be clear successful withdrawal as per EJ/JP, while raising debit adjustment.

In the NFS Steering Committee Meeting held on 26th February, 2014, timelines for raising debit adjustment was discussed.

The Steering Committee members acknowledged that the existing timelines of 17 days for raising debit adjustment is an area of concern. During the interim period, the issuing banks' customer account may not have sufficient funds or the account may have got closed/frozen. This may result in non-recovery of the transaction amount from the customer for the Issuing Bank.

After deliberation, it was decided to revise the timelines of raising debit adjustment to 10 days (as against the existing timelines of 17 days).

The revised timelines of allowing debit adjustment up to 10 days from the next day of transaction shall be implemented w.e.f. **1st June, 2014**. This will be applicable for transactions done after 23:00 hours of 31st May, 2014. Existing timelines of 17 days from the next day of transaction shall be applicable for all transactions done up to 23:00 hours of 31st May, 2014.

Raising debit adjustment is not desirable. We request Acquirers to ensure that NO wrong reversals are generated for **successful** cash withdrawal transactions. This will avoid raising of debit adjustments by the acquirers.

Please make a note of the change in timelines for raising debit adjustment and disseminate the information to the officials concerned.

For any queries or clarification, please contact:

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Yours faithfully,


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Head – NFS