



# **2022 & 2023 Nacha Operating Rules Changes**





## Objective

The objective of this document is to provide a summary-level description of the 2022 & 2023 Revisions to *Nacha Operating Rules and Guidelines*. This is NOT intended to be an inclusive summary of all of the Rules. Please refer to *2023 Nacha Operating Rules and Guidelines* for additional detail.

## Effective March 18, 2022:

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### INCREASING SAME-DAY ACH DOLLAR LIMIT TO \$1 MILLION

This change raised the per-transaction dollar limit for Same-Day ACH from \$100,000 to \$1,000,000.

#### Key Components:

- Both ACH credits and ACH debits are eligible for the increased per-transaction limit.
- Nacha saw a significant increase in the number of Business-to-Business payments flowing through the ACH Network as a result of this change.
- The Same-Day ACH processing windows can also be used for both returns and reversals and are subject to the increased limits.

#### Impact to Participants:

- Originators and Third-Party Service Providers (includes Third-Party Senders) are eligible to participate.
- Receivers (especially businesses) of Same-Day ACH entries may be seeing Same-Day ACH activity up to the new limit throughout the business day. Receivers may need to review their internal procedures to determine if modifications are necessary.

## Effective June 30, 2022:

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### SUPPLEMENTING DATA SECURITY REQUIREMENTS – PHASE 2

This rule supplements previous ACH Security Framework data protection requirements by explicitly requiring large, non-FI Originators, Third-Party Service Providers (TPSPs) and Third-Party Senders (TPSS) to protect deposit account information by rendering it unreadable when it is stored electronically.

#### Key Components:

- In response to requests from covered parties, Nacha pushed back the original effective date for a Rule passed in 2020. Phase 2, which applies to ACH Originators and Third Parties with more than 2 million ACH payments annually, became effective on June 30, 2022.
- Each Non-Consumer Originator that is not a Participating DFI, each Third-Party Service Provider, and each Third-Party Sender, whose ACH Origination or Transmission volume exceeds 2 million Entries annually to protect DFI Account Numbers used in the initiation of Entries by rendering them unreadable when stored electronically.

#### Impact to Participants:

- All Originators and Third Parties with ACH volume greater than 2 million in 2020 are required to be in compliance.
- Parties that reach 2 million or more ACH payments beginning in 2022 and any year thereafter have until June 30 of the following year to come into compliance with the Rule.



## Effective September 16, 2022:

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### MICRO-ENTRIES, PHASE 1

The purpose of the Micro-Entries Rule amendment is to improve the effectiveness of Micro-Entries as a method of account validation; to better enable ODFIs and RDFIs to identify Micro-Entries so they can apply any desired processing routines or other controls; and to improve the quality of Micro-Entries in the ACH Network.

#### **Key Components:**

- Defines Micro-Entries as a credit or debit entry used by an Originator for the purpose of verifying a Receiver's account or an individual's access to an account within the scope of Nacha Operating Rules.
- Standardizes formatting for Micro-Entries by requiring the use of "ACCTVERIFY" in the Company Entry Description field. The Rule also will require that the Company Name be readily recognizable to the Receiver and be the same or similar to the Company Name that will be used in future entries.
- Originators using debit Micro-Entry offsets must send the debit and the corresponding credit Micro-Entries simultaneously for settlement at the same time. The Rule will also require that the total amount of the credit Micro-Entry(ies) must be equal to or greater than the value of the debit Micro-Entry(ies). The aggregate total of debits and credits cannot result in a net debit to the Receiver's account. Originators of Micro-Entries may initiate future entries to the Receiver's account as soon as the Originator's process for validating the amounts of the Micro-Entries has been completed. However, the Originator may not originate a future entry simultaneously with Micro-Entries.

#### **Impact to Participants:**

- Originators of Micro-Entries must ensure compliance with the above key components.

## Effective September 30, 2022:

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### NESTED THIRD-PARTY SENDERS

Nested Third-Party Senders play an active role in a variety of ACH processing models. The purpose of this Rule change is to provide a formal definition within the Rules and provide for a "chain of agreements" and responsibilities in Nested Third-Party Sender relationships. A six-month grace period is allowed for completion of Risk Assessments.

#### **Key Components:**

- Defines a Nested Third-Party Sender as a Third-Party Sender that has an agreement with another Third-Party Sender to act on behalf of an Originator and does not have a direct agreement with an ODFI.
- Nested Third-Party Senders must be addressed in ACH Origination Agreements. An ODFI with Third-Party Senders must address whether the Third-Party Sender can have Nested Third-Party Senders and, if so, "push down" the requirement for an Origination Agreement to exist between a Third-Party Sender and Nested Third-Party Senders.

These modifications will be required only for agreements entered into or renewed after the effective date of the Rule. However, as a sound business practice, ODFIs should regularly review and update their Origination Agreements to include Nacha Operating Rule changes that impact Originator or Third-Party obligations.



- The Rule further provides that an ODFI must identify all Third-Party Senders that have Nested Third-Party Sender relationships in Nacha's Risk Management Portal and provide Nacha with Nested Third-Party information upon request.
- This change also made it explicit that a Third-Party Sender must conduct a Risk Assessment.

**Impact to Participants:**

- ODFIs that do not currently address Nested Third-Party Senders in their agreements may need to modify their agreements on a go-forward basis after the effective date of this Rule as well as expand their due diligence on Third-Party Senders regarding Nested Third-Party Sender relationships.
- Third-Party Senders may need to modify their Origination Agreements to address this Rule change.

## Effective March 17, 2023:

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### MICRO-ENTRIES, PHASE 2

This Rule will define and standardize practice and formatting of Micro-Entries, which are used by some ACH Originators as a method of account validation.

This phase of the Rule requires Originators of Micro-Entries to use commercially reasonable fraud detection, including the monitoring of Micro-Entry forward and return volumes.

**Key Components:**

- An Originator of Micro-Entries must conduct commercially reasonable fraud detection on its use of Micro-Entries, including by monitoring of forward and return volumes of Micro-Entries.
- Monitoring forward and return volumes, at a minimum, establishes a baseline of normal activity.
- An Originator is not required to perform an entry-by-entry review.

**Impact to Participants:**

- Originators will need to conduct commercially reasonable fraud detection practices for Micro-Entries, which includes:
  - monitoring forward and return volumes of Micro-Entries.
  - other desired velocity checks of anomaly detection.
- ODFIs will need to update their internal processing applications and procedures to accommodate returns processed in the last window.
- RDFIs will need to update their internal processing applications and procedures to accommodate receiving late-window Same Day ACH files and sending late-window returns. RDFIs will also need to provide availability for credits received in this window by the end of their processing for that Settlement Date.
- Receivers, particularly non-Consumer Receivers, should be prepared to receive ACH debits and credits later in the day. These participants should review their internal procedures to determine whether any changes are required.