



AP+ Scheme Rules

Version 3.0

CONTENTS

1	AP+ SCHEME RULES	2
2	RIGHTS AND OBLIGATIONS UNDER SCHEME DOCUMENTATION	6
3	MEMBERSHIP	7
4	SUSPENSION AND TERMINATION	9
5	CONSEQUENCES OF SUSPENSION OR TERMINATION	12
6	GOVERNANCE AND DECISION MAKING	13
7	FEES AND CHARGES	29
8	SCHEME SERVICE PROVIDERS	31
9	SERVICE PROVIDERS TO MEMBERS	32
10	SUBSIDIARY FACILITATION AND REPRESENTATIVE ARRANGEMENTS	34
11	SCHEME COMPLIANCE	38
12	ATTESTATIONS & ASSURANCE	44
13	NOTIFICATION OF INSOLVENCY	45
14	BUSINESS CONTINUITY AND DISASTER RECOVERY	46
15	INCIDENT MANAGEMENT AND PRODUCT SUSPENSIONS	47
16	CONFIDENTIALITY	49
17	PRIVACY	51
18	TRADE MARKS	52
19	DISPUTES	56
20	FRAUD	63
21	GENERAL	64
22	SCHEME GLOSSARY AND INTERPRETATION	66
	Appendix A Change history	75

1 AP+ SCHEME RULES

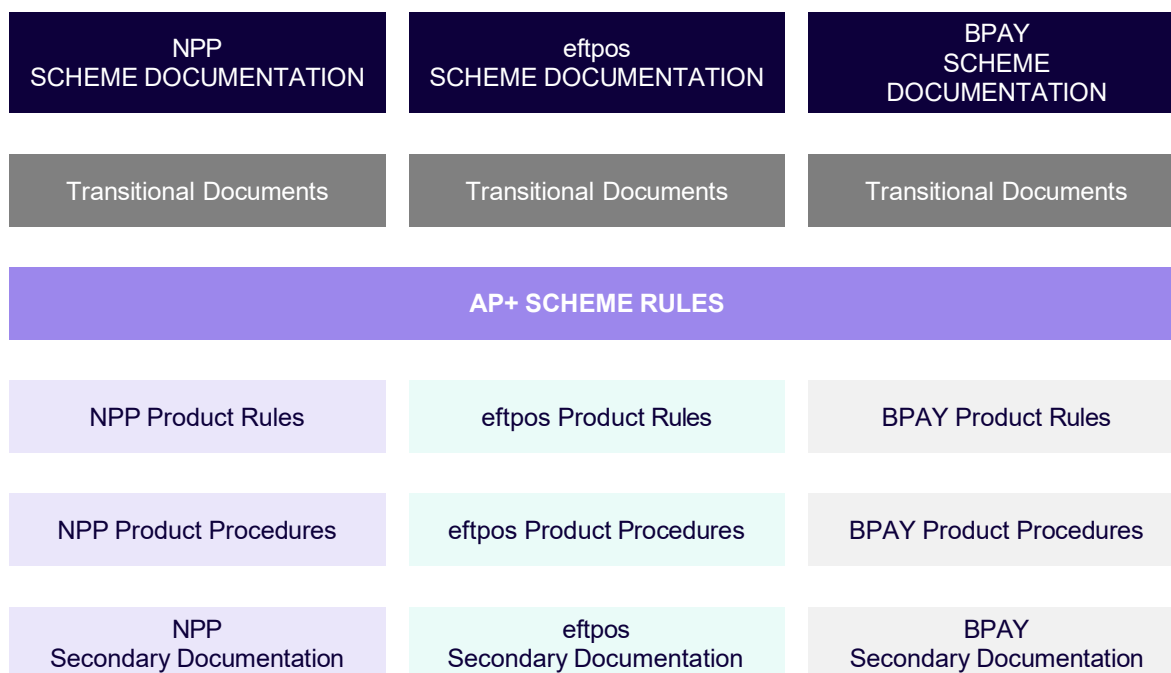
1.1 Introduction

- (a) AP+ is the parent company for:
 - (i) NPPA, which operates the NPP Scheme;
 - (ii) ePAL, which operates the eftpos Scheme; and
 - (iii) BPAY Pty Limited, which operates the BPAY Scheme,(each such payment scheme being an **AP+ Scheme**).
- (b) Each AP+ Scheme exists independently of the other. However, these AP+ Scheme Rules have been developed so as to apply a common set of rules to the operation of each AP+ Scheme, for the purpose of:
 - (i) streamlining scheme governance processes;
 - (ii) increasing consistency across the AP+ Schemes;
 - (iii) simplifying the rules applying to each AP+ Scheme;
 - (iv) creating a framework that facilitates innovation and flexibility; and
 - (v) promoting efficiency and efficacy.

1.2 Scheme Documentation

- (a) The **Scheme Documentation** for an AP+ Scheme is made up of the following:
 - (i) any Transitional Documents applying to that AP+ Scheme, as described in Scheme Rule 1.5;
 - (ii) these AP+ Scheme Rules, as described in Scheme Rule 1.2(b);
 - (iii) the Product Rules for that AP+ Scheme;
 - (iv) the Product Procedures for that AP+ Scheme; and
 - (v) any other documents that these AP+ Scheme Rules, the Product Rules or Product Procedures contemplate are maintained as part of the Scheme Documentation for that AP+ Scheme (the **Secondary Documentation**).

This can be illustrated diagrammatically as follows:



- (b) These AP+ Scheme Rules are incorporated by reference into the Product Rules for each AP+ Scheme, and so form part of the Scheme Documentation for each AP+ Scheme. These AP+ Scheme Rules do not have any effect independently of their incorporation into the Product Rules for an AP+ Scheme.
- (c) When these AP+ Scheme Rules are incorporated by reference into the Product Rules for an AP+ Scheme, they (including any definitions) apply only in respect of that AP+ Scheme (so that, for example, a reference to a Member in these AP+ Scheme Rules is a reference only to a Member of that AP+ Scheme). The only exceptions to this principle are the Terms of Reference for those Committees which operate on a cross-scheme basis, as described in Scheme Rule 6.1, which Terms of Reference (including any definitions) apply in respect of each of the AP+ Schemes to which those Terms of Reference apply.
- (d) If there is any inconsistency between the documents referred to in Scheme Rule 1.2(a), then (unless otherwise expressed) the document that is first-listed in Scheme Rule 1.2(a) takes precedence.
- (e) The Scheme Operator will maintain, in an electronic document repository accessible to Members and Direct Affiliates, copies of each of the then-current Scheme Documentation for the AP+ Scheme and the contact details for the Scheme Operator and each Member and Direct Affiliate for the purposes of Scheme Rule 21.1(b) (the **Scheme Library**).

1.3 Binding nature of the Scheme Documentation

- (a) The Scheme Documentation for an AP+ Scheme is binding on, and has the effect of a deed between, the Scheme Operator, each Member and each Direct Affiliate, pursuant to any application forms, member deeds, constitutional documents of the Scheme Operator (in the case of Members or Direct Affiliates who were or are shareholders of the Scheme Operator) or other documents by which a Member, Direct Affiliate or Scheme Operator may have agreed to be bound by the Scheme Documentation.

- (b) If for any reason a person who has applied and been accepted by the Scheme Operator to operate in the capacity of a Member or Direct Affiliate, is not bound by the Scheme Documentation in the manner described in Scheme Rule 1.3(a), that Member or Direct Affiliate will be taken to have accepted the Scheme Documentation as an agreement between themselves, the Scheme Operator and each other Member and Direct Affiliate, by their conduct in exercising any rights or performing any obligations of a Member or Direct Affiliate (including by initiating or receiving any Transaction).
- (c) The Scheme Documentation may contain obligations that are expressed to apply to persons other than Members, Direct Affiliates or Scheme Operators. Where that is the case, for example in respect of any Scheme Service Providers contemplated in Scheme Rule 8, those obligations may be binding on those persons where they have separately agreed to comply with or be bound by those obligations.
- (d) Where the Scheme Documentation imposes an obligation on, or gives a right to, the Scheme Operator, the Scheme Operator may delegate the performance of that obligation or exercise of that right to AP+. The Scheme Operator and each Member and Direct Affiliate will be bound by the conduct of AP+ in the performance of any such obligation or exercise of any such right, as fully as if it were the conduct of the Scheme Operator.

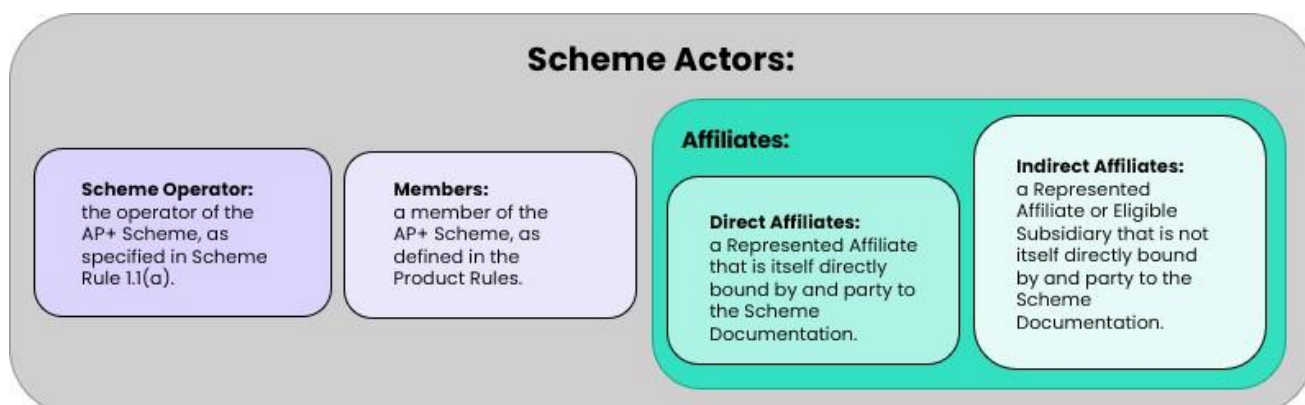
1.4 Scheme Actors

- (a) The Scheme Documentation may permit a person to participate in the AP+ Scheme in a capacity other than as a Member, including as:
 - (i) a Represented Affiliate that is itself directly bound by and party to the Scheme Documentation (**Direct Affiliate**); or
 - (ii) a Represented Affiliate or Eligible Subsidiary that is not itself directly bound by nor party to the Scheme Documentation (**Indirect Affiliate**),

in each case, as further designated under the Product Rules.

- (b) In these AP+ Scheme Rules, the term **Scheme Actor** refers to the Scheme Operator, each Member, Direct Affiliate and Indirect Affiliate of the AP+ Scheme.

The above can be represented diagrammatically as follows, where each grouped box indicates the different kinds of persons who are captured by the relevant bold term within that box (for example, obligations that are imposed on Scheme Actors apply to the Scheme Operator, Members and Affiliates; and obligations that are imposed on Affiliates are imposed on both Direct Affiliates and Indirect Affiliates):



1.5 Transitional Documents

- (a) From time to time, certain provisions of the Scheme Documentation may apply, or be subject to adjustment, as at a particular date, on a temporary basis, or as otherwise specified. This may be necessary, for example, to deal with changes that are introduced to the existing Scheme Documentation, or changes to the products or the operation of the products that are the subject of the AP+ Scheme.
- (b) Where this is the case, such provisions or adjustments may be set out in a document which:
 - (i) expressly states that it is a 'Transitional Document' for the purpose of this Scheme Rule 1.5;
 - (ii) specifies which AP+ Scheme(s) it applies to; and
 - (iii) specifies from a timing perspective how those provisions or adjustments apply, which may be as at a particular date, for a period determined by reference to a particular date, event or conduct, or some other basis.
- (c) A document which complies with Scheme Rule 1.5(b) will, for the period of time specified for the purposes of Scheme Rule 1.5(b)(iii), constitute a **Transitional Document**.

1.6 Defined terms

- (a) In the Scheme Documentation, a term or expression starting with a capital letter:
 - (i) subject to Scheme Rule 1.6(a)(ii):
 - A. which is defined in Scheme Rule 22.1 (being the Scheme Glossary), has the meaning given to it in the Scheme Glossary;
 - B. which is defined in the Product Rules, Product Procedures or Secondary Documentation, has the meaning given to it in the Product Rules, Product Procedures or Secondary Documentation;
 - (ii) which is defined in both the Scheme Glossary and the Product Rules, Product Procedures or Secondary Documentation, has the meaning given in the Scheme Glossary when used in the AP+ Scheme Rules and the meaning given in the Product Rules, Product Procedures or Secondary Documentation when used in those documents;
 - (iii) which is defined in the Corporations Act, but is not defined in the Scheme Glossary, has the meaning given to it in the Corporations Act unless the contrary intention appears; and
 - (iv) which is defined in the GST Law, but is not defined in the Scheme Glossary or the Corporations Act, has the meaning given to it in the GST Law unless the contrary intention appears.
- (b) A term or expression in these AP+ Scheme Rules starting with a capital letter and which is in italics has the meaning given to it in the Product Rules or Product Procedures of the relevant AP+ Scheme.

2 RIGHTS AND OBLIGATIONS UNDER SCHEME DOCUMENTATION

- (a) Each Member and Direct Affiliate must:
 - (i) comply with all provisions applicable to it in the Scheme Documentation, including complying with any directions given, or requirements applicable, to that Member or Direct Affiliate under or in accordance with those provisions; and
 - (ii) comply with all applicable laws and regulatory requirements.
- (b) Each Member, Direct Affiliate and the Scheme Operator incurs rights and obligations under the Scheme Documentation in its personal capacity and not as an agent, fiduciary or trustee, even if (for example) acting as a Representative of a Represented Affiliate. This is the case despite any other fact or circumstance, including if any Member, Direct Affiliate or the Scheme Operator has actual or constructive notice that another Member, Direct Affiliate or the Scheme Operator is acting as an agent, fiduciary or trustee for another person.
- (c) Each Member and Direct Affiliate must, upon request, promptly provide all information, evidence, documents and/or assistance reasonably requested by the Scheme Operator, a Governing Body or the Board which is necessary for the efficient operation of the relevant AP+ Scheme, including:
 - (i) business contact details of key Personnel of the Member responsible for managing or performing the Member's or Direct Affiliate's obligations under the AP+ Scheme;
 - (ii) statistical information relating to the Member's or Direct Affiliate's participation in the AP+ Scheme; and
 - (iii) as reasonably required to investigate, resolve and manage Disputes, Incidents, compliance issues, fraud, or a Member or Direct Affiliate's Annual Compliance Attestation.
- (d) No person other than the Scheme Operator, a Member or a Direct Affiliate may enforce any rights under the Scheme Documentation.
- (e) The Scheme Operator must act in good faith in exercising its rights and performing its obligations under the Scheme Documentation.
- (f) Members and Direct Affiliates must:
 - (i) exercise their rights under the Scheme Documentation consistently with the processes set out in the Scheme Documentation;
 - (ii) act in good faith in exercising their rights and performing their obligations under the Scheme Documentation; and
 - (iii) perform their obligations under the Scheme Documentation with reasonable care and skill, and in a manner that does not adversely affect Scheme Integrity.

3 MEMBERSHIP

3.1 Applications for Membership

- (a) A person may apply to become a Member or Direct Affiliate by:
 - (i) submitting an Application for Membership and otherwise complying with the requirements for membership set out in the Product Rules; and
 - (ii) paying the applicable Application Fee,
to the Scheme Operator.
- (b) A person who applies to become a Member or Direct Affiliate in accordance with Scheme Rule 3.1(a) is an **Applicant**.

3.2 Consideration of Applications for Membership

- (a) An Application for Membership that is submitted to the Scheme Operator will be considered by the ICCC in accordance with the procedures set out in the Product Rules for consideration of that Application for Membership, including any assessment of whether the Applicant meets the applicable Membership Criteria.
- (b) The Scheme Operator may request that the Applicant provide any information or evidence that it (or any other Governing Body involved in the consideration) deems is reasonably required to consider the Applicant's Application for Membership.
- (c) An Applicant will be informed of the outcome of its Application for Membership in accordance with the procedure in the Product Rules.
- (d) An Applicant may withdraw its Application for Membership, provided it has not yet been informed of the outcome of its Application for Membership, however Scheme Rule 7.2(d) applies in relation to any Application Fees.

3.3 Determinations of Applications for Membership

- (a) If an Applicant's Application for Membership is finally accepted (in accordance with the process in the Product Rules) the Scheme Operator will notify:
 - (i) the Applicant in accordance with the procedure in the Product Rules; and subsequently
 - (ii) all Members and Direct Affiliates, providing details of the date on which the new Member or Direct Affiliate will be entitled to participate in the AP+ Scheme.
- (b) If an Applicant's Application for Membership is accepted it must commence any certification, implementation or testing procedures that apply to the membership capacity in which it has been accepted as a Member or Direct Affiliate, in accordance with the requirements of the Product Rules and Product Procedures. These must be completed prior to offering any Product to its customers and any live production participation in the AP+ Scheme.
- (c) Each Member or Direct Affiliate must commence offering Products to its customers within a reasonable period of time after receiving the notification referred to in Scheme Rule 3.3(a)(i), taking into account any timeframes set out in the Product Rules or Product Procedures for obtaining any certifications. If the Member or Direct Affiliate fails to do so, the Scheme Operator may take such

action as is reasonably necessary to protect Scheme Integrity, including requiring the Member or Direct Affiliate to undergo recertification of its systems in accordance with any requirements in the Product Rules or Product Procedures.

4 SUSPENSION AND TERMINATION

4.1 Suspension

- (a) The ICCC may suspend a Member or Direct Affiliate for a specified or indefinite period of time in the following circumstances (each a **Suspension Event**):
- (i) the relevant Member or Direct Affiliate is subject to prudential supervision, and the relevant Supervisory Authority requests such suspension;
 - (ii) by agreement with the Member or Direct Affiliate concerned;
 - (iii) if the relevant Member or Direct Affiliate no longer satisfies the Membership Criteria;
 - (iv) if the relevant Member or Direct Affiliate is in Material Breach of its obligations under the Scheme Documentation and fails to rectify the breach or provide an explanation of its conduct satisfactory to the ICCC (in its reasonable discretion) within 30 Business Days of receipt of a request from the ICCC to rectify the breach or provide such an explanation;
 - (v) an Insolvency Event (not being an event that results in the automatic termination of participation rights pursuant to Scheme Rules 4.4(a)(ii) or 4.4(a)(iii)) occurs in respect of the Member or Direct Affiliate concerned;
 - (vi) if the Member or Direct Affiliate concerned engages in conduct reasonably regarded by the ICCC to be contrary to the interests of the AP+ Scheme or which may adversely affect the Scheme Infrastructure; or
 - (vii) where any other “Suspension Event” defined as such in the Product Rules occurs.
- (b) If a Member or Direct Affiliate is subject to prudential supervision by APRA then the Scheme Operator must give APRA reasonable notice of, and an opportunity to be heard at, any meeting at which it will consider suspending the Member or Direct Affiliate pursuant to Scheme Rule 4.1(a).

4.2 Effect of suspension

- (a) The Scheme Operator must promptly notify a Member or Direct Affiliate which is suspended under Scheme Rule 4.1 of the suspension, and the time and date upon which the suspension becomes effective. For the avoidance of doubt, the Scheme Operator may determine that suspension is immediately effective.
- (b) Subject to Scheme Rule 4.3, a Member or Direct Affiliate which is suspended under Scheme Rule 4.1 is not entitled (including in any capacity as a Representative) to participate in the AP+ Scheme or relevant Product in any capacity from the date its suspension takes effect and must not accept or process any Transactions within the AP+ Scheme.
- (c) By way of example, in relation to the NPP Scheme, this means that:
- (i) an *NPP Participant* or *Connected Institution* that is suspended under Scheme Rule 4.1 is not entitled (including in any capacity as a Representative to an *Identified Institution* or other *NPP Participant*) to:
 - A. connect to the *NPP Basic Infrastructure*; or
 - B. send or receive *NPP Payments* or *Non-Value Messages*;

- (ii) upon suspension of an *Overlay Service Provider*, each *NPP Participant* which is a subscriber to the *Overlay Service* or which provides clearing and/or settlement services to *OS Subscribers* will cease to be entitled to send or receive *OS Payments*; and
- (iii) an *Overlay Service Provider* who is suspended under Scheme Rule 4.1 is not entitled to provide its *Overlay Service/s* to any *OS Subscriber* for the duration of the suspension.
- (d) A Member or Direct Affiliate which is suspended under Scheme Rule 4.1 is not excused from discharging its obligations under the Scheme Documentation.
- (e) The Scheme Operator will notify Scheme Service Providers, the RBA, all other Members (excluding Overlay Service Providers in the case of suspension of a particular Overlay Service Provider under the NPP) and Direct Affiliates, by the most expeditious means reasonably available of any suspension under Scheme Rule 4.1.

4.3 Conditions in lieu of suspension

If a Suspension Event occurs in respect of a Member or Direct Affiliate, the Scheme Operator may (in lieu of suspending that person) impose such conditions on the participation of, or effect such variation of any provision of the Scheme Documentation in relation to that, Member or Direct Affiliate as may be reasonable and proportionate. The rights and obligations of the Member or Direct Affiliate under the Scheme Documentation will be subject to any such conditions or variation. The Scheme Operator may at any subsequent time vary or revoke any such conditions or variations.

4.4 Termination

- (a) A Member or Direct Affiliate ceases to be eligible to be a Member or Direct Affiliate, and party to the Scheme Documentation, on:
 - (i) resignation;
 - (ii) becoming insolvent or making an arrangement or composition with creditors generally;
 - (iii) being wound-up, dissolved or otherwise ceasing to exist; or
 - (iv) the ICCC exercising its right to terminate the right of the person to be a Member or Direct Affiliate (as the case may be) in accordance with Scheme Rule 4.4(d).
- (b) A Member or Direct Affiliate may, by notice in writing to the Scheme Operator, resign, such resignation to become effective on the date which is at least 30 days from the date of the notice. The notice is irrevocable.
- (c) A Member or Direct Affiliate may not resign except by giving notice in accordance with Scheme Rule 4.4(b).
- (d) The ICCC may, by notice in writing to a Member or Direct Affiliate (other than the RBA in its capacity as the operator of the FSS in the NPP Scheme) terminate the right of that person to be a Member or Direct Affiliate either with immediate effect or with effect from a specified time and / or on a specified date, only if the following conditions have been fulfilled:
 - (i) a:
 - A. Suspension Event has occurred in respect of that Member or Direct Affiliate and has not been remedied within a period determined by the ICCC following consultation with the Member or Direct Affiliate concerned; or

- B. Termination Event has occurred in respect of that Member or Direct Affiliate (but only where the Product Rules for the AP+ Scheme define such a Termination Event); and
- (ii) the ICCC has provided an opportunity for that Member or Direct Affiliate to make a submission to the ICCC regarding the Suspension Event or Termination Event (as applicable) and such proposed termination.
- (e) A notice given by the ICCC pursuant to Scheme Rule 4.4(d) will include reasons for the ICCC's decision.
- (f) A notice given by the ICCC pursuant to Scheme Rule 4.4(d) may be revoked by the ICCC at any time before it becomes effective.
- (g) Any resignation of a Member or Direct Affiliate, or any termination of the right of a person to be a Member or Direct Affiliate, will not affect any right or liability arising under the Scheme Documentation before that resignation or termination takes effect or arising in respect of any act, matter or thing occurring prior to that time. A Member or Direct Affiliate who resigns pursuant to Scheme Rule 4.4(b) or whose right to be a Member or Direct Affiliate is terminated pursuant to Scheme Rule 4.4(d) will continue to be bound by the Scheme Documentation in respect of:
- (i) any act, matter or thing occurring prior to the time such resignation or termination takes effect or as a result of such resignation or termination;
 - (ii) any right or liability under the Scheme Documentation which relates to or may arise at any future time from any breach of the Scheme Documentation which occurred prior to or on the date of termination; and
 - (iii) any fees, costs, charges and expenses which may be levied on, or which are to be reimbursed by, (as the case may be) the Member or Direct Affiliate in accordance with the Scheme Documentation in respect of periods which commence prior to the time such resignation or termination takes effect or which relate to any such act, matter or thing.
- (h) Without limiting the generality of Scheme Rule 4.4(g), any Member or Direct Affiliate who resigns or whose right to be a Member or Direct Affiliate (as applicable) is terminated, is not entitled to be repaid all or part of any fees or charges which have been paid by it.
- (i) On resignation or termination of a Member or Direct Affiliate (as the case may be), the Scheme Operator will, as soon as practicable, notify each Scheme Service Provider, the RBA (in its capacity as the provider of the FSS) and all other Members (excluding *Overlay Service Providers* in the case of suspension of a particular *Overlay Service Provider* under the NPP Scheme) and Direct Affiliates by the most expeditious means reasonably available, of the resignation or termination specifying:
- (i) the name of the resigning or terminated Member or Direct Affiliate; and
 - (ii) the date on which the resignation or termination will take, or has taken, effect.

5 CONSEQUENCES OF SUSPENSION OR TERMINATION

- (a) Consistent with Scheme Rules 4.2(d) and 4.4(g), any Member or Direct Affiliate whose membership to the AP+ Scheme is suspended or terminated under Scheme Rule 4 remains subject to all the provisions of the Scheme Documentation in respect of matters arising prior to such suspension or termination, notwithstanding any such suspension or termination (as applicable), including Scheme Rule 19.
- (b) If a Member or Direct Affiliate receives a notice from the Scheme Operator under Scheme Rule 4.4(i) in respect of another Member or Direct Affiliate exiting the AP+ Scheme (**Exiting Party**), the first Member or Direct Affiliate must implement any transitional procedures set by the Scheme Operator which are reasonably necessary to ensure the Exiting Party exits from the AP+ Scheme with minimal impact to the Scheme Operator, Scheme Service Providers, other Members and Direct Affiliates.
- (c) A Member or Direct Affiliate whose membership to the AP+ Scheme is suspended or terminated in accordance with Scheme Rule 4.1 or 4.4 may also be subject to any further terms and conditions set out in the Product Rules and Product Procedures for the purposes of this Scheme Rule 5(c).

6 GOVERNANCE AND DECISION MAKING

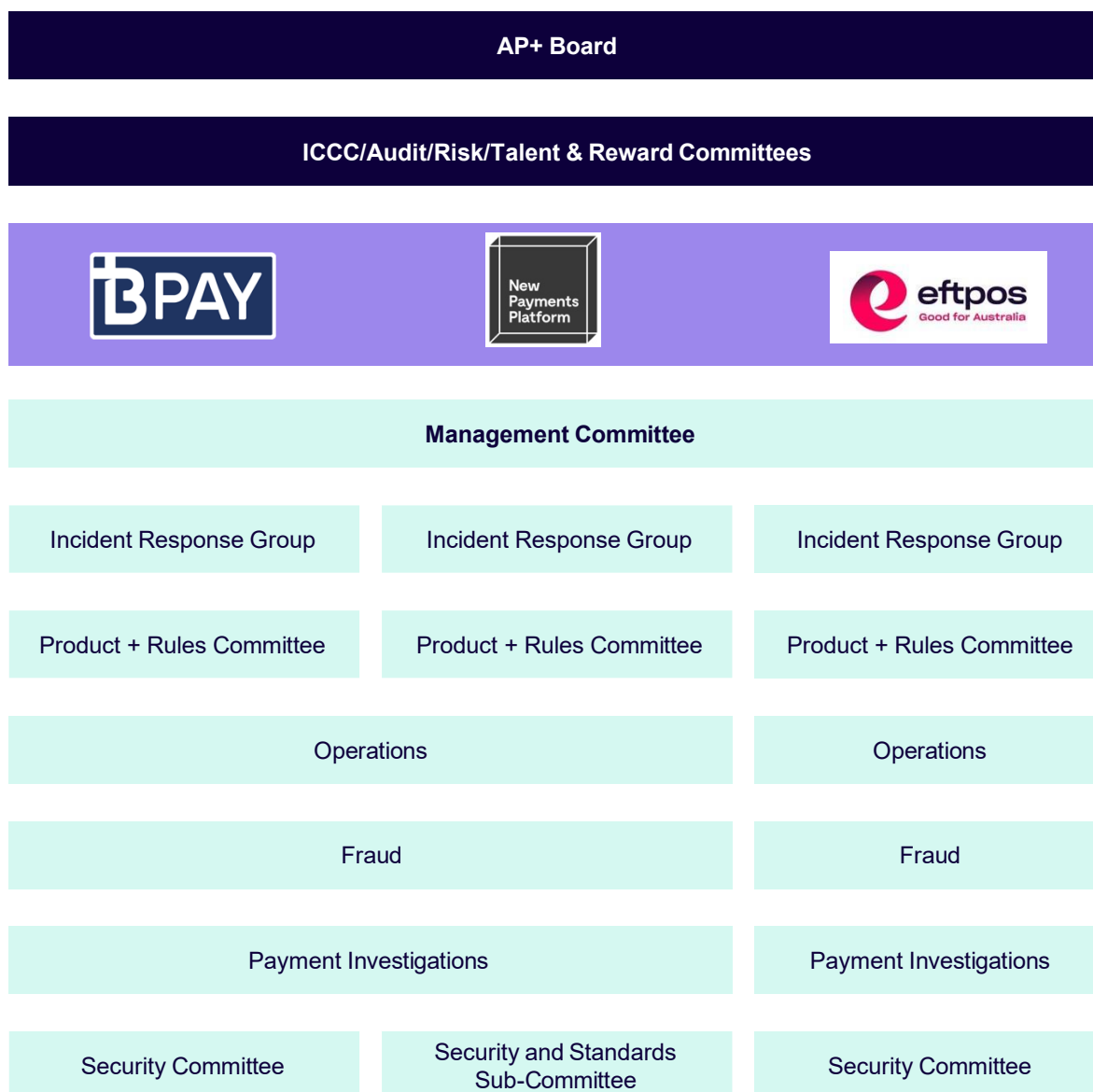
6.1 Governance of the AP+ Schemes

- (a) Each AP+ Scheme is governed by:
- (i) the Board;
 - (ii) the ICCC, which is a sub-committee of the Board;
 - (iii) the Committees established under Scheme Rules 6.1(c) and 6.1(d); and
 - (iv) the Scheme Operator,
- (each a **Governing Body**), in accordance with the powers granted to them under the Scheme Documentation.
- (b) In order to help achieve the purposes described in Scheme Rule 1.1(b), governance of the AP+ Schemes is based on a hybrid model, involving Governing Bodies that may operate in respect of:
- (i) some or all of the AP+ Schemes together (i.e. on a cross-scheme basis); or
 - (ii) each AP+ Scheme independently (i.e. on a scheme-specific basis).

The Board and the ICCC operate on a cross-scheme basis. These AP+ Scheme Rules or the Terms of Reference for a Committee will specify whether each Committee operates on a cross-scheme and/or scheme-specific basis.

- (c) The following committees are established for the purposes of governing the relevant AP+ Scheme:
- (i) the Management Committee;
 - (ii) the Incident Response Group;
 - (iii) the Product and Rules Committee;
 - (iv) the Operations Committee;
 - (v) the Fraud Committee;
 - (vi) the Payment and Investigations Committee;
 - (vii) the Disputes and Chargebacks Committee;
 - (viii) the Security Committee; and
 - (ix) the Security and Standards Sub-Committee,

each of which will operate on a cross-scheme or scheme-specific basis as shown in the following diagram:



- (d) The Board may establish such other committees as it determines necessary for the effective governance of each AP+ Scheme.
- (e) The Board may determine the Terms of Reference on which each Committee operates in its reasonable discretion. Such Terms of Reference constitute Secondary Documentation.

6.2 The Board

- (a) The Board may:
 - (i) exercise any powers or functions of another Governing Body under the Scheme Documentation;

- (ii) direct the exercise of any such powers or functions by the relevant Governing Body (including where the Governing Body refers a matter to the Board); and
- (iii) amend or overturn any decisions of another Governing Body.

For clarity, the decisions of the Board will prevail over the decisions of another Governing Body.

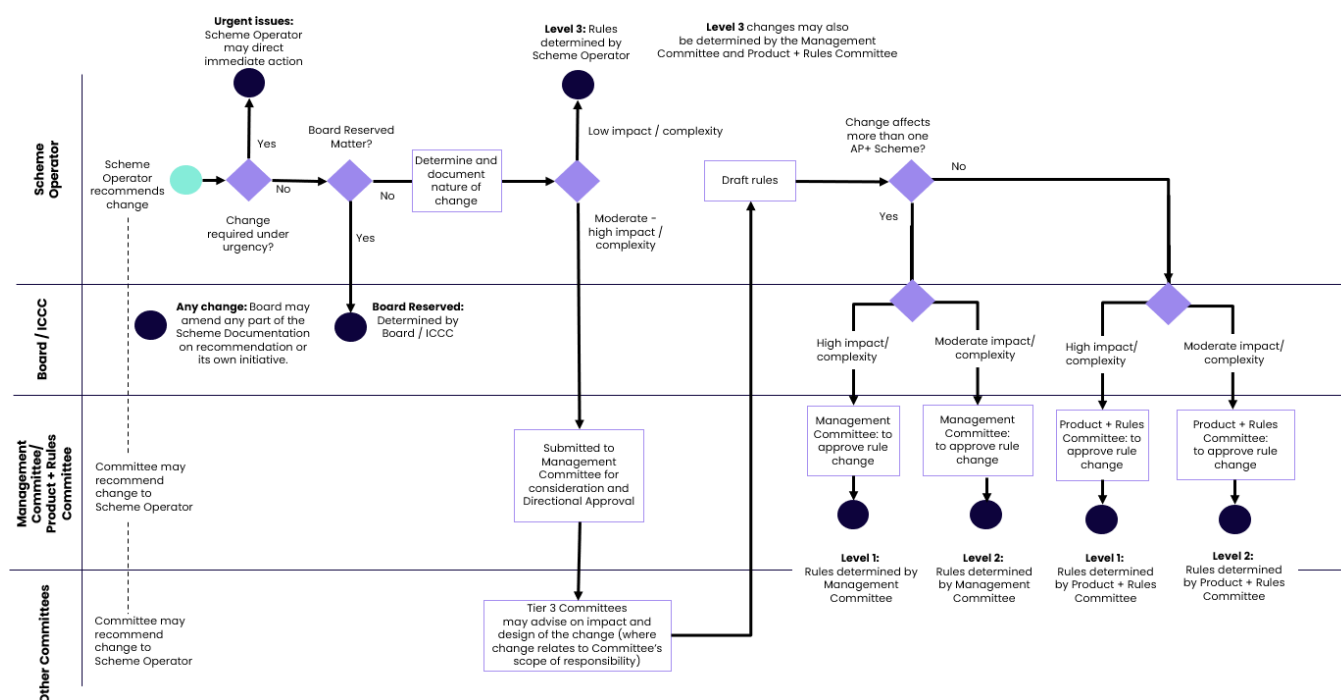
- (b) Where the decision of a Governing Body has been notified to all Affected Members and Affected Direct Affiliates but is subsequently amended or overturned by the Board, the Scheme Operator will notify all Affected Members and Affected Direct Affiliates as soon as practicable after the Board's decision to do so.
- (c) The Board may from time to time delegate (or amend or revoke a delegation of) any of its powers or functions to another Governing Body, other than powers and functions required by law to be exercised by the Board.
- (d) Any power given to the ICCC under the Scheme Documentation, is a power given to the Board and the ICCC (where the ICCC has been delegated the relevant power).

6.3 Urgent issues

Notwithstanding Scheme Rules 6.4(a) and 6.4(d), the Scheme Operator may direct immediate action to address any urgent issue which threatens Scheme Integrity, or that is otherwise required to address compliance risk, or the directions or requests of any Supervisory Authority, until such time as the Board or another Governing Body exercises their powers or functions under these AP+ Scheme Rules in relation to that matter. Each Affected Member and Affected Direct Affiliate must comply with such directions.

6.4 Amendments to the Scheme Documentation

- (a) The Scheme Documentation may only be amended as provided for in this Scheme Rule 6.4.
- (b) The following diagram illustrates the pathway for amendments to the Scheme Documentation as established under Scheme Rules 6.3 and 6.4.



Amendments by the Board

- (c) The Board may amend any part of the Scheme Documentation (including any amendment previously made by another Governing Body) on the recommendation of a Governing Body or on its own initiative. In making an amendment to the Scheme Documentation, the Board may approve an in-principle amendment to the Scheme Documentation and where it does so the Scheme Operator has the power to make amendments to the Scheme Documentation that are consistent with such in-principle approval. A reference in the Scheme Documentation to the Board amending the Scheme Documentation (including in relation to a Board Reserved Matter) will be taken to include amendments that are made by the Scheme Operator in accordance with this Scheme Rule 6.4(c).
- (d) Except as otherwise provided in Scheme Rules 6.2(c), 6.4(e) or (in relation to Level 3 Amendments) 6.4(f), amendments to the Scheme Documentation that substantively relate to the matters set out in the following table (each a **Board Reserved Matter**) may not be made by any Governing Body other than the Board. In this Scheme Rule 6.4(d):
- (i) an amendment that substantively relates to any matter listed and defined in the first or second columns of the following table is a Board Reserved Matter, whereas an amendment that does not substantively relate to, but may impact, the matters listed and defined in the first or second columns is not a Board Reserved Matter. For example, any amendment which substantively relates to privacy rights or obligations under the Scheme Documentation will be a Board Reserved Matter, however an amendment which substantively relates to fraud reporting, but which may also impact the handling of Personal Information, will not be an amendment that is a Board Reserved Matter; and
 - (ii) a number of examples have been provided in the third column of the following table. These examples are intended to inform, and be illustrative of, the definition given in the second column for each Board Reserved Matter, but they are deliberately not intended to be exhaustive and there are further provisions in the Product Rules which meet the criteria for being a Board Reserved Matter. For example, and without limiting the foregoing, examples are only given in respect of these AP+ Scheme Rules and some of the Product Rules, however provisions of the Product Procedures and Secondary Documentation are not included as examples and will still be Board Reserved Matters where they meet the criteria accordingly:

Board Reserved Matter	Definition	Examples
(iii) fees and charges;	Any provision relating to fees and charges.	Scheme Rules 6.4(e) and 7.
(iv) eligibility or participation criteria;	Any provision relating to eligibility or participation criteria in respect of an AP+ Scheme or any Product.	<p>Product Rule E7 (Membership Criteria)</p> <p>Product Rules B2.2 (Participant Members) to B2.4 (PIMs)</p> <p>Product Rules N4.2 (Membership Criteria – all NPP Participants) to N4.6 (Membership Criteria – Connected Institutions) and N4.8 (Membership Criteria – Overlay Service Providers)</p>
(v) warranties, liability or indemnities	Any provision relating to warranties, liability (including any disclaimers, exclusions or limitations of liability) of, or indemnities given by, any person in respect of an AP+ Scheme.	<p>Scheme Rule 9.2(b) and 10.5.</p> <p>Product Rules B3.3(b) (No chargeback), B5.5 (Responsibility for loss of unrecoverable funds), B16 (Liability), B19.3(c) (Use of BPAY Tools by Service Providers)</p> <p>Product Rules E28.11 (Force Majeure), E40.6 (Losses of Members), E42 (Warranties and liabilities), and E45.1(d)(v) (Acknowledgement of the Scheme Operator's rights)</p> <p>Product Rules N2.2 (Liabilities of the Scheme Operator) to N2.6 (Limit of Liability), N3.5(f) and (i) (Rights and Obligations of NPP Participants), N6.2(f) (Irrevocability), N6.4 (Duplicate Payments and other Payer Participant Processing Errors) to N6.10 (Inter-organisation Compensation Rules) and N17.10 (Mandate Claims)</p>

Board Reserved Matter	Definition	Examples
(vi) scheme compliance;	Any provision relating to scheme compliance and enforcement, including Compliance Requirements, subject to any aspects of the 'Operational Compliance Framework' under the BPAY Scheme that are expressly stated to be subject to a different change approval process in the BPAY Product Rules (if any).	<p>Scheme Rule 9.2(a) and 11.</p> <p>Product Rule B28 (Scheme Compliance) and B29 (Operational Compliance Framework)</p> <p>Product Rules E16 (Compliance Framework) and E17 (Conditions)</p> <p>Product Rule N3.8 (Compliance Framework)</p>
(vii) suspension and termination;	Any provision relating to suspension or termination of any Member, Direct Affiliate, an AP+ Scheme or any Product.	<p>Scheme Rule 4, 5 and 15.3(b) to 15.3(e).</p> <p>Product Rule B2.7 (Suspensions) and B2.8 (Termination)</p> <p>Product Rules E14 (Suspension and termination), E15 (Disabling of Direct Connections), E19 (Termination of a Direct Connection), E21 (Exemptions, bilateral variation and materiality)</p> <p>Product Rule N3.2(d)(i) (FSS), N6.6 (Management of NPP Basic Infrastructure and Unplanned Connection Outage Management)</p>
(viii) governance of an AP+ Scheme;	Any provision relating to the formal governance of an AP+ Scheme (but not, for example, specific decision-making rights given to the Scheme Operator or a Member).	This Scheme Rule 6, NPP Product Rule N10 (Product Rules and Product Procedures)

Board Reserved Matter	Definition	Examples
(ix) intellectual property;	Any provision relating to the licensing of intellectual property.	<p>Scheme Rule 18.</p> <p>Product Rules B6.1(e) (Biller Institution participation in BPAY View), B25 (Trade marks)</p> <p>Product Rule E45 (Intellectual Property)</p> <p>Product Rule N3.1(c) (The Scheme Operator), N3.5(b) (Rights and Obligations of NPP Participants), N3.6(b) (Rights and Obligations of Connected Institutions), N4.13(e) to (g) (Overlay Service Implementation Process), and N17.1(j) (Mandate Payments Service and Mandate Management Service (MMS) Overview, Terminology and Administration)</p>
(x) privacy;	Any provision relating to privacy	<p>Scheme Rule 17.</p> <p>Product Rules N8.3(c)(v) (Alias Registration and Maintenance), N17.5(d)(vi) (MPS Users), N17.6(c)(iv) (Mandate Creation, Authorisation, Maintenance, Amendment, Suspension, Cancellation and Porting), N17.7(b)(iii)(A) (Mandate Lookups), N17.7(b)(iii)(B)(3) (Mandate Lookups), N18.1(f) (Confirmation of Payee Service Overview, Terminology and Administration), N19.4(b)(ii), N19.4(d) and (e), N19.4(g)(iv), N19.4(h) (CoP – Creation, Maintenance and Amendment of CoP Data Records)</p>
(xi) confidentiality;	Any provision relating to confidentiality.	Scheme Rule 16.

Board Reserved Matter	Definition	Examples
(xii) matters relating to the establishment and structure of these AP+ Scheme Rules; and	Any provision relating to the establishment and structure of these AP+ Scheme Rules.	Scheme Rules 1, 2, 21.2 to 21.5 (inclusive), BPAY Product Rule B1.1 (Introduction), eftpos Product Rule E1.1 (AP+ Scheme Rules, Scheme Actors and other roles of participation in the eftpos Scheme) and NPP Product Rule N1.1 (AP+ Scheme Rules, Scheme Actors and other roles of participation in the NPP Scheme)
(xiii) any specified matters.	Any provisions identified in the Product Rules or Product Procedures as a Board Reserved Matter.	-

Amendments by the ICCC

- (e) The ICCC may amend any part of the Scheme Documentation that specifies fees and charges (including fees and charges that are imposed in connection with non-compliance with the Scheme Documentation), as provided for in Scheme Rule 7.4.

All other amendments

- (f) The primary role of the Management Committee is to focus on the strategy, performance and future direction of the AP+ Schemes. The role of each Scheme-specific Product and Rules Committee is to maintain the Scheme Documentation for the relevant Scheme and focus on reviewing and assessing business and product considerations. To ensure the Management Committee and each Product and Rules Committee can fulfill their respective responsibilities, all other amendments to the Scheme Documentation are classified as Level 1, Level 2 or Level 3 amendments (as defined below in (h)).
- (g) Any Committee may recommend to the Scheme Operator that an amendment is made to any part of the Scheme Documentation. The Scheme Operator will consider the recommendation, and where it considers it appropriate to proceed with such recommendation, or wishes to recommend any amendment on its own initiative, will recommend that an amendment is made to the Scheme Documentation. In respect of Board Reserved Matters, the Scheme Operator must submit the recommendation to the Board or (for matters referred to in Scheme Rule 6.4(e)) the ICCC. In respect of all other amendments, the Scheme Operator must, acting in good faith as required by Scheme Rule 2(e), assess the nature of, and document the classification of, the amendment as a Level 1, Level 2 or Level 3 Amendment.

(h) Level 1 Amendments

A Level 1 Amendment:

- (i) is an amendment to Scheme Documentation that has high impact and/or high level of complexity (excluding Board Reserved Matters that must be referred to the AP+ Board).
- (ii) is a **Management Committee Reserved Matter** that must be decided by the Management Committee and should be treated in the same manner that Board Reserved Matters are for the AP+ Board.
- (iii) include any Secondary Test Decision as that term is defined in the Terms of Reference for the Management Committee.

- (iv) may be an in-principle amendment to the Scheme Documentation. The specific details are a Level 2 Amendment to be determined by the relevant Product and Rules Committee. If those details later become substantially different from the original Level 1 Amendment, the Scheme Operator will act in good faith and refer the amendment back to the Management Committee for further discussion and approval.

The below list provides examples of the types of amendments that are Level 1 Amendments:

- inclusion of a scope item within a Scheme release;
- addition of a new Product at a conceptual, high-level;
- removal of an existing Product;
- material amendment to the functionality of an existing Product (such as an amendment that would add to, remove from, or otherwise change the product roadmap of a Scheme);
- any amendment subject to a Secondary Test Decision;
- any amendment to the Scheme Documentation that affects more than one Scheme.

(j) Level 2 Amendments

The Scheme Operator must submit a Level 2 Amendment to the relevant Product and Rules Committee for approval unless another Committee, as defined in the Terms of Reference for that Committee, has decision-making authority to decide the specific Level 2 Amendment.

The below list provides examples of the types of amendments that are Level 2 Amendments:

- specificity of an in-principle Level 1 Amendment;
- non-material amendments to an existing Product that are not Level 1 or Level 3 Amendments.

(j) Level 3 Amendments

A Level 3 Amendment is an amendment to the Scheme Documentation that has a low impact and/or low level of complexity, including grammatical, cosmetic, typographical or minor clarifications or corrections and amendments that are required for compliance with law or regulatory requirements.

The Management Committee, relevant Product and Rules Committee or the Scheme Operator may amend the Scheme Documentation in respect of a Level 3 Amendment.

- (k) The Management Committee and the Product and Rules Committee cannot make any amendment to the Scheme Documentation that would result in the Scheme Operator or AP+ failing to comply with any applicable laws or regulations.
- (l) Where the Board amends an amendment previously made by a Governing Body under this Scheme Rule 6, a Governing Body must not subsequently make an amendment under this Scheme Rule 6 that has the same effect as the previous amendment.

Amendments to Secondary Documentation

- (m) In addition to being amended in the manner described in this Scheme Rule 6.4, Secondary Documentation (other than any particular Secondary Documentation that is referred to in these AP+ Scheme Rules, such as Terms of Reference or Incident Management Procedures referred to in Scheme Rule 15.2(a)) may also be amended as provided for in the Product Rules or Product Procedures.

Notification and effectiveness of amendments

- (n) Whenever a Governing Body amends the Scheme Documentation, that amendment:
- (i) must (except where the amendment is made by the Scheme Operator) be advised by the Governing Body to the Scheme Operator, and be notified by the Scheme Operator to each Affected Member and Affected Direct Affiliate; and

- (ii) subject to Scheme Rule 7.4(c), takes effect on a date specified by that Governing Body or, if the Governing Body does not specify such an effective date or is the Scheme Operator, a date specified by the Scheme Operator, provided that in either case the amendment must not apply retrospectively.

6.5 Powers and functions of Governing Bodies

- (a) Subject to Scheme Rule 6.2(a), each Governing Body has the powers given to it under the Scheme Documentation.
- (b) Each Committee may consider and make recommendations in relation to matters that are within the scope of its functions, as provided for in its Terms of Reference, provided that a Committee will have no powers in respect of those matters unless provided for in the Scheme Documentation.
- (c) Each Committee may only exercise its powers and make recommendations, by way of decisions on such matters made in accordance with Scheme Rule 6.10.
- (d) Each Committee may, by a decision made by such Committee, establish such working groups that it determines are necessary, desirable or expedient for the exercise of its powers and making of recommendations. In doing so, the Committee may determine the rules for the operation of the working group, provided that:
 - (i) the working group may not exercise any powers of the Committee, but may make recommendations to the Committee that it does so;
 - (ii) the rules for the operation of the working group may not give the working group any powers under the Scheme Documentation, or any functions greater than those which the Committee has; and
 - (iii) subject to Scheme Rule 6.5(d)(i) and except to the extent otherwise specified in the rules for the operation of the working group, the provisions of the Scheme Documentation that apply to the operation of the Committee will apply to the operation of the working group.

6.6 Committee Members

- (a) The method for determining the Committee Members for a Committee will be specified in the Terms of Reference for that Committee.
- (b) Each Member who is entitled to appoint a Committee Member may appoint an alternate for that Committee Member. The alternate is entitled to receive notice of all meetings and if the primary Committee Member does not attend a meeting, the alternate may participate in that meeting in their stead and when they do so they will be regarded as a Committee Member.
- (c) Each Member must ensure that any person who they appoint to a Committee (including any alternates to, or replacements of, a person) meets any requirements for such appointment that are set out in these AP+ Scheme Rules and the Terms of Reference for that Committee, and continues to meet such requirements for as long as that person remains a Committee Member.
- (d) A person appointed as a Committee Member ceases to be so appointed if:
 - (i) they die or become of unsound mind;
 - (ii) they resign by notice to the Scheme Operator;
 - (iii) they are absent from three consecutive meetings of the Committee without the consent of the Chairperson;
 - (iv) they are removed from office by the Member (**Appointing Member**) who appointed the person as Committee Member;
 - (v) they fail to meet any requirements for appointment as a Committee Member set out in the Terms of Reference for the Committee; or
 - (vi) the Appointing Member ceases to be entitled to appoint that Committee Member in accordance with the Terms of Reference.
- (e) Where a person ceases to be appointed as a Committee Member under Scheme Rule 6.6(d), the Appointing Member may appoint a replacement Committee Member, provided that the Appointing Member remains entitled to do so in accordance with the Terms of Reference at the time of the new appointment.
- (f) Any appointments made by a Member in accordance with this Scheme Rule 6.6 must satisfy the processes implemented by the Scheme Operator from time to time to ensure appointees are not conflicted and are fit and proper persons to be appointed to the Governing Body.
- (g) If an Appointing Member is suspended, any Committee Member appointed by that Appointing Member is not entitled to:
 - (i) attend or participate in meetings of the Committee; or
 - (ii) vote on any matters before the Committee,during the time that the Appointing Member is suspended.

6.7 Other participants in Committees

- (a) For each Committee, the Scheme Operator will appoint a person to act in each of the following capacities:
 - (i) Chairperson; and
 - (ii) Secretary.
- (b) The Scheme Operator may appoint an alternate for the Chairperson and/or Secretary. The alternate is entitled to receive notice of all meetings, and if the Chairperson and/or Secretary has stated that they are unable to attend a meeting, or fail to attend a meeting within 15 minutes of its scheduled commencement, the alternate may attend in their place, and when they do so they will be regarded as the Chairperson or Secretary (as applicable).
- (c) The Scheme Operator may appoint the Chairperson and Secretary (and their alternates) from among the Personnel of AP+. The Chairperson and Secretary will not have the status of a Committee Member unless they have separately been appointed by a Member as a Committee Member in accordance with Scheme Rule 6.6(a).
- (d) The following persons may attend any meeting of the Committee either in an advisory capacity or as an observer (with or without any entitlement to participate in committee deliberation, but not as a Committee Member):
 - (i) any Personnel of the Scheme Operator or AP+;
 - (ii) any person specified as an invitee in the Terms of Reference for that Committee; and
 - (iii) any other person that the Chairperson or a Committee thinks fit to attend any meeting of the Committee, provided that any such appointment as an observer does not disrupt the orderly proceedings of the Committee and may be revoked by the Chairperson or Committee (whomever invited the person) as it thinks fit,

(Invitee). The Chairperson or the Secretary may require that any Invitee agrees to comply with any confidentiality, conflict of interest, competition or similar protocols provided by the Scheme Operator from time to time.

6.8 Duties of Committee Members

- (a) Each Appointing Member must ensure that any Committee Member it appoints:
 - (i) acts honestly and must have regard to the best interests of the AP+ Scheme, and where the Committee governs on a cross-scheme basis, the best interests of the AP+ Schemes;
 - (ii) exercises a reasonable level of care and diligence;
 - (iii) agrees to comply with, and complies with, any confidentiality, conflict of interest, competition or similar protocols provided by the Scheme Operator from time to time; and
 - (iv) does not make improper use of their position or any information acquired by virtue of that position in any way which would:
 - A. adversely affect the Scheme Operator, any AP+ Scheme, any Member or Affiliate; or
 - B. gain an advantage or benefit for that Committee Member personally, any Member (including the Appointing Member), Affiliate, any other person or otherwise.

- (b) Nothing in this Scheme Rule 6.8 or any other provision of the Scheme Documentation affects any duties or obligations which Committee Members may have under general law.

6.9 Committee meetings and operation

Frequency

- (a) Each Committee will meet on a regular and/or ad-hoc basis, as described in its Terms of Reference. Additionally, the Chairperson may call an ad-hoc meeting of a Committee at any time.

How meetings may be held

- (b) Meetings of a Committee may be held by any means that allows Committee Members, the Chairperson, the Secretary and Invitees of that meeting (each an **Attendee**) to communicate in real time, including whether in-person, remotely (i.e. using telephone, video conference or other technology), or in a hybrid manner (i.e. using any combination of in person and remote attendance). Any Attendee joining a Committee in any such manner is taken to be present at the meeting.

Quorum

- (c) In order for a meeting of the Committee to be validly held, the Chairperson and two-thirds or more of the Committee Members of the Committee that have, at the time of the meeting, been appointed, must be present.

General conduct

- (d) The Secretary will endeavour to distribute an agenda and papers to all Attendees at least 5 Business Days prior to a Committee meeting, except where a meeting is being called on an urgent basis (which may include, for example, a meeting of the Incident Response Group in response to an Incident).
- (e) A Committee operates as described in the Scheme Documentation, but has no separate legal personality. Accordingly, if a Committee wishes to obtain information, to have any work undertaken for it, or to obtain any legal or other professional advice, it may make such request of the Scheme Operator, who will consider any such request in good faith as required by Scheme Rule 2(e).
- (f) The Chairperson and the Secretary must monitor for and manage any competition or conflict issues that arise in the course of any meeting of a Committee, including by:
 - (i) ensuring that deliberation of matters does not involve matters that are within the powers of the ICCG; and
 - (ii) limiting the Committee Members involved in deliberation of a matter that relates to a particular AP+ Scheme, to only those Committee Members whose Appointing Member is a Member of that AP+ Scheme, where the Chairperson or Secretary acting reasonably believe that it is appropriate to do so having regard to:
 - A. the best interests of the AP+ Scheme; and
 - B. compliance with competition laws and the management of any conflicts of interest, including compliance with any of those protocols referred to in Scheme Rule 6.8(a)(iii).
- (g) All acts done by any person acting as a Chairperson, Secretary or Committee Member are to be taken to be valid for all purposes, regardless of whether it is discovered afterwards that there was some defect in their appointment, or that a person so appointed was required to have vacated their position in accordance with Scheme Rule 6.6(d).

6.10 Decisions of Committees

Decisions generally

- (a) Only Committee Members (which includes, for clarification, any Committee Members who are acting as Chairperson or Secretary) are eligible to vote on decisions made by a Committee.
- (b) A Committee Member is not eligible to vote in any decision of a Committee on matters that:
 - (i) relate specifically to their Appointing Member (and not to Members or Affiliates generally); or
 - (ii) do not relate to at least one AP+ Scheme that their Appointing Member is a Member of.
- (c) Each Committee Member who is eligible to vote on a decision of a Committee, is entitled to one vote in respect of the decision. If, however, a Member is entitled to, and has, appointed more than one Committee Member for a Committee, then only one of those Committee Members may vote on any particular decision of that Committee.

Decisions in meetings

- (d) In the first instance, Committee Members should endeavour to make decisions of the Committee by unanimous agreement between them. If they are unable to do so, a decision of the Committee may be made by votes cast by Committee Members in favour of the decision which represent two-thirds or more of the votes that may be cast by Committee Members in attendance and eligible to vote on the decision. A Committee Member in attendance may not elect to abstain from voting on any particular decision.

Decisions by Electronic Vote

- (e) A vote on a decision of a Committee may be made outside of a Committee meeting, if Committee Members that are eligible to vote on the decision are able to communicate their vote to the Secretary by electronic means (which may include by stating their vote in email form, or use of an electronic voting or polling platform) (an **Electronic Vote**).
- (f) When an Electronic Vote is conducted, the Secretary must specify the date and time that voting will close (the **Closing Time**), which must be at least 10 Business Days after the Electronic Vote first opens. If system outages or other incidents materially affect the availability of the voting or polling platform during this time, the Secretary must extend the Closing Time by a corresponding period by notifying all Committee Members eligible to vote on the decision accordingly.
- (g) Where a Committee Member who is eligible to participate in an Electronic Vote has not cast their vote by the Closing Time, they will be taken to have voted in favour of the decision. The Secretary must proactively attempt to contact Committee Members towards the close of voting, if they have not cast their vote, to remind them of the need to vote and the effect of this section 6.10(g). If, however, one or more eligible Committee Members have not cast their vote by the Closing Time such that they are taken to have voted in favour of the decision, then at least two thirds of the Committee Members that are eligible to vote must have cast a vote in order for the Electronic Vote to be valid.
- (h) A decision of a Committee may be made by votes cast by Electronic Vote by Committee Members in favour of the decision which represent two-thirds or more of the votes that may be cast by all Committee Members eligible to vote on the matter. Any such decision is taken to be made when the last vote from a Committee Member necessary to meet that threshold has been received by the Secretary, which may be the Closing Time due to the operation of section 6.10(g). A Committee Member may not elect to abstain from voting on any particular decision that is the subject of an Electronic Vote.

- (i) For clarification, if a decision that has been the subject of an Electronic Vote has been rejected, that same matter may still be put to a vote at a meeting of the Committee.

Notification of decisions

- (j) The Secretary must notify the Scheme Operator, and the Scheme Operator will notify all Affected Members and Affected Direct Affiliates, of any decision a Committee makes as soon as practicable after such decision is made.

6.11 Records

- (a) All meetings are to be minuted by the Secretary of the Committee and copies forwarded to:
 - (i) all Attendees (except for any Invitees where the Chairperson or Secretary considers it inappropriate to do so), within a reasonable period after the Committee meeting; and
 - (ii) the Scheme Operator, who may provide the minutes to the Board.
- (b) Subject to Scheme Rule 6.8(a) and except where it would be unlawful to do so, each Committee Member and Invitee may at their discretion:
 - (i) convey to the Appointing Member, or the organisation which the Invitee represents, any reports about the deliberations or decisions of the Committee as that Committee Member or Invitee considers appropriate; and
 - (ii) seek expressions of opinion from that Member or organisation concerning any issues that have arisen or may arise at any Committee meeting.
- (c) Except where it would be unlawful to do so, the Chairperson of a Committee may at their discretion:
 - (i) convey to any Member or Direct Affiliate any reports about the deliberations or decisions of the Committee; and
 - (ii) seek an expression of opinion from any Member(s) or Direct Affiliate(s) concerning any issues that have arisen or may arise at any meeting of the Committee.

6.12 Terms of Reference may vary

The Terms of Reference for a Committee may vary or replace the provisions of Scheme Rules 6.9 and 6.10, but only where they expressly reference this Scheme Rule 6.12 in doing so.

7 FEES AND CHARGES

7.1 General

Each Member and Direct Affiliate must pay all fees or charges that are required to be paid by the Member or Direct Affiliate in accordance with the Scheme Documentation and as set out in the Secondary Documentation, including:

- (a) fees and charges payable by the Member or Direct Affiliate to the Scheme Operator (**Scheme Fees**); and
- (b) fees and charges payable by the Member or Direct Affiliate to another Member or Direct Affiliate (**Member-to-Member Fees**). By way of example, *Interchange Fees* in the eftpos Scheme and the *Participation and Reimbursement Fee* in the NPP Scheme are Member-to-Member Fees. Member-to-Member Fees may be varied by any agreed bilateral pricing variations between the relevant Members and/or Direct Affiliates, where such variations are permitted under the Product Rules or Product Procedures.

7.2 Scheme Fees

- (a) The Scheme Operator will invoice each Member and Direct Affiliate for the Scheme Fees payable by that Member or Direct Affiliate.
- (b) Unless expressly stated in the Product Rules or Product Procedures, all invoices issued by the Scheme Operator for any Scheme Fees:
 - (i) will be issued monthly in arrears; and
 - (ii) must be paid within 30 days of receipt.
- (c) The Scheme Operator may charge interest on the late payment of Scheme Fees at the Late Payment Rate, provided that the Scheme Operator may only charge such interest where the Scheme Operator has first provided the relevant Member or Direct Affiliate with a late payment reminder requesting that the Member or Direct Affiliate pay the outstanding amount within 30 days (**Reminder Notice Period**), and at the end of the Reminder Notice Period the amount remains outstanding. If charged, interest will be calculated on a simple interest (non-compounding) basis from the date the Scheme Fees were originally due until the date they are paid. The Scheme Operator must make any decisions relating to the charging of late interest in a consistent manner with respect to all Members and Direct Affiliates.
- (d) To the maximum extent permitted by law, except to the extent otherwise specifically provided for in the Scheme Documentation, any Scheme Fees validly levied in accordance with the Scheme Documentation are not refundable.

7.3 Member-to-Member Fees

Each Member and Direct Affiliate will comply with the requirements in the Product Rules and Product Procedures relating to the invoicing and payment of Member-to-Member Fees.

7.4 Additional fees and charges and variations to existing fees and charges

- (a) The ICCC has the power to determine, review and vary all fees and charges payable by Members and Direct Affiliates under the AP+ Scheme, including the power to impose additional fees or charges.
- (b) Without limiting any rights or powers of the Scheme Operator or the Board under the Scheme Documentation, the ICCC has the power to determine, review and vary all fees and charges payable by Members and Direct Affiliates under the AP+ Scheme in connection with non-compliance with the Scheme Documentation, including the power to impose additional fees or charges for non-compliance with the Scheme Documentation.
- (c) The Scheme Operator must provide all Affected Members and Affected Direct Affiliates notice of any new, or variations to existing, fees or charges in accordance with the timeframes in the Product Rules or Product Procedures (if any), unless a shorter period of notice is required to enable the Scheme Operator to comply with any applicable law or regulatory requirement, in which case the Scheme Operator will provide as much notice as is possible in the circumstances.

7.5 GST

- (a) Any consideration or amount payable (including fees and charges) under the Scheme Documentation including any non-monetary consideration is exclusive of government taxes or duties and does not take account of the impact of GST (unless otherwise specified).
- (b) If any Supply made by the Scheme Operator or a Member or Direct Affiliate in accordance with the Scheme Documentation is subject to GST, the person making the Supply (**Supplier**) may in addition to any payment in connection with the Supply (including the payment of any fees or charges under the Scheme Documentation), recover an additional amount on account of GST (unless the fees are expressed as inclusive of GST). Such additional amount:
 - (i) is equal to the fee or charge multiplied by the prevailing GST rate;
 - (ii) is payable at the same time and in the same manner as the fee or charge; and
 - (iii) is payable by the person required to pay the fee or charge (**GST Payor**), or if the fee or charge is payable by more than one GST Payor, then by such GST Payors in proportion to so much of the fee or charge as is paid or payable by each such GST Payor for the Supply.
- (c) The Supplier must supply a Tax Invoice to each GST Payor who makes a payment referred to in this Scheme Rule 7.5 (**GST Payor**) within 7 days of receiving the total amount payable by that GST Payor. The Tax Invoice must include all particulars required by the GST Law.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the additional amount payable by the GST Payor under Scheme Rule 7.5(b):
 - (i) the Supplier must provide a refund or credit to the GST Payor, or the GST Payor must pay a further amount to the Supplier, as appropriate;
 - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (iii) the Supplier must notify the GST Payor of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. If there is an Adjustment

Event in relation to the Supply, the requirement for the Supplier to notify the GST Payor will be satisfied by the Supplier issuing to the GST Payor an Adjustment Note (if required by the GST Law) within 14 days after becoming aware of the occurrence of the Adjustment Event.

- (e) Notwithstanding any other provision in the Scheme Documentation, if an amount payable under the Scheme Documentation is calculated by reference to an amount incurred by a person, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that person is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a person is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that person but to which the Representative Member of a GST Group of which the person is a member is entitled.

8 SCHEME SERVICE PROVIDERS

The Scheme Operator may:

(a) engage Scheme Service Providers to perform the role that is described for them in the Scheme Documentation, or one or more of the Scheme Operator's obligations under the Scheme Documentation; and

(b) change its Scheme Service Providers from time to time,

provided that the Scheme Operator:

(c) ensures that each Scheme Service Provider complies with the Scheme Documentation to the extent relevant to the obligations the Scheme Service Provider performs, including any obligations under the Scheme Documentation that are imposed on that Scheme Service Provider; and

(d) remains responsible for fulfilling any obligations that it has engaged a Scheme Service Provider to perform,

subject to any limitations or exclusions of the Scheme Operator's liability under the Scheme Documentation.

9 SERVICE PROVIDERS TO MEMBERS

Note: These AP+ Scheme Rules provide for both representative arrangements (as contemplated by Scheme Rule 10) and service provider arrangements (as contemplated by this Scheme Rule 9), in each case, supported by further detail in the Product Rules and Product Procedures. At a high level:

- Representative Arrangements are required to exist where a person (referred to as a Represented Affiliate) wishes to have their Transactions processed via the AP+ Scheme, but that person does not have the necessary membership capacity under the Scheme Documentation to process those Transactions (or all aspects of the required processing, such as clearing and/or settling), themselves. Those persons therefore need to enter into arrangements with a Member (referred to as a Representative) who does have the necessary capacity to process those Transactions (or the relevant aspects) for them; and
- Service Provider arrangements exist whenever a Member or Direct Affiliate engages a third party to perform any of their own obligations under the AP+ Scheme Rules. Those Service Providers might be thought of as 'subcontractors' of the Member or Direct Affiliate.

The engagement of a Representative by a Represented Affiliate does not (for activities within the scope of the Representative Arrangement) constitute the engagement by that Represented Affiliate of a Service Provider. This is because (as a general rule) the obligations for the processing of those Transactions under the Scheme Documentation are the primary responsibility of the Representative.

The precise details of Representative Arrangements, including who may participate in them and for what, and whether only one or both of them are required to be bound by the AP+ Scheme Rules, does differ between the AP+ Schemes, as described in the relevant Product Rules and Product Procedures.

9.1 Appointing Service Providers

- (a) Members and Direct Affiliates may, subject to this Scheme Rule 9 and any applicable provisions in the Product Rules or Product Procedures, engage one or more Service Providers to perform that Member's or Direct Affiliate's obligations under the Scheme Documentation.
- (b) Before entering into any arrangement with a Connected Service Provider (including to replace an existing Connected Service Provider) (**Connected Service Provider Arrangement**), the Member or Direct Affiliate must:
 - (i) notify the Scheme Operator of its intent to enter into the Connected Service Provider Arrangement and confirm in that notice that:
 - A. the Connected Service Provider Arrangement is not inconsistent with the Scheme Documentation;
 - B. the Connected Service Provider will be able to comply with the applicable technical and operational requirements imposed by the Scheme Documentation; and
 - C. the Connected Service Provider Arrangement will not adversely affect Scheme Integrity;
 - (ii) provide any other information and documents as may be required under the Product Rules or Product Procedures, and any other information or evidence otherwise reasonably requested by the Scheme Operator, in respect of the Connected Service Provider Arrangement; and
 - (iii) comply with any other obligations set out in the relevant Product Rules or Product Procedures for the purposes of this Scheme Rule 9.1(b)(iii).

9.2 General obligations

Each Member and Direct Affiliate:

- (a) must ensure that each of its Personnel and Service Providers comply with the Scheme Documentation to the extent relevant to the obligations the Personnel and/or Service Providers perform, including in the case of a Service Provider any obligations under the Scheme Documentation that are imposed on that Service Provider;
- (b) will be liable for the acts and omissions of its Personnel and Service Providers as fully as if they were the acts and omissions of the Member or Direct Affiliate; and
- (c) must take action against any Service Provider to procure compliance with the Scheme Documentation, if requested to do so by the Scheme Operator.

10 SUBSIDIARY FACILITATION AND REPRESENTATIVE ARRANGEMENTS

10.1 Subsidiary Facilitation

- (a) The Product Rules and Product Procedures may allow Permitted Facilitators to permit their Eligible Subsidiaries to use the Permitted Facilitator's membership of the AP+ Scheme for the purposes of this Scheme Rule 10, including to facilitate the making and receiving of Transactions and Adjustments by those Eligible Subsidiaries. Where this is allowed, this is referred to as **Subsidiary Facilitation**.
- (b) Subsidiary Facilitation is subject to this Scheme Rule 10 (excluding Scheme Rule 10.2). The Product Rules or Product Procedures may specify additional requirements and restrictions in relation to the way Subsidiary Facilitation may be engaged in.

10.2 Representative Arrangements

- (a) The Product Rules and Product Procedures may allow Members to sponsor the participation of other persons in the AP+ Scheme for the purposes of this Scheme Rule 10. Where this is allowed, this is referred to as a **Representative Arrangement**.
- (b) Representative Arrangements are subject to this Scheme Rule 10 (excluding Scheme Rule 10.1). The Product Rules or Product Procedures may specify additional requirements and restrictions in relation to Representative Arrangements.
- (c) In addition to any specific requirements outlined in the Product Rules or Product Procedures in relation to Representative Arrangements, before entering into any Representative Arrangement, the Member acting as Representative must:
 - (i) notify the Scheme Operator of its intent to enter into the Representative Arrangement and provide such information or evidence to the Scheme Operator as reasonably required by the Scheme Operator to demonstrate that:
 - A. the proposed Representative Arrangement is not inconsistent with the Scheme Documentation;
 - B. the parties to the Representative Arrangement will be able to comply with the applicable technical and operational requirements imposed by the Scheme Documentation; and
 - C. the Representative Arrangement will not adversely affect Scheme Integrity; and
 - (ii) comply with any other obligations set out in the relevant Product Rules or Product Procedures of the AP+ Scheme for the purposes of this Scheme Rule 10.2.

10.3 Obligations of Members

Each Member or Direct Affiliate who is a Permitted Facilitator engaging in Subsidiary Facilitation, or Member who is acting as a Representative under a Representative Arrangement, must (as applicable):

- (a) enter into, and maintain and enforce at all times, an agreement with each Eligible Subsidiary in relation to the Subsidiary Facilitation, and Represented Affiliate in relation to the Representative Arrangement, which enables the Member or Direct Affiliate to comply with its obligations under this Scheme Rule 10;

- (b) ensure that its Eligible Subsidiaries and Represented Affiliates comply with all obligations under the Scheme Documentation that are relevant to their participation in the AP+ Scheme and any associated Products, whether such obligations are satisfied by the Eligible Subsidiaries or Represented Affiliates themselves or by the Member or Direct Affiliate doing so on their behalf (including through the use of the Member's or Direct Affiliate's systems and services);
- (c) include each of its Eligible Subsidiaries and Represented Affiliates in any Annual Compliance Attestation completed and submitted by the Member or Direct Affiliate under Scheme Rule 12;
- (d) maintain systems and processes that allow activities in respect of Eligible Subsidiaries and Represented Affiliates, including Transactions, Adjustments and the accounts to and from which they are made, to be separately identified and differentiated;
- (e) maintain:
 - (i) a contemporaneous list of all Eligible Subsidiaries for whom it engages in Subsidiary Facilitation, and Represented Affiliates whom it represents in relation to a Representative Arrangement; and
 - (ii) accurate records of each Transaction engaged in by those Eligible Subsidiaries or Represented Affiliates,
 and provide such list and records to the Scheme Operator upon request;
- (f) promptly report to the Scheme Operator:
 - (i) any actual or suspected breaches of this Scheme Rule 10 or fraud involving its Eligible Subsidiaries or Represented Affiliates;
 - (ii) if it ceases to act as a Permitted Facilitator for any of its Eligible Subsidiaries, or a Representative for any of its Represented Entities; and
 - (iii) if any:
 - A. entities for whom it provides Subsidiary Facilitation cease to be Eligible Subsidiaries; or
 - B. Represented Affiliates for whom it acts as a Representative under a Representative Arrangement cease to meet any eligibility requirements for them to be Represented Affiliates,
 and immediately cease engaging in Subsidiary Facilitation or a Representative Arrangement (as the case may be) in respect of that entity;
- (g) ensure its Eligible Subsidiaries and Represented Affiliates have effective measures in place to identify, mitigate and manage operational risks in relation to their engagement in Subsidiary Facilitation or a Representative Arrangement, including those relating to fraud and money laundering;
- (h) not engage in Subsidiary Facilitation or a Representative Arrangement if to do so will, or is likely to:
 - (i) breach any applicable laws or cause the Scheme Operator to breach any applicable laws; or
 - (ii) adversely affect Scheme Integrity;
- (i) obtain all necessary information and consents from, and make all appropriate disclosures to, its Eligible Subsidiaries and Represented Affiliates to:
 - (i) enable the Member or Direct Affiliate to comply with its obligations under the Scheme Documentation; and

- (ii) include the name of those Eligible Subsidiaries and Represented Affiliates in reports or lists prepared or published by the Scheme Operator or any Committee from time to time; and
- (j) must, upon request by the Scheme Operator, provide such evidence as reasonably requested by the Scheme Operator to demonstrate its compliance with this Scheme Rule 10.

10.4 Non-compliance

The ICCC may, at any time:

- (a) suspend or terminate:
 - (i) a Permitted Facilitator's right to engage in Subsidiary Facilitation in respect of one or more Eligible Subsidiaries; and/or
 - (ii) a Member's right to act as a Representative for one or more Represented Affiliates;
- (b) impose additional reporting requirements on:
 - (i) a Permitted Facilitator with regard to one or more Eligible Subsidiaries; and/or
 - (ii) a Representative with regard to its representation of one or more Represented Affiliates; and/or
- (c) take any other action reasonably necessary,

if the ICCC reasonably suspects a Permitted Facilitator or a Representative, or one or more of its Eligible Subsidiaries or Represented Affiliates (as the case may be) are:

- (d) being fraudulent;
- (e) participating in the AP+ Scheme in a manner which is inconsistent with the Scheme Documentation as it applies to Subsidiary Facilitation or Representative Arrangements including in breach of their obligations under this Scheme Rule 10; or
- (f) participating in the AP+ Scheme in a manner that will or is likely to adversely affect Scheme Integrity.

10.5 Liability

- (a) Each:
 - (i) Permitted Facilitator is liable for the acts and omissions of its Eligible Subsidiaries for whom it engages in Subsidiary Facilitation; and
 - (ii) Representative is liable for the acts and omissions of the Represented Affiliates with whom it has entered into a Representative Arrangement;
- (b) Each Member and Direct Affiliate is liable for the acts and omissions of its Eligible Subsidiaries and Represented Affiliates as fully as though they were the acts and omissions of the Member or Direct Affiliate.
- (c) Without limiting Scheme Rule 10.5(b), each Member and Direct Affiliate is liable for the payment of (and, in the case of Member-to-Member Fees, is entitled to receive) those fees and charges, including any Non-Compliance Charges and any other amounts payable under the Scheme Documentation, relating to the participation of its Eligible Subsidiary or Represented Affiliate in the AP+ Scheme or Product.

Subsidiary Facilitation

- (d) In applying any cap or limitation of liability under the Scheme Documentation, that cap or limit will apply to all losses and damages suffered in aggregate by a Permitted Facilitator and each of the Eligible Subsidiaries for whom it engages in Subsidiary Facilitation.
- (e) A Permitted Facilitator must:
 - (i) ensure that none of its Eligible Subsidiaries bring any claim, demand or proceedings in connection with the Scheme Documentation or the AP+ Scheme, provided that a Permitted Facilitator may enforce the provisions of the Scheme Documentation for the benefit of its Eligible Subsidiaries subject to any limitations and exclusions under the Scheme Documentation; and
 - (ii) indemnify and agree to keep indemnified each other Member and Direct Affiliate of the AP+ Scheme and the Scheme Operator, and any of their officers, employees or agents, (each an **Indemnified Person**) in relation to any claim made by an Eligible Subsidiary against an Indemnified Person in connection with the Scheme Documentation.

11 SCHEME COMPLIANCE

11.1 Compliance generally

- (a) Consistent with Scheme Rule 2(a) and Scheme Rule 10.3, each Member and Direct Affiliate must comply, and ensure that its Eligible Subsidiaries and Represented Affiliates comply, with all applicable provisions in the Scheme Documentation.
- (b) Each Member and Direct Affiliate must notify the Scheme Operator of:
 - (i) each instance of non-compliance with the Scheme Documentation by itself, its Service Providers or any of its Eligible Subsidiaries or Represented Affiliates; and
 - (ii) any actual or likely inability of itself, its Service Providers or any of its Eligible Subsidiaries or Represented Affiliates to comply with the Scheme Documentation, including the requirements applying to that Member's or Direct Affiliate's capacity of membership or the product-specific services offered by that Member or Direct Affiliates,within 7 days of becoming aware of the same.
- (c) Each Member and Direct Affiliate must report to the Scheme Operator any non-compliance with the Scheme Documentation by another Scheme Actor that it becomes aware of, within 7 days of becoming aware of such non-compliance, where such non-compliance may affect or put at risk the Scheme Operator, any other Scheme Actor or Scheme Integrity.
- (d) The Scheme Operator may:
 - (i) monitor and investigate (either on its own initiative or following notification of a non-compliance) compliance with the Scheme Documentation, as well as the progress of any remediation activities or associated undertakings; and
 - (ii) request that Members and Direct Affiliates provide such information or evidence from time to time as it considers reasonably necessary to determine whether or not there is any non-compliance with the Scheme Documentation or which is otherwise related to any remediation activities or associated undertakings, and may specify the date by which the information or evidence must be provided. Requested information and evidence must be provided to the Scheme Operator by the date specified in the request.
- (e) Where a Member or Direct Affiliate, its Service Providers, or any of its Eligible Subsidiaries or Represented Affiliates, has failed or is likely to fail to comply with any provision in the Scheme Documentation, the Scheme Operator may direct remediation of the non-compliance and/or require the Member or Direct Affiliate to prepare and implement a Compliance Remediation Plan and otherwise comply with Scheme Rule 11.3.
- (f) In addition to the compliance related rights and obligations under this Scheme Rule 11, the Product Rules may set out additional rights and obligations in relation to non-compliances which are specific to that Product.
- (g) For clarity, Members and Direct Affiliates are responsible for the compliance by:
 - (i) any Eligible Subsidiaries for whom it engages in Subsidiary Facilitation as a Permitted Facilitator; and
 - (ii) any Represented Affiliates with whom it has entered into a Representative Arrangement with as a Representative,

and this Scheme Rule 11 applies to a Member or Direct Affiliate in their own right as well as when it is acting on behalf of an Eligible Subsidiary or acting as Representative of a Represented Affiliate. For the avoidance of doubt, a right of a Member or Direct Affiliate under this Scheme Rule 11 may be exercised by that Member or Direct Affiliate on behalf of an Eligible Subsidiary or Represented Affiliate. Further, any non-compliance by a Service Provider to a Member or a Direct Affiliate, is taken to be non-compliance by that Member or Direct Affiliate.

11.2 Compliance Framework

- (a) Without limiting Scheme Rule 11.1, this Scheme Rule 11.2 sets out a compliance framework for encouraging compliance with the Scheme Documentation by applying Non-Compliance Charges to non-compliances with the Compliance Requirements (the **Compliance Framework**).
- (b) This Compliance Framework applies to any provisions under the Scheme Documentation that are designated as “Compliance Requirements” under or in accordance with the Product Rules or Product Procedures (**Compliance Requirements**). Where no Compliance Requirements are designated under or in accordance with the Product Rules or Product Procedures, all provisions of the Scheme Documentation are designated as **Compliance Requirements**.
- (c) From time to time, the Board may add or remove any Compliance Requirements. In assessing any new Compliance Requirements, the Board will:
 - (i) conduct an assessment of the likely impact arising from a failure to comply with the relevant provision of the Scheme Documentation, including with respect to Scheme Integrity; and
 - (ii) determine whether those requirements should be Compliance Requirements, and if so the date on which that should occur.
- (d) If the Board determines that any changes to the Compliance Requirements should apply:
 - (i) such changes, including any new Compliance Requirements, will apply on and from the commencement date determined by the Board; and
 - (ii) the Scheme Operator must notify Members and Direct Affiliates in writing of such changes to the Compliance Requirement and the date of their commencement.
- (e) The Product Rules may also set out additional processes that apply to the designation of Compliance Requirements.
- (f) The ICCC has sole discretion (without limiting Scheme Rule 11.2(m)), having regard to the information and evidence available to it, to determine whether or not there has been any non-compliance with a Compliance Requirement and any associated application of Non-Compliance Charges in accordance with Scheme Rule 11.2(k).
- (g) Prior to making a determination in relation to non-compliance with a Compliance Requirement, the ICCC must:
 - (i) where non-compliance has been reported under Scheme Rule 11.1(c) or discovered by the Scheme Operator (and not disclosed by the affected Member or Direct Affiliate itself under Scheme Rule 11.1(b)):
 - A. notify the affected Member or Direct Affiliate of the report and any related investigation; and
 - B. where applicable, give due consideration to the information and evidence disclosed to it by the reporting Member or Direct Affiliate;

- (ii) give the affected Member or Direct Affiliate at least 20 days to provide a written response to purported non-compliance issues, including a statement explaining the reasons for the non-compliance, any extenuating circumstances or circumstances beyond its control, or alternatively, why it considers that it is not in breach; and
 - (iii) give due consideration to any responses given by the affected Member or Direct Affiliate in relation to the purported non-compliance issues.
- (h) The Scheme Operator may require the affected Member or Direct Affiliate, or another Scheme Actor, to provide additional information or evidence before the ICCC makes a determination in relation to the purported non-compliance of the affected Member or Direct Affiliate.
- (i) The result of the ICCC's determination under Scheme Rule 11.2(f) will be notified by the Scheme Operator to the Member or Direct Affiliate the subject of the determination, and the Scheme Operator may also notify a determination of non-compliance to:
- (i) any Member or Direct Affiliate that reported the non-compliance to the Scheme Operator under Scheme Rule 11.2(c); and/or
 - (ii) any Scheme Actor that the Scheme Operator considers is or may be directly impacted by the determination or otherwise by the non-compliance,

unless, in the sole discretion of the Scheme Operator, the Scheme Operator considers that notification to any Scheme Actor under Scheme Rule 11.2(i)(i) or 11.2(i)(ii) is not necessary or desirable having regard to the following factors:

- (iii) the protection of the Scheme Operator or any other Scheme Actor;
 - (iv) any need to mitigate risk to Scheme Integrity; and
 - (v) the sensitivity of the information that would be disclosed in the notice and the legitimate interests of the Member or Direct Affiliate subject of the Determination.
- (j) The Scheme Operator may elect whether or not to disclose any determined Non-Compliance Charges as part of any notice under Scheme Rules 11.2(i)(i) or 11.2(i)(ii).
- (k) Where there is any determination of non-compliance with a Compliance Requirement, the ICCC may also determine what Non-Compliance Charges (if any) are payable by the applicable Member or Direct Affiliate in accordance with the Product Rules, and the Scheme Operator will notify these to the applicable Member or Direct Affiliate.
- (l) A Member or Direct Affiliate who is issued a notice of Non-Compliance Charge must pay the amount of the Non-Compliance Charge by the date for payment stipulated in the notice irrespective of any dispute resolution or appeal or review rights available to it under the Scheme Documentation.
- (m) Each Member and Direct Affiliate acknowledges and agrees that Non-Compliance Charges reflect the conservative and genuine pre-estimate of loss that the Scheme Operator may suffer as a result of failure to comply with Compliance Requirement and that the method of calculating the Non-Compliance Charges in the Product Rules represent a reasonable basis for calculating the impact of the failure on the Scheme Operator and the AP+ Scheme.

11.3 Compliance Remediation Plans

- (a) This Scheme Rule 11.3 applies where:
- (i) a Compliance Remediation Plan is required under the Scheme Documentation;

- (ii) a Member or Direct Affiliate has notified a non-compliance of a Compliance Requirement under Scheme Rule 11.1(b); or
 - (iii) the Scheme Operator has notified a Member or Direct Affiliate of any non-compliance with a Compliance Requirement under Scheme Rule 11.2(i).
- (b) Each Member and Direct Affiliate must promptly (and in any case within 10 Business Days of being required to comply with this Scheme Rule, unless a longer period is agreed between the Member or Direct Affiliate and the Scheme Operator) prepare a Compliance Remediation Plan and submit that Compliance Remediation Plan to the Scheme Operator. Each Compliance Remediation Plan must (as relevant to the non-compliance or Compliance Requirement) specify:
- (i) a date by which systems and procedures will be in place to ensure that the failure will be resolved and will not recur;
 - (ii) the outcomes that will be achieved by the Compliance Remediation Plan in order to resolve the failure;
 - (iii) externally verifiable and measurable milestones each with specified dates which contribute to those systems and procedures; and
 - (iv) whether any assistance is required from the Scheme Operator or any other person to achieve any milestone, and the dates at which that assistance is required. For clarity, the Scheme Operator may charge for any assistance required by the Member or Direct Affiliate.
- (c) Where a Member or Direct Affiliate has submitted a Compliance Remediation Plan to the Scheme Operator, the Scheme Operator may approve or reject the Compliance Remediation Plan in its sole discretion.
- (d) If the Scheme Operator has approved a Compliance Remediation Plan, the Member or Direct Affiliate must:
- (i) comply with that Compliance Remediation Plan;
 - (ii) submit any proposed amendments to the approved Compliance Remediation Plan to the Scheme Operator for its review. The Scheme Operator may approve or reject any proposed amendment to a Compliance Remediation Plan in its sole discretion; and
 - (iii) provide to the Scheme Operator all information and evidence it may reasonably require in order to determine whether the Compliance Remediation Plan is being complied with and the then-current extent of the non-compliance with the relevant requirement or Compliance Requirement.

11.4 Exemptions

- (a) A Member or Direct Affiliate may apply for an exemption from compliance with a Compliance Requirement by submitting to the Scheme Operator an application in writing that includes the following:
- (i) the period for which the exemption is sought;
 - (ii) the date of the original exemption (if seeking an extension of an existing exemption);
 - (iii) the Compliance Requirements from which the exemption is sought;
 - (iv) a statement of the reason(s) for non-compliance and whether or not the non-compliance is within the Member's or Direct Affiliate's reasonable control;

- (v) a risk rating applicable to the non-compliance, having regard to the matters in Scheme Rule 11.4(b);
 - (vi) a full description of any compensating controls that are offered as justification for the exemption;
 - (vii) a proposed Compliance Remediation Plan prepared in accordance with Scheme Rule 11.3 to achieve compliance, including the expected date of achieving compliance; and
 - (viii) details of all Scheme Actors that are or may be impacted by the exemption request.
- (b) However, without limiting the Scheme Operator's discretion under Scheme Rules 11.4(c) and 11.5, each Member and Direct Affiliate acknowledges and agrees that the exemption regime is intended to apply only in exceptional circumstances where the non-compliance is not within the Member's or Direct Affiliate's reasonable control and where the Member or Direct Affiliate can demonstrate that the non-compliance does not adversely affect or put at risk the Scheme Operator, any other Scheme Actor or Scheme Integrity.
- (c) The Scheme Operator will determine an application for an exemption in accordance with Scheme Rule 11.5 as soon as practicable and will notify the applicant Member or Direct Affiliate, and Affected Members and Affected Direct Affiliates, in writing of the outcome.
- (d) Where the Scheme Operator grants an exemption, subject to compliance with any time period or conditions imposed pursuant to Scheme Rule 11.5, the Member or Direct Affiliate receiving the exemption is not required to comply with the relevant sections and requirements comprising the applicable Compliance Requirements to the extent set out in the exemption determination provided by the Scheme Operator.

11.5 Determination of exemptions

- (a) Upon receipt of an application for an exemption, the Scheme Operator may require the Member or Direct Affiliate to provide additional information or evidence before it determines the application.
- (b) The Scheme Operator may grant an exemption:
 - (i) for a limited period of time; and/or
 - (ii) subject to conditions on the applying Member's or Direct Affiliate's activities, pursuant, or related, to the Scheme Documentation.
- (c) In determining an application for an exemption, the Scheme Operator must have regard to any risk posed by the exemption to the Scheme Operator, any other Scheme Actor or Scheme Integrity.
- (d) The Scheme Operator may, at any time, withdraw an exemption if in the Scheme Operator's opinion the exemption poses a risk to the Scheme Operator, any other Scheme Actor or Scheme Integrity, or where it considers that the Member or Direct Affiliate is not diligently complying with the Compliance Remediation Plan.
- (e) Prior to making a decision to:
 - (i) refuse an application for an exemption;
 - (ii) grant an exemption subject to conditions; or
 - (iii) withdraw an exemption,the Scheme Operator must:

- (iv) notify the affected Member or Direct Affiliate of the proposed decision;
 - (v) give the affected Member or Direct Affiliate a reasonable opportunity to address the issues relating to the application or the conditions; or
 - (vi) give due consideration to any reasons given by the Member or Direct Affiliate as to why the application should be granted or the conditions should not be imposed.
- (f) Any decision of the Scheme Operator in respect of an application for an exemption or withdrawal of an exemption:
- (i) is final and binding; and
 - (ii) may not be subject to court proceedings, dispute resolution under Scheme Rule 19 or any other form of review.

11.6 General

- (a) For the avoidance of doubt, nothing in this Scheme Rule 11:
 - (i) affect or limits any rights or remedies of the Scheme Operator or obligations of a Scheme Actor under the Scheme Documentation, including in respect of suspension or termination of a Member or Direct Affiliate; or
 - (ii) otherwise affects the rights or remedies of any other Scheme Actor.
- (b) Any failure by the Scheme Operator to assert its rights under this Scheme Rule 11 will not constitute a waiver of those rights.

12 ATTESTATIONS & ASSURANCE

12.1 Member Attestations

- (a) On or before the date or at frequencies specified by the Scheme Operator for the purpose of this Scheme Rule 12, each Member or Direct Affiliate must complete and submit to the Scheme Operator an Annual Compliance Attestation executed by a Qualified Senior Officer of the Member or Direct Affiliate, in respect of the Member or Direct Affiliate, and each of its Represented Affiliates and Eligible Subsidiaries (if any), for the previous Financial Year using the method, and in the form and substance prescribed by the Scheme Operator from time to time, and which is otherwise in accordance with any applicable Product Rules and Product Procedures. The Annual Compliance Attestation may require a Member or Direct Affiliate to address, in respect of the Member or Direct Affiliate and each of its Represented Affiliates and Eligible Subsidiaries (if any).
 - (i) compliance with the Scheme Documentation;
 - (ii) any conditions applying to any exemptions the Member, Direct Affiliate, Represented Affiliate, and/or Eligible Subsidiary (as applicable) has been granted under Scheme Rule 11.5;
 - (iii) the obligation to disclose non-compliances under Scheme Rule 11.1(b);
 - (iv) any matter set out in the Product Rules or Product Procedures for the purposes of the Annual Compliance Attestation; and
 - (v) any other matter the Scheme Operator reasonably considers is relevant to Scheme Integrity.
- (b) If required by the Scheme Operator, a Member or Direct Affiliate must provide additional information and/or evidence relating to its Annual Compliance Attestation as reasonably requested by the Scheme Operator, and otherwise permit, and must reasonably co-operate with the Scheme Operator in relation to, any review, audit or assessment the Scheme Operator elects to undertake in respect of the Annual Compliance Attestation.
- (c) The Scheme Operator may maintain a register of certain attestations included in the Annual Compliance Attestation.
- (d) Failure to meet the due date for the Annual Compliance Attestation may result in the issue of remediation directions by the Scheme Operator under Scheme Rule 11.1(e) to the relevant Member or Direct Affiliate.

12.2 Scheme Operator - annual operational risk review

- (a) On an annual basis, AP+ will provide Members with an independent report and/or assurance review (as relevant) over the design and operating effectiveness of an agreed set of operational risk controls, for each of the NPP Scheme Infrastructure, the eftpos Scheme Infrastructure and the BPAY Scheme Infrastructure.

13 NOTIFICATION OF INSOLVENCY

- (a) Each Member and Direct Affiliate must, unless prevented from doing so by law, notify the Scheme Operator immediately on becoming aware of any Insolvency Event occurring in respect of:
- (i) itself;
 - (ii) any of its Service Providers;
 - (iii) where a Member acts as a Representative, any Represented Affiliate for whom it acts as a Representative, or any Service Provider to any such Represented Affiliate;
 - (iv) an Eligible Subsidiary, to whom Subsidiary Facilitation is provided;
 - (v) any other person specified in the Product Rules or Product Procedures for the purposes of this Scheme Rule 13(a);
 - (vi) any other Member or Direct Affiliate; or
 - (vii) any Service Provider of another Member or Direct Affiliate, or any person for whom another Member acts as a Representative (provided that the notifying Member or Direct Affiliate is aware of the Service Provider or representative relationship existing in respect of that person and the AP+ Scheme).
- (b) Following the receipt of a notification under Scheme Rule 13(a), or on its own initiative, the Scheme Operator may, if it considers it appropriate to do so, make enquiries (including of any Supervisory Authority) to reasonably satisfy itself that an Insolvency Event has occurred in respect of any person referred to in Scheme Rules 13(a)(i) to 13(a)(vii). Any Member or Direct Affiliate of whom such enquiries are made must, except to the extent prevented from doing so by law, provide full and complete co-operation, information, evidence and assistance on an urgent basis and in any event within 24 hours of the request (or such longer period as is reasonable in such circumstances, having regard to the need to respond to such inquiries urgently to ensure that Scheme Integrity is maintained).
- (c) Following receipt of a notification under Scheme Rule 13(a) or on its own initiative (and if applicable the Scheme Operator being reasonably satisfied under Scheme Rule 13(b) that the relevant Insolvency Event has occurred) the Scheme Operator will (in the case of a notification under Scheme Rule 13(a)) or may (if doing so on its own initiative) notify the following persons of such matter:
- (i) the Board;
 - (ii) Members, Affiliates and Scheme Service Providers who are, or are likely to be, affected by the Insolvency Event; and
 - (iii) any other person specified in the Product Rules or Product Procedures for the purposes of this Scheme Rule 13(c).
- (d) For the purposes of Scheme Rule 16(a)(ii), the Scheme Operator may inform any Supervisory Authority or Industry Body of the Scheme Operator's receipt of a notification under Scheme Rule 13(a), the results of its enquiries under Scheme Rule 13(b), or any notification given by it under Scheme Rule 13(c).

14 BUSINESS CONTINUITY AND DISASTER RECOVERY

- (a) Without limiting any specific requirements in the Scheme Documentation with regard to business continuity, Members and Direct Affiliates must use reasonable efforts to:
 - (i) provide and maintain a high-quality telecommunications infrastructure with the Scheme Operator, Scheme Service Providers and (in the case of bilateral links) other Members and Affiliates (each as applicable for the Products in which that Member or Direct Affiliate participates) to ensure compliance with all technical requirements imposed under the Scheme Documentation and that all data flows (including files, messages and reports) are sent and delivered in a timely manner (even during peak transmission periods);
 - (ii) provide and maintain appropriate incident management procedures in relation to the sending and receiving of data (including files, messages and reports) to and from the Scheme Operator, Scheme Service Providers and (in the case of bilateral links) other Members and Affiliates (each as applicable for the Products in which that Member or Direct Affiliate participates) in the event of a telecommunications link failure; and
 - (iii) develop, maintain and annually test a business continuity plan and disaster recovery plan that complies with Scheme Rule 14(b).
- (b) Each Member's and Direct Affiliate's business continuity plan and disaster recovery plan must:
 - (i) incorporate the Member's or Direct Affiliate's incident management procedures referred to in Scheme Rule 14(a)(ii);
 - (ii) demonstrate the steps the Member or Direct Affiliate will take to continue to meet its obligations in relation to the processing of Transactions for the Products in which that Member or Direct Affiliate participates in during any Incident or other business interruption; and
 - (iii) meet any requirements for such plans contained in the Scheme Documentation.
- (c) Each Member and Direct Affiliate must immediately:
 - (i) notify the Scheme Operator if the Member or Direct Affiliate invokes its business continuity plan or disaster recovery plan referred to in Scheme Rule 14(a)(ii); and
 - (ii) take all action reasonably necessary to manage and minimise the impact on the Scheme Operator, any other Member or Direct Affiliate, of any event or circumstance which requires the Member or Direct Affiliate to invoke its business continuity plan or disaster recovery plan referred to in Scheme Rule 14(a)(ii).
- (d) Each Member and Direct Affiliate consents to the Scheme Operator disclosing a notification given to it under Scheme Rule 14(c)(i) to each Affected Member, Affected Direct Affiliate, affected Scheme Service Provider and the RBA.
- (e) For clarity, if a Member or Direct Affiliate invokes its business continuity or disaster recovery plan in connection with an Incident, the Member or Direct Affiliate is only required to provide one notification to the Scheme Operator for the purposes of Scheme Rules 14(c)(i) and 15.1(a)(i).
- (f) Without limiting any specific requirements in the Scheme Documentation, the Scheme Operator must maintain and annually test a business continuity plan and disaster recovery plan in respect of the Scheme Infrastructure. The Scheme Operator will immediately notify all Affected Members or Affected Direct Affiliates if any such business continuity plan or disaster recovery plan is invoked.

15 INCIDENT MANAGEMENT AND PRODUCT SUSPENSIONS

15.1 Incident management obligations

- (a) Each Member and Direct Affiliate must:
 - (i) immediately notify the Scheme Operator if an Incident occurs in respect of that Member or Direct Affiliate;
 - (ii) comply with any notification obligations relating to Incidents in the Scheme Documentation or otherwise contained in the Incident Management Procedures; and
 - (iii) take all action reasonably necessary to manage and minimise the impact of any Incident on the Scheme Operator, any other Member or Direct Affiliate, including, if reasonably necessary and subject to providing prior written notice of its intention to do so to the Scheme Operator, by suspending its connection to the Scheme Infrastructure.
- (b) Each Member and Direct Affiliate consents to the Scheme Operator disclosing a notification given to it under Scheme Rule 15.1(a)(i) to any other Member and Direct Affiliate, Scheme Service Provider and Supervisory Authority.
- (c) Without limiting Scheme Rule 2(a), each Member and Direct Affiliate must comply with:
 - (i) all Incident Management Procedures; and
 - (ii) any reasonable directions or requirements issued by the Incident Response Group, and any action required by the Scheme Operator under Scheme Rule 6.3, for the purposes of managing an Incident,

that applies to the Member or Direct Affiliate.

15.2 Incident Response Group

The Incident Response Group of NPP has, subject to its Terms of Reference, all powers and functions reasonably necessary to ensure the orderly management and operation of each Product and the Scheme Infrastructure in the event of an Incident, which includes power to:

- (a) establish and publish incident management procedures (to apply in addition to any existing provisions of the AP+ Scheme Rules, Product Rules or Product Procedures), which once published will constitute Secondary Documentation and Incident Management Procedures;
- (b) declare Incidents for the purpose of giving effect to any Incident Management Procedures (either in whole or in part), which declaration may be made by email or SMS;
- (c) direct Members and Direct Affiliates to give effect to any Incident Management Procedures (in whole or in part); and
- (d) exercise any of the powers of the Scheme Operator to act or give a direction under this Scheme Rule 15 for the purpose of management of an Incident.

15.3 Product suspensions

- (a) The Scheme Operator and Scheme Service Providers may schedule maintenance and conduct emergency repairs, during which time connections to or use of the Scheme Infrastructure may be disrupted.
- (b) The Scheme Operator may otherwise suspend a Product and/or the Scheme Infrastructure in whole or in part, which may include suspending one or more Members' or Direct Affiliates' connection to the Scheme Infrastructure:
 - (i) in its discretion, on the occurrence of an Incident;
 - (ii) if the Scheme Operator determines that the suspension is reasonably necessary to protect Scheme Integrity; or
 - (iii) upon the occurrence of any event described in the Product Rules or Product Procedures for the purposes of this Scheme Rule 15.3(b).
- (c) The Scheme Operator must not suspend a Product or Scheme Infrastructure in whole or in part if to do so will cause the AP+ Scheme to infringe any applicable laws.
- (d) If a Product or the Scheme Infrastructure is suspended in whole or in part under this Scheme Rule 15.3 (other than in respect of scheduled maintenance), the Scheme Operator may give directions for reasonable action to be taken, or alternate processes to be followed, by Affected Members and Affected Direct Affiliates during the period of suspension. Any such directions must comply with all laws applying to the AP+ Scheme. All Affected Members and Affected Direct Affiliates must comply with any such directions during the period of suspension.
- (e) The Scheme Operator may remove any suspension of a Product and/or Scheme Infrastructure in whole or in part made under this Scheme Rule 15.3 at its discretion. The Scheme Operator may require assurance from any Member or Direct Affiliate that any event giving rise to the suspension, as caused or contributed to by that Member or Direct Affiliate, has been controlled or removed before removing any suspension of a Product and/or Scheme Infrastructure in whole or in part.
- (f) The Scheme Operator must promptly advise:
 - (i) each Affected Member, Affected Direct Affiliate and affected Scheme Service Provider of any scheduled maintenance or emergency repairs referred to in Scheme Rule 15.3(a); and
 - (ii) the Board, each Affected Member, Affected Direct Affiliate and each affected Scheme Service Provider, of any suspension or removal of suspension of a Product or the Scheme Infrastructure in whole or in part under this Scheme Rule 15.3, or of any directions given by the Scheme Operator referred to in Scheme Rule 15.3(d), and the date on which they take effect.

16 CONFIDENTIALITY

- (a) All information provided to a Scheme Actor (whether directly, or via another person such as their Service Providers, Representatives or Related Bodies Corporate) (**Recipient**) under the Scheme Documentation or otherwise in connection with the AP+ Scheme, including Personal Information, is confidential and may not be disclosed by the Recipient to any person except:
- (i) with the consent of the provider of that information (which consent is not to be unreasonably withheld);
 - (ii) in accordance with the Scheme Documentation;
 - (iii) as part of a report or aggregated data prepared by the Scheme Operator, a Governing Body or Scheme Service Provider for any reason relating to the AP+ Scheme, provided the report or aggregated data does not identify the subject or provider of the information or any individual;
 - (iv) as part of statistical compilations which do not identify the subject or provider of the information or any individual;
 - (v) if required by law, any stock exchange or Supervisory Authority which is responsible for the supervision or regulation of the Recipient;
 - (vi) in connection with legal proceedings, or the resolution of a Dispute in accordance with Scheme Rule 19, to which the Recipient is a party;
 - (vii) where the Scheme Operator is the Recipient, in accordance with Scheme Rule 19.6;
 - (viii) if the information is not Personal Information and is generally and publicly available (other than through a breach of this Scheme Rule 16 by the Recipient);
 - (ix) in the case of a Member or Affiliate, Transaction Information which is of a kind ordinarily disclosed to customers may be disclosed to:
 - A. any customer to whom the relevant Transaction or Adjustment relates, where the making of such disclosure would not be prohibited by law; and
 - B. any other person where the making of such disclosure would not be prohibited by law (including, for clarification, under any contract between any customer to whom the relevant Transaction or Adjustment relates and that Member or Affiliate),

provided that, to the extent of any inconsistency between this Scheme Rule 16(a)(ix) and a Product Rule or Product Procedure which applies to the disclosure of a particular kind of Transaction Information, the most restrictive rule (that being, the most limited right of disclosure) will apply;
 - (x) in the case of a Member or Direct Affiliate, to any:
 - A. Service Provider engaged by it, but only to the extent necessary to enable that Service Provider to perform its obligations for that Member or Direct Affiliate; and
 - B. prospective Service Provider, but only to the extent necessary to facilitate negotiation of the relevant arrangement,

and provided the Member or Direct Affiliate ensures that the recipient of that information keeps such information confidential on the same basis as, and complies with the requirements in, this Scheme Rule 16;
 - (xi) in the case of a Member, to any:

- A. Represented Affiliate whom it acts as the Representative of, in connection with the Representative Arrangement between them; and
- B. prospective Represented Affiliate, but only to the extent necessary to facilitate negotiation of the relevant arrangement,

and provided the Member ensures that the recipient of that information keeps such information confidential on the same basis as, and complies with the requirements in, this Scheme Rule 16;

- (xii) in the case of a Recipient who is a Represented Affiliate, to its Representative;
 - (xiii) in the case of the Scheme Operator, to any Scheme Service Provider, but only to the extent necessary to enable the Scheme Service Provider to perform its obligations for the Scheme Operator, and provided the Scheme Operator ensures that the recipient of that information keeps such information confidential on the same basis as, and complies with the requirements in, this Scheme Rule 16;
 - (xiv) in the case of the Scheme Operator, to any other Scheme Actor involved in a Transaction within the AP+ Scheme, where the information may assist in the resolution of a discrepancy (including Adjustments);
 - (xv) to a Related Body Corporate, provided the Recipient ensures that its Related Body Corporate keeps such information confidential on the same basis as, and complies with the requirements in, this Scheme Rule 16; or
 - (xvi) to its Personnel (including legal advisors and auditors), provided the Recipient ensures that any such Personnel keep such information confidential on the same basis as, and comply with the requirements in, this Scheme Rule 16.
- (b) For clarification, all Scheme Documentation is information provided by the Scheme Operator to each Member and Direct Affiliate for the purposes of Scheme Rule 16(a).
- (c) A Recipient of any information referred to in Scheme Rule 16(a) must:
- (i) use that information only:
 - A. for the purpose for which it was given;
 - B. as permitted under the Scheme Documentation;
 - C. for the purposes of the Scheme Documentation; or
 - D. in respect of Transaction Information only, for any purpose not prohibited by law (including, for clarification, under any contract between any customer to whom the relevant Transaction or Adjustment relates and that Recipient), provided that, to the extent of any inconsistency between this Scheme Rule 16(c)(i)D and a Product Rule or Product Procedure which applies to the use of a particular kind of Transaction Information, the most restrictive rule (that being, the most limited right to use Transaction Information) will apply; and
 - (ii) keep that information secure.

17 PRIVACY

17.1 General obligations

- (a) Without limiting Scheme Rule 2(a)(ii), each Scheme Actor must comply with:
 - (i) the Privacy Act; and
 - (ii) any other Privacy Law applicable to that Scheme Actor,when accessing, collecting, using, disclosing, transferring or otherwise handling Personal Information.
- (b) Each Scheme Actor must keep Personal Information confidential on the basis described in Scheme Rule 16.

17.2 Notifiable matters

- (a) Each Member and Direct Affiliate must notify the Scheme Operator if it becomes aware:
 - (i) that it has, whether directly or through its Service Providers, Eligible Subsidiaries or Represented Affiliates as a result of Scheme Rules 9.2 or 10.3, breached Scheme Rules 17.1(a) or 17.1(b);
 - (ii) of any Data Breach which has occurred or which the Member or Direct Affiliate has reasonable grounds to suspect may have occurred; or
 - (iii) of any complaint concerning privacy or the handling of Personal Information that may impact another Scheme Actor,

with such notification to be made immediately where possible, or where not possible, promptly and without undue delay. Such notification must be made in the form and in accordance with the procedures prescribed by the Scheme Operator from time to time for such purposes (if any).

- (b) Where a Member or Direct Affiliate has notified (or is required to notify) the Scheme Operator of a matter referred to in Scheme Rule 17.2(a):
 - (i) the Member or Direct Affiliate and the Scheme Operator will cooperate expeditiously, and ensure that any relevant Service Provider, Eligible Subsidiary or Represented Affiliate of the Member or Direct Affiliate cooperates expeditiously, and as required by Scheme Rules 2(e) and 2(f)(ii) in good faith, to investigate the matter and assist each other to comply with their applicable obligations under Privacy Law, including any notifications required to be made to a Supervisory Authority as a result of a Data Breach; and
 - (ii) where a notification is required to be made to a Supervisory Authority, the Member or Direct Affiliate and the Scheme Operator will endeavour to agree on which party will be responsible for making such a notification (which may be both of them).

18 TRADE MARKS

18.1 General

- (a) Members and Direct Affiliates must:
- (i) use the trade marks owned or licensed by the Scheme Operator from time to time and identified in the Brand Guidelines for each Product (the **Trade Marks**); and
 - (ii) comply with the requirements for use and approval of branding, collateral, advertising and marketing messages in relation to each Product (**Marketing Collateral**),
- as specified in the Scheme Documentation including the Brand Guidelines. Any changes to the Brand Guidelines will be notified by the Scheme Operator to Members and Direct Affiliates. The Brand Guidelines constitute Secondary Documentation.
- (b) The Scheme Operator grants to each Member and Direct Affiliate a non-exclusive, revocable, royalty free and non-transferrable licence to use the Trade Marks solely in connection with that Member's or Direct Affiliate's participation in and promotion of the AP+ Scheme, and only in accordance with the Scheme Documentation including the Brand Guidelines.
- (c) A Member or Direct Affiliate must not, and must take all reasonable steps and use its best endeavours to ensure that its sublicensees do not, use the Trade Marks in any manner that would or would likely:
- (i) create an impression that the goods or services offered by the Member or Direct Affiliate, or any of its sublicensees, are sponsored, produced, offered or sold by the Scheme Operator;
 - (ii) be in contravention of any applicable law or regulatory requirement; or
 - (iii) adversely affect the good name or reputation of the Scheme Operator or the value or validity of the Trade Marks.
- (d) The Scheme Operator may at any time direct a Member or Direct Affiliate, or its sublicensees, to cease using the Trade Marks and/or Marketing Collateral, where such use is in breach of the Scheme Documentation, and the Member must ensure such direction is complied with.
- (e) Each Member and Direct Affiliate indemnifies the Scheme Operator and its Related Bodies Corporate for all claims and demands made against, suffered or incurred by the Scheme Operator or its Related Bodies Corporate arising directly or indirectly out of any use of the Trade Marks by that Member or Direct Affiliate, or a sublicensee of that Member or Direct Affiliate, where such use breaches these AP+ Scheme Rules.
- (f) On termination of a Member's or Direct Affiliate's membership of the AP+ Scheme:
- (i) all rights conferred by the Scheme Operator with respect to the use and sublicensing of the Trade Marks immediately terminate; and
 - (ii) the Member or Direct Affiliate must, and must ensure that its sublicensees, cease to use the Trade Marks, any marks identical to or deceptively similar to the Trade Marks, and the Marketing Collateral.
- (g) Each Member and Direct Affiliate consents to the Scheme Operator and the Related Bodies Corporate of the Scheme Operator using the Member's or Direct Affiliate's name (including its main trading logo) in connection with the promotion of the AP+ Scheme.

18.2 Sublicensing

- (a) A Member or Direct Affiliate may sublicense its right to use the Trade Marks to a third party, and permit any such third party to further sublicense the Trade Marks to another third party (each of whom is regarded as the Member's sublicensees for the purposes of the Scheme Documentation), but only where such third party is:
- (i) a Represented Affiliate for whom the Member acts as a Representative;
 - (ii) an Eligible Subsidiary for whom the Member or Direct Affiliate (being a Permitted Facilitator) engages in Subsidiary Facilitation;
 - (iii) a Service Provider engaged by the Member or Direct Affiliate; or
 - (iv) a person otherwise specified in the Product Rules as being a permitted sublicensee of the Trade Marks.
- (b) In granting any such sublicences, a Member or Direct Affiliate must:
- (i) ensure that a written sublicense is entered into with each sublicensee, on terms that are consistent with, and reflect the provisions of, this Scheme Rule 18. No such sublicense may purport to impose obligations or liability on the Scheme Operator or any of its Related Bodies Corporate;
 - (ii) keep records of all sublicences that it has granted, the third parties to whom they have been granted, and any breaches by those sublicensees of which the Member or Direct Affiliate is aware;
 - (iii) provide a copy of such records to the Scheme Operator on 7 days' notice;
 - (iv) take all reasonable steps and use its best endeavours to ensure that each sublicensee;
 - A. uses those Trade Marks only in the manner specified in the Scheme Documentation; and
 - B. does not allow any other person to use the Trade Marks (except as permitted under the Scheme Documentation); and
 - (v) take all appropriate steps to prevent any unauthorised or inappropriate use of the Trade Marks by its sublicensees.
- (c) A Member or Direct Affiliate must notify the Scheme Operator if any of its sublicensees breaches such sublicense, and use its best endeavours to ensure that the sublicensee remedies that breach within the cure period specified in the sublicense or 30 days, whichever is the shorter.
- (d) A Member or Direct Affiliate must terminate any such sublicense if:
- (i) the Member's or Direct Affiliate's rights with respect to the sublicensing of the Trade Marks terminate;
 - (ii) the sublicensee ceases to be a person to whom a sublicense may be granted under the Scheme Documentation; or
 - (iii) the sublicensee has breached the sublicense and failed to remedy that breach within the cure period referred to in Scheme Rule 18.2(c), and the Scheme Operator directs the Member or Direct Affiliate to so terminate the sublicense,

and require the sublicensee upon such termination to immediately cease using the Trade Marks, and any marks identical to or deceptively similar to the Trade Marks.

- (e) Any use of the Trade Marks by a Member or Direct Affiliate, or its sublicensees, that is not in compliance with the requirements of the Scheme Documentation will be considered a Material Breach of the Scheme Documentation.

18.3 Infringement

- (a) A Member or Direct Affiliate must immediately notify the Scheme Operator if it becomes aware of any actual or potential misuse or infringement of the Trade Marks (including by any sublicensee of the Member or Direct Affiliate).
- (b) The Scheme Operator may take any action reasonably necessary to prevent or cease the misuse or infringement of the Trade Marks. Each Member or Direct Affiliate must provide the Scheme Operator with all assistance that the Scheme Operator reasonably requests in relation to the enforcement by the Scheme Operator of its rights in relation to the Trade Marks.

18.4 Ownership of Trade Marks

- (a) The Scheme Operator warrants, in relation to the Trade Marks licensed by the Scheme Operator under this Scheme Rule 18, that:
 - (i) the Scheme Operator owns or licences the Trade Marks;
 - (ii) the use of the Trade Marks in accordance with the Scheme Documentation will not breach any other person's intellectual property rights; and
 - (iii) the Scheme Operator will at its cost and discretion maintain registrations of the Trade Marks in Australia.
- (b) Each Member and Direct Affiliate:
 - (i) acknowledges that, as between the Member or Direct Affiliate and the Scheme Operator, the Scheme Operator owns or licences the Trade Marks, as well as the goodwill associated with, and generated through the use of, the Trade Marks;
 - (ii) acknowledges that, as between the Member or Direct Affiliate and the Scheme Operator, its licence to the Trade Marks does not confer any proprietary or other interest in the Trade Marks; and
 - (iii) must, and must take all reasonable steps and use its best endeavours to ensure that its sublicensees do not, contest or in any way impair any of the Scheme Operator's rights to the Trade Marks, including by the unauthorised registration of trade marks or other registerable intellectual property that include, incorporate or are deceptively similar to the Trade Marks,

provided that this Scheme Rule 18.4(b) does not apply to a particular Member or Direct Affiliate in relation to any new or amended Trade Mark, if within 90 days after the date on which such new or amended Trade Mark is first introduced that Member or Direct Affiliate notifies the Scheme Operator that it believes that new or amended Trade Mark infringes the intellectual property rights of that Member or Direct Affiliate.

18.5 Claim by a third party

- (a) If any claim is asserted or legal proceedings commenced against a Member or Direct Affiliate, or its sublicensees, for alleged infringement of any rights held by a third party by reason of the use of the Trade Marks, then the Member or Direct Affiliate must when it becomes aware of that claim or legal proceedings:
- (i) provide prompt written notice of such claim or proceedings to the Scheme Operator; and
 - (ii) keep the Scheme Operator informed of all developments in respect of the claim or proceedings.
- (b) The Scheme Operator reserves the right to take over the defence of any claim or proceedings referred to in Scheme Rule 18.5(a), at any time, and when exercising that right:
- (i) the Scheme Operator must provide notice to the Member or Direct Affiliate in writing of the Scheme Operator's intention to take over the defence; or
 - (ii) the Scheme Operator must, by written notice to the Member or Direct Affiliate, require the Member or Direct Affiliate to provide written notice to the sublicensee that the Scheme Operator will take over the defence of such claim or proceedings,
- and:
- (iii) the Scheme Operator will bear all costs relating to the defence and all damages payable; and
 - (iv) the Member or Direct Affiliate must provide, and must ensure that the sublicensee provides, all reasonable assistance to the Scheme Operator to enable the Scheme Operator to defend the claim or proceedings.

19 DISPUTES

19.1 Matters that are not Disputes

- (a) The Product Rules and Product Procedures may expressly provide that certain disputes, Transaction types or Adjustments will be subject to specific procedures specified within the relevant Product Rules or Product Procedures:

- (i) and not the procedure in this Scheme Rule 19; or
- (ii) before capable of being dealt with in accordance with the procedure in this Scheme Rule 19,

and in such cases the procedure in the applicable Product Rule or Product Procedure will apply, provided that where a Member, Direct Affiliate or the Scheme Operator alleges that the procedure set out in the relevant Product Rule or Procedure is not being complied with, such allegation may be treated as a Dispute for the purposes of this Scheme Rule 19.

- (b) For example:

- (i) in relation to Scheme Rule 19.1(a)(i) – in the NPP Product Rules, a Payee Participant must follow the procedure set out in Product Rule N6.5 (Mistaken Payments, Error Payments, Misdirected Payments and Duplicate Payments) if the Payee Participant determines that a settled NPP Payment is likely to be a Mistaken Payment, and not the procedure in this Scheme Rule 19. However, if a Payer Participant considers that a Payee Participant has not complied with the procedure in Product Rule N6.5(b) (Mistaken Payments, Error Payments, Misdirected Payments and Duplicate Payments) (for example, by failing to use reasonable endeavours to assess whether the NPP Payment was a Mistaken Payment) and the Payee Participant disagrees, the Payer Participant may raise a Dispute in relation to the Payee Participant's compliance with Product Rule N6.5 (Mistaken Payments, Error Payments, Misdirected Payments and Duplicate Payments), which Dispute would be resolved in accordance with this Scheme Rule 19; and
- (ii) in relation to Scheme Rule 19.1(a)(ii) – in the eftpos Product Rules, if a discrepancy arises between two Members relating to amounts due between those two Members, the Members must follow the procedure set out in Product Rule E34.6 (Discrepancies between Members) before the matter can be raised as a Dispute under this Scheme Rule 19.

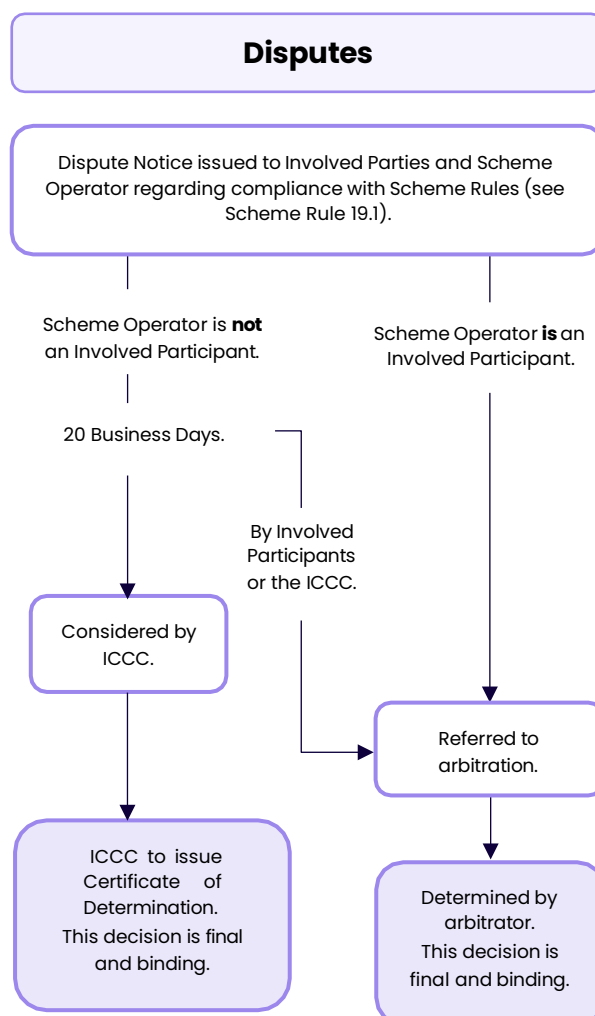
- (c) For clarity, disputes between:

- (i) a Member or Direct Affiliate, and any customer of the Member or Direct Affiliate;
- (ii) a Member and any Represented Affiliate that the Member represents, in respect of their Represented Arrangement;
- (iii) a Member or Direct Affiliate, and its Eligible Subsidiary; and
- (iv) a Member or Direct Affiliate, and any Service Provider of the Member or Direct Affiliate,

are not disputes which are capable of being resolved in accordance with this Scheme Rule 19.

19.2 Dispute pathway

This Scheme Rule 19 sets out the process to be followed for Disputes. The processes implemented under this Scheme Rule can be illustrated at a high level, as set out in the following diagram.



19.3 Disputes

- (a) Where the Scheme Operator, any Member or Direct Affiliate believes that a Dispute has arisen and wishes for the Dispute to be resolved in accordance with this Scheme Rule 19, the Scheme Operator, that Member or Direct Affiliate (as applicable) must give notice of the Dispute (**Dispute Notice**) to the Scheme Operator (even if the Dispute does not involve the Scheme Operator) and all other Involved Participants. A Dispute Notice must specify all other Involved Participants in the Dispute. A Member or Direct Affiliate may bring a Dispute under this Scheme Rule 19.3 on behalf of an Indirect Affiliate.
- (b) If a Dispute Notice is not given to a Member or Direct Affiliate who is later determined to be an Involved Participant, the person who gave the Dispute Notice under Scheme Rule 19.3(a) must give a copy of the Dispute Notice to that Involved Participant and notify the Scheme Operator and each

- other recipient of the Dispute Notice that it has done so, and the ICCC or arbitrator (whichever of them is determining the Dispute) must take such steps that they consider are reasonable to avoid or minimise any prejudice to that Involved Participant as a result of its delay in receiving the Dispute Notice.
- (c) Any Dispute that is the subject of a Dispute Notice that:
- (i) involves the Scheme Operator as one of the Involved Participants, must be determined by arbitration in accordance with Scheme Rule 19.5; or
 - (ii) does not involve the Scheme Operator as one of the Involved Participants, must be determined by (as applicable):
 - A. the ICCC in accordance with Scheme Rule 19.4; or
 - B. arbitration in accordance with Scheme Rule 19.5.
- (d) Subject to Scheme Rule 19.3(e) and without limiting the final and binding nature of the determination of a ICCC or arbitrator (as provided for in Scheme Rules 19.4(b) and 19.5(b)), the Scheme Operator, each Member and each Direct Affiliate may not commence legal proceedings in respect of a Dispute unless:
- (i) it has given or received a Dispute Notice in relation to the Dispute; and
 - (ii) either:
 - A. in accordance with Scheme Rule 19.4, the Dispute has been determined by a ICCC and a Certificate of Determination has been issued in respect of that Dispute; or
 - B. in accordance with Scheme Rule 19.5, the Dispute has been determined by the arbitrator.
- (e) This Scheme Rule does not prevent the Scheme Operator, a Member or Direct Affiliate from seeking interim relief in respect of a Dispute, provided the relief sought does not impede the operation of this Scheme Rule 19.
- (f) If the RBA arranges for a Dispute to be settled by arbitration in accordance with section 20 of the *Payment Systems (Regulation) Act 1998* (Cth), the provisions in that Act will apply to the Dispute and from the date of such arrangement this Scheme Rule 19 will cease to apply to that Dispute.

19.4 Proceedings involving the ICCC

Determination by ICCC

- (a) Subject to Scheme Rule 19.3(c)(i) and 19.5, any Dispute that has been the subject of a Dispute Notice must be considered and determined by the ICCC, provided that the ICCC must not commence considering the Dispute before expiry of the period during which the Dispute may be referred for arbitration, being expiry of the 20 Business Day period referred to in Scheme Rule 19.5(a)(i).
- (b) Any determination of the ICCC must be evidenced by a Certificate of Determination which will be final and binding on all Involved Participants, and in the case of a Dispute include a determination of the proportion of costs and expenses to be borne by any Members or Direct Affiliates who are Involved Participants for the purpose of Scheme Rule 19.4(f)(ii).

Procedures of the ICCC

- (c) In considering and determining a Dispute, the ICCC may adopt such rules and procedures as it sees fit. Involved Participants must comply with the rules and procedures of the ICCC as made available to them by the ICCC.
- (d) The Involved Participants must provide the ICCC with all information or evidence requested by the ICCC in relation to the Dispute within the time period specified by the ICCC (acting reasonably, but having regard to the need to resolve disputes expeditiously). This may include making Personnel of the Involved Participant (or of an Indirect Affiliate of the Involved Participant, where a Member or Direct Affiliate has taken action under this Scheme Rule 19 on behalf of the Indirect Affiliate or where the Indirect Affiliate was involved in the action taken against the Member or Direct Affiliate) available to the ICCC for the presentation of evidence.
- (e) The ICCC may consider all matters it considers relevant to the Dispute, including:
 - (i) the Scheme Documentation;
 - (ii) the desirability of the Dispute being reviewed expeditiously;
 - (iii) the legitimate business interests of the Involved Participants; and
 - (iv) information or evidence provided to it under Scheme Rules 19.4(d) or 19.6, or independently obtained by the ICCC.

Dispute resolution fees

- (f) Each Member or Direct Affiliate that is an Involved Participant to a Dispute considered and determined by the ICCC must:
 - (i) pay the Dispute Resolution Fee to the Scheme Operator, within 20 Business Days of giving or receiving the associated Dispute Notice; and
 - (ii) pay to the Scheme Operator, within 10 Business Days of the date of the Certificate of Determination, in such proportions as the ICCC determines to be appropriate in the circumstances, all costs and expenses incurred by the ICCC in considering and determining the Dispute (including all costs and expenses (on a solicitor and own client basis) incurred in obtaining legal, financial, actuarial, accountancy or other technical advice and administrative costs reasonably incurred by the ICCC). The Dispute Resolution Fee paid by the Involved Participant under Scheme Rule 19.4(f)(i) will be deducted from the amount payable by the Involved Participant under this Scheme Rule 19.4(f)(ii) (however, for clarity, if the amount of Dispute Resolution Fee exceeds the amount payable under this Scheme Rule 19.4(f)(ii), no amount will be returned to the Involved Participant).
- (g) If the Involved Participants settle or agree to withdraw the Dispute prior to the ICCC making its determination, they may withdraw the Dispute by providing a notice of withdrawal to the ICCC (**Withdrawal Notice**). A Dispute Resolution Fee paid by an Involved Participant is not refundable in the event a Withdrawal Notice is given.
- (h) If a Dispute is withdrawn under Scheme Rule 19.4(g), the ICCC may issue an invoice to each party to recover all costs and expenses incurred by the ICCC in relation to the referred Dispute prior to the withdrawal or referral. The invoices issued to each party will apportion such costs and expenses: (i) in accordance with any apportionment agreed by the parties and set out in the Withdrawal Notice, or (ii) if no apportionment is set out in the Withdrawal Notice, equally among the parties.

19.5 Arbitration

- (a) Any Involved Participant or (where it does not wish to determine the Dispute) the ICCC may refer a Dispute to arbitration in accordance with the Australian Centre for International Commercial Arbitration (**ACICA**) arbitration rules (**ACICA Arbitration Rules**) subject to the following terms and Scheme Rules 19.3(b) and 19.6 (all of which take precedence over the ACICA Arbitration Rules if there is any inconsistency between them):
- (i) the Involved Participant or the ICCC must make such referral before the date that is 20 Business Days after the date on which the Dispute Notice is given under Scheme Rule 19.3(a), by giving notice of such referral to the Scheme Operator, who must in turn notify each Involved Participant and the ICCC (except where those persons made the referral);
 - (ii) the referral will be in relation to all matters that are the subject of the Dispute Notice;
 - (iii) the arbitration will be conducted in accordance with the ACICA Arbitration Rules;
 - (iv) the arbitration is to be conducted in Sydney, the language of the arbitration will be English, and the number of arbitrators will be one; and
 - (v) the Involved Participants must seek to agree on the appointment of the arbitrator, but if all of the Involved Participants do not agree on the arbitrator to be appointed within 10 Business Days of the Dispute being referred to arbitration, then the arbitrator is to be appointed by ACICA in accordance with the ACICA Arbitration Rules.
- (b) The determination of the arbitrator is final and binding on the Involved Participants.

19.6 Scheme Operator may be involved

If a Dispute arises to which the Scheme Operator is not a party, the Scheme Operator may in its discretion and at its own cost:

- (a) participate in (including by adducing evidence or making submissions) and attend any proceedings of:
- (i) the ICCC under Scheme Rule 19.4; or
 - (ii) any arbitration conducted under Scheme Rule 19.5; and
- (b) require the Members and/or Direct Affiliates involved to provide it with copies of all submissions and other documentation relating to the Dispute.

19.7 Non-compliance with determination

- (a) If a Member or Direct Affiliate who is an Involved Participant fails or refuses to give effect to:
- (i) a Certificate of Determination issued by the ICCC; or
 - (ii) the determination of an arbitrator,

the Scheme Operator may commence proceedings against that Member or Direct Affiliate in its own right, and/or on behalf of all Affected Members and/or Affected Direct Affiliates.

- (b) Each Member and Direct Affiliate irrevocably authorises the Scheme Operator to:
- (i) commence proceedings on behalf of the Member or Direct Affiliate against a party who has failed or refuses to give effect to a Certificate of Determination or the determination of an arbitrator; and
 - (ii) commit all such acts as the Scheme Operator considers necessary or desirable for the conduct of those proceedings, including to:
 - A. do all things and sign all documents as may be necessary for the Scheme Operator to conduct those proceedings and if it does not do so the Scheme Operator will be deemed to have been appointed its attorney for such purposes;
 - B. demand, recover and give discharges of sums of money which may be payable by a party to the Scheme Operator or one or more Members and/or Direct Affiliates in relation to the Dispute;
 - C. appoint, dismiss and change external advisers to assist in the proceedings;
 - D. appear as plaintiff in the proceedings either by one of its own officers or by any barrister or solicitor;
 - E. grant time to a party for the repayment of any amounts owing or payable in connection with a Dispute; and
 - F. settle and finalise all such proceedings.
- (c) A Member or Direct Affiliate on whose behalf the Scheme Operator commences proceedings as contemplated in Scheme Rule 19.7(a) must not separately commence any proceedings in relation to the same matter.
- (d) Any amounts recovered by the Scheme Operator pursuant to the proceedings it brings as contemplated in Scheme Rule 19.7(a) will be:
- (i) applied first towards the external costs and expenses of those proceedings;
 - (ii) then applied for the purposes that those moneys would have been applied, had the Certificate of Determination been complied with in the ordinary course (without the necessity of instituting proceedings for recovery of the moneys); and
 - (iii) in the case of any surplus, will be applied by the Scheme Operator towards the internal costs and expenses incurred in connection with those proceedings.
- (e) If the Scheme Operator has not commenced proceedings under Scheme Rule 19.7(a), any Affected Member(s) or Affected Direct Affiliate(s) may commence proceedings (each a **Plaintiff Member**) against an Involved Participant who has failed or refused to give effect to
- (i) a Certificate of Determination issued by the ICCC; or
 - (ii) the determination of an arbitrator,
- and a Plaintiff Member may request the assistance of the Scheme Operator in relation to such proceedings. The Scheme Operator will provide whatever administrative assistance that the Scheme Operator determines should be rendered by it to facilitate the conduct of such proceedings.
- (f) If the Scheme Operator renders administrative assistance under Scheme Rule 19.7(e) in respect of any particular proceedings, then any amounts recovered by the Plaintiff Member(s) pursuant to those proceedings, as contemplated in Scheme Rule 19.7(e), must first be applied to reimburse the

Scheme Operator for all costs incurred by the Scheme Operator in rendering such administrative assistance.

20 FRAUD

20.1 General

Members and Direct Affiliates are responsible for detecting and providing financial compensation when required by law for fraud within the AP+ Scheme in the manner set out in the Scheme Documentation.

20.2 Member responsibility

- (a) Each Member and Direct Affiliate must implement all reasonable and prudent arrangements (having regard to the nature of the payments, transactions and services contemplated by the AP+ Scheme) to:
 - (i) protect the payments, transactions and services contemplated by the AP+ Scheme against fraud; and
 - (ii) detect the occurrence of fraudulent activity in respect of the payments, transactions and services it participates in.
- (b) If a Member or Direct Affiliate identifies that any Scheme Actor is acting in a fraudulent manner, that Member or Direct Affiliate must immediately alert the Scheme Operator unless (and only for so long as) it is prohibited from doing so under the 'tipping off' provisions of the AML/CTF Act. Such notification must be made in the form and in accordance with the procedures prescribed by the Scheme Operator from time to time for such purposes (if any). The Scheme Operator may notify Scheme Service Providers specified in the Product Rules (if any), the Fraud Committee, and each Member and Direct Affiliate that is connected under the AP+ Scheme with the alleged fraudulent activity, and any other party that the Scheme Operator considers may be materially affected by the fraud notified to it.
- (c) Each Member and Direct Affiliate must promptly investigate and acknowledge any fraudulent activities notified to it.
- (d) Each Member and Direct Affiliate must comply with any further or additional responsibilities set out in the Product Rules and Product Procedures in respect of fraud, including as fraud may affect particular Products.

20.3 Reporting

The Scheme Operator may use and disclose fraud and scam reports it receives or generates in connection with the AP+ Scheme to the Australian Financial Crimes Exchange and any Scheme Service Providers for the purposes of monitoring and managing suspected unauthorised or fraudulent payments, transactions or services and payments, transactions or services due to scams.

20.4 Fraud Committee

The Fraud Committee may direct one or more Members or Direct Affiliates to take such action as the Fraud Committee in its absolute discretion deems appropriate to remedy or resolve any actual or suspected fraudulent activity committed by any person under the AP+ Scheme.

21 GENERAL

21.1 Notices

- (a) Any notice, approval, consent, waiver or other similar communication provided under or in connection with the Scheme Documentation (a **Notice**) must be in writing and in English, and signed by a person authorised to act on the sender's behalf. Notices sent by email or other electronic means are taken to be signed by the named sender.
- (b) The Scheme Operator will maintain, as part of the Scheme Library, the contact details for the Scheme Operator and each Member and Direct Affiliate for the purposes of the giving of notices under this Scheme Rule 21.1.
- (c) A Notice may be given either by:
 - (i) delivering it personally to the address supplied by that person to the Scheme Operator (or, where the recipient is the Scheme Operator, the address supplied by the Scheme Operator), for the giving of notices in person;
 - (ii) sending it by post to the address supplied by that person to the Scheme Operator (or, where the recipient is the Scheme Operator, the address supplied by the Scheme Operator), for the giving of notices by post;
 - (iii) sending an email to the email address supplied by that person to the Scheme Operator (or, where the recipient is the Scheme Operator, the email address supplied by the Scheme Operator), for the giving of notices; or
 - (iv) any other method permitted under the Product Rules or Product Procedures for a specific Notice.
- (d) If an individual to whom a Notice must be addressed or sent ceases to work in the role specified or ceases to work for a Member, Direct Affiliate or Scheme Operator, and that Member, Direct Affiliate or Scheme Operator fails to supply an alternative individual, delivery of notices marked to the attention of an individual in the same or equivalent role at that party is deemed compliant with the notice obligations under this Scheme Rule 21.1.
- (e) A Notice given by:
 - (i) personal delivery is taken to be received on delivery;
 - (ii) post is taken to be received on the fifth day after posting; or
 - (iii) electronic means, such as email or electronic portal or notification, is taken to be received on the day it is sent or submitted, unless, in the case of email the sender receives a notification of non-delivery within 2 hours of the Notice having been sent by email,

however if a Notice is received on a day that is not a Business Day or after 5.00pm (local time in the place of receipt) on a Business Day, it is taken to be received at 9.00am on the next Business Day (except for Notices that relate to an Incident, which will be taken to be received on the day they are received regardless of whether that day is a Business Day).

21.2 Relationship of parties

No agency, fiduciary or trustee relationships arise under the Scheme Documentation among any Member, Direct Affiliate or Scheme Operator, unless expressly agreed.

21.3 Dealing with rights

- (a) A Member or Direct Affiliate must not assign, novate, encumber, declare a trust over or otherwise deal with its rights under the Scheme Documentation without the Scheme Operator's prior written consent (and the Scheme Operator will not give such consent unless it is satisfied in its discretion that the proposed action under this Scheme Rule 21.3(a) is adequately protective of the AP+ Scheme and existing Members and Direct Affiliates including in respect of any outstanding settlement obligations).
- (b) If the Scheme Operator gives its consent to the assignment or novation of a Member's or Direct Affiliate's rights under the Scheme Documentation:
 - (i) the Scheme Operator may require the Member or Direct Affiliate to enter into a deed poll formalising the assignment or novation (including for the benefit of each other Member and Direct Affiliate); and
 - (ii) the Scheme Operator must notify each other Member or Direct Affiliate, who will be bound by the assignment or novation from the date it receives such notice or such later date that may be specified by the Scheme Operator.
- (c) Any action of a Member or Direct Affiliate which purports to do anything specified in Scheme Rule 21.3(b) without the Scheme Operator's consent, will not affect in any manner the rights and obligations of the Member or Direct Affiliate under the Scheme Documentation.

21.4 Governing law and jurisdiction

The Scheme Documentation, and all transactions contemplated by the Scheme Documentation, are governed by the law of New South Wales. Each Member and Scheme Operator submits to the non-exclusive jurisdiction of the courts of New South Wales and the Commonwealth of Australia.

21.5 Enforceability

If any part of the Scheme Documentation is wholly or partially illegal, void or unenforceable, the illegal, void or unenforceable part is to be given effect to the greatest extent possible in accordance with law and the remainder will remain in full force and effect.

22 SCHEME GLOSSARY AND INTERPRETATION

22.1 Scheme Glossary

Adjustment means any processing error, error payment, mistaken payment, misdirected payment, duplicate payment, unauthorised transaction, disputed transaction, chargeback, or other adjustment capable of being made in respect of a Transaction.

Affected Direct Affiliate has a meaning equivalent to the term “Affected Member”, in respect of Direct Affiliates.

Affected Member means a Member who is affected by an act or omission contemplated under the Scheme Documentation. For example, in notifying Members under Scheme Rule 6.4(o)(i) of an amendment to the Scheme Documentation, if that amendment only impacts a particular Product, the Scheme Operator is only required to notify those Members that participate in the relevant Product.

Affiliate means a Direct Affiliate or Indirect Affiliate.

AML/CTF Act means the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth).

Annual Compliance Attestation means the certificate signed by a Member or Direct Affiliate, as contemplated in Scheme Rule 12(a) and otherwise in the form and substance prescribed by the Scheme Operator from time to time under Scheme Rule 12(a).

Applicant has the meaning given in Scheme Rule 3.1(b).

Application Fee means the fee payable by a person seeking to become a Member or Direct Affiliate of the AP+ Scheme in a certain capacity, as specified in the Secondary Documentation.

Application for Membership means the application and associated documentation to be submitted by a person seeking to become a Member or Direct Affiliate of the AP+ Scheme in a certain capacity, as further defined in the Product Rules.

Appointing Member has the meaning given in Scheme Rule 6.6(d)(iv).

APRA means the Australian Prudential Regulation Authority.

AP+ means Australian Payments Plus Limited (ABN 19 649 744 203).

AP+ Scheme has the meaning given in Scheme Rule 1.1(a).

AP+ Scheme Rules means these AP+ Scheme Rules.

Attendee has the meaning given in Scheme Rule 6.9(b).

Australian Financial Crimes Exchange means Australian Financial Crimes Exchange Limited ACN 604 942 618.

Australian Payments Network means Australian Payments Network Limited ACN 055 136 519 (formerly known as APCA).

Authorised Deposit-taking Institution means an organisation which falls within the definition of “authorised deposit-taking institution” in the *Banking Act 1959* (Cth).

Board means the Board of the relevant Scheme Operator.

Board Reserved Matter has the meaning given in Scheme Rule 6.4(d).

BPAY Scheme means the BPAY payment scheme which is operated by BPAY Pty Limited pursuant to the BPAY Product Rules and BPAY Product Procedures (previously the BPAY Business Rules and Operating Procedures).

BPAY Pty Limited means BPAY Pty Limited (ABN 69 079 137 518).

Brand Guidelines means the documents entitled as such and published by the Scheme Operator from time to time, a copy of which will be included within the Scheme Library.

Business Day has the meaning given in the Product Rules.

Certificate of Determination means a certificate evidencing a determination made by the ICCC as signed by the Chairperson of the ICCC.

Chairperson means the chairperson of a Committee, appointed in accordance with Scheme Rule 6.7(a).

Chief Executive Officer means the Chief Executive Officer (or equivalent) of AP+.

COIN means the Community of Interest Network established by Australian Payments Network Limited.

Committee means each:

- (a) committee established under Scheme Rule 6.1(c); and
- (b) other committee established by the Board as contemplated by Scheme Rule 6.1(d).

Committee Member means a person who has been appointed as a member of the relevant Committee in accordance with the Terms of Reference for that Committee.

Compliance Framework has the meaning given in Scheme Rule 11.2(a).

Compliance Requirements has the meaning given in Scheme Rule 11.2(b).

Compliance Remediation Plan means a Member or Direct Affiliate's plan to resolve any actual or likely failure to comply with the Scheme Documentation, as approved by the Scheme Operator under Scheme Rule 11.3.

Connected Service Provider means any Service Provider that will connect to any Scheme Infrastructure (whether via COIN, application programming interface (API), or any other means), and any other Service Provider designated as a Connected Service Provider under the Product Rules.

Connected Service Provider Arrangement has the meaning given in Scheme Rule 9.1(b).

Corporations Act means the *Corporations Act* 2001 (Cth).

Data Breach means any loss of, breach of security in relation to, unauthorised access to, or unauthorised alteration or disclosure of, any Personal Information in connection with the AP+ Scheme, which is not limited to an isolated customer (such as a phishing attack that has resulted in unauthorised access to their internet banking account or app) but rather is of a nature or scale that it has or is likely to result in a greater level of fraudulent or unauthorised payments, transactions or services for the AP+ Scheme or otherwise adversely affect Scheme Integrity.

Direct Affiliate has the meaning given in Scheme Rule 1.4(a)(i).

Dispute means a dispute or difference between:

- (a) two or more Members and/or Direct Affiliates, or
- (b) the Scheme Operator and one or more Members or Direct Affiliates,

including in each case a dispute or difference involving a Member or Direct Affiliate on behalf of its Indirect Affiliate, arising under or in connection with the Scheme Documentation.

Dispute Notice has the meaning given in Scheme Rule 19.3(a).

Dispute Resolution Fee means the dispute resolution fee payable under Scheme Rule 19.4(f)(i), as determined by the ICCC and published by the Scheme Operator from time to time.

eftpos Scheme means the eftpos payment scheme operated by ePAL pursuant to the eftpos Product Rules (previously, the eftpos Scheme Rules) and the eftpos Product Procedures (previously the eftpos Technical, Operational and Security Rules).

Electronic Vote has the meaning given in Scheme Rule 6.10(e).

Eligible Subsidiary means an entity which:

- (a) is a Subsidiary of a Permitted Facilitator; and
- (b) meets the Membership Criteria that applies to the Permitted Facilitator's capacity of membership of the AP+ Scheme.

ePAL means eftpos Payments Australia Limited (ABN 37 136 180 366).

Fraud Committee means the Fraud Committee established under Scheme Rule 6.1(c).

Financial Year means the 12 month period commencing on 1 July and ending on 30 June.

Governing Body has the meaning given in Scheme Rule 6.1(a).

Government Supervised Deposit-taking Institution means an organisation which:

- (a) conducts business which would normally require the organisation to be an Authorised Deposit-taking Institution under the Banking Act 1959 (Cth), but is not an authorised deposit-taking institution because it has been granted an exemption from section 8 of that Act under section 11 of that Act; and
- (b) is prudentially supervised by a Commonwealth, State or Territory government body under rules which provide, in the reasonable opinion of the Scheme Operator, equivalent protection to the security of settlements under the AP+ Scheme and the reputation of the AP+ Scheme to that which would be provided if the organisation was an authorised deposit-taking institution supervised by APRA.

GST means the goods and services tax as imposed by the GST Law.

GST Law has the same meaning in the *A New Tax Product (Goods and Services Tax) Act 1999* (Cth).

GST Payor has the meaning given in Scheme Rule 7.5(b)(iii).

ICCC means:

- (a) the Independent Commercial and Compliance Committee, a sub-committee of the Board that is comprised of the independent directors and the Chief Executive Officer of AP+, established for the purposes set out in its terms of reference;
- (b) if the Independent Commercial and Compliance Committee ceases to exist or to have the powers and responsibilities necessary to exercise a relevant power under the AP+ Scheme Rules, such other sub-committee of the Board that the Board may nominate in substitution for the Independent Commercial and Compliance Committee (either generally, or in respect of the exercise of that power); and

- (c) if the Independent Commercial and Compliance Committee ceases to exist or to have the powers and responsibilities necessary to exercise a relevant power under the AP+ Scheme Rules, and no such other sub-committee of the Board is nominated under paragraph (b), the Board.

Incident means:

- (a) any:
 - (i) technical processing, communications or other failure;
 - (ii) partial or total inability to process Transactions, for any reason other than as described in Scheme Rule 15.3(a);
 - (iii) industrial action; or
 - (iv) security breach or incident,which affects or may affect the ability of the Scheme Operator, a Member, Direct Affiliate or Scheme Service Provider to fulfil its obligations under or participate in the AP+ Scheme; or
- (b) any incident or event of a similar nature which the Scheme Documentation describes, or the Scheme Operator or Incident Response Group declares, is an “Incident” for the purposes of the Scheme Documentation.

Incident Management Procedures means all fallback procedures, fault rectification, service rectification and escalation processes, incident management plans and incident management procedures contained in the Scheme Documentation.

Incident Response Group means the Incident Response Group established under Scheme Rule 6.1(c).

Indirect Affiliate has the meaning given in Scheme Rule 1.4(a)(ii).

Industry Body means:

- (a) any body, network or scheme relating to financial services or payments, the membership of or participation in which is voluntary, such as the Community of Interest Network (COIN) operated by AusPayNet; and
- (b) which the relevant person is a member of or participant in.

Insolvency Event occurs in respect of a person if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a Controller (as defined in the Corporations Act) appointed, or is in liquidation, in provisional liquidation, under administration or wound up or has had a Receiver (as defined in the Corporations Act) appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute, or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the relevant Scheme Operator); or
- (d) an application or order has been made, resolution passed, or any other action taken, in each case in connection with that person, which is preparatory to any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or

- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the Scheme Operator reasonably deduces it is so subject);
- (g) it goes into external administration within the meaning of the *Payment Systems and Netting Act 1998* (Cth);
- (h) it becomes subject to Statutory Management;
- (i) APRA or another body responsible for the prudential supervision of it assumes management and control of that person; and
- (j) a notice is issued under sections 601AA or 601AB of the *Corporations Act 2001* (Cth).¹⁰⁰⁰
- (k) it is otherwise unable to, or states that it is unable to, pay its debts when they fall due;
- (l) it ceases to carry on business or threatens to do so; or
- (m) something having a substantially similar effect to (a) to (l) happens to that person under the law of any jurisdiction.

Invitee has the meaning given in Scheme Rule 6.7(d).

Involved Participants means:

- (a) the Member(s) and/or Direct Affiliate(s); or
 - (b) the Member(s) and/or Direct Affiliate(s) and Scheme Operator,
- (as applicable) involved in the Dispute.

Late Payment Rate means the greater of:

- (a) 6% per annum; or
- (b) the cash rate published by the RBA plus 4% per annum, compounded monthly.

Level 1 Amendment has the meaning given in Scheme Rule 6.4(f).

Level 2 Amendment has the meaning given in Scheme Rule 6.4(f).

Level 3 Amendment has the meaning given in Scheme Rule 6.4(f).

Marketing Collateral has the meaning given in Scheme Rule 18.1(a)(ii).

Material Breach means any material breach of the Scheme Documentation, including any breach of the Scheme Documentation which has the capacity to adversely affect Scheme Integrity, and any breach of the Scheme Documentation which is stated to be a Material Breach.

Member means a member of the AP+ Scheme, as defined in the Product Rules for the AP+ Scheme.

Member-to-Member Fees has the meaning given in Scheme Rule 7.1(b).

Membership Criteria means the criteria and requirements that a person must satisfy in order to become a Member or Direct Affiliate of the AP+ Scheme in a certain capacity, as set out in the Product Rules.

Non-Compliance Charge means a charge calculated by the Scheme Operator in accordance with Scheme Rule 11 and applicable provisions of the Product Rules.

Notice has the meaning given in Scheme Rule 21.1(a).

NPP Scheme means the NPP payment scheme operated by NPPA pursuant to the NPP Product Rules and NPP Product Procedures (previously, the Regulations for the New Payments Platform and NPP Procedures).

NPPA means NPP Australia Limited (ABN 68 601 428 737).

Permitted Facilitator means a Member or Direct Affiliate whom the Product Rules or Product Procedures specify are permitted to act as such for the purposes of Scheme Rule 10.

Personal Information means personal information as that term is defined in the Privacy Act, which is received from any source in relation to or as a consequence of participation in the AP+ Scheme including the Transactions contemplated by it.

Privacy Act means the *Privacy Act 1988* (Cth).

Privacy Law means the Privacy Act and any other law relating to the access, collection, use, disclosure, transfer or other handling of Personal Information.

Personnel means any officer, employee, agent, advisor, subcontractor or contractor.

Product means a product or service provided by the Scheme Operator under the AP+ Scheme and to which the Scheme Documentation applies, as defined in each of the Product Rules.

Product Rules means the product rules of the AP+ Scheme.

Product Procedures means the product procedures of the AP+ Scheme.

Qualified Senior Officer means a senior representative of the Member or Direct Affiliate, that is a fit and proper person to provide such attestation, having accountability in respect of the Member or Direct Affiliate's business and operations in connection with relevant Products, and may include in respect of a Member who is entitled to appoint a Committee Member to the Management Committee, that Committee Member.

RBA means the Reserve Bank of Australia.

Recipient has the meaning given in Scheme Rule 16(a).

Related Body Corporate has the meaning given in the Corporations Act.

Representative means a Member who is allowed by the Product Rules and Product Procedures to sponsor the participation of other persons in the AP+ Scheme for the purposes of Scheme Rule 10.

Representative Arrangement has the meaning given in Scheme Rule 10.2(a).

Represented Affiliate means a person who is allowed by the Product Rules and Product Procedures to be sponsored by a Representative for the purposes of Scheme Rule 10.

RITS means the Reserve Bank Information and Transfer System.

Scheme Actor has the meaning given in Scheme Rule 1.4(b).

Scheme Documentation has the meaning given in Scheme Rule 1.2(a).

Scheme Fees has the meaning given in Scheme Rule 7.1(a).

Scheme Glossary means this Scheme Rule 22.1.

Scheme Infrastructure means the infrastructure (including software, hardware, network and data) used to operate the AP+ Scheme that is used or made available by the Scheme Operator and Scheme Service Providers.

Scheme Integrity means the integrity, security, stability, efficiency and reputation of an AP+ Scheme or any part of it, including the payments, transactions, products and services contemplated by it.

Scheme Library has the meaning given in Scheme Rule 1.2(e).

Scheme Operator means the operator of the AP+ Scheme, as specified in Scheme Rule 1.1(a).

Scheme Service Provider means any person engaged by the Scheme Operator to:

- (c) perform a role that is explicitly described in the Scheme Documentation, and which role is described as being that of a Scheme Service Provider; or
- (d) perform one or more of the Scheme Operator's obligations under the Scheme Documentation.

Secondary Documentation has the meaning given in section 1.2(a)(v). For clarity, a single document which is Secondary Documentation is a **Secondary Document**.

Secretary means the secretary of a Committee, appointed in accordance with Scheme Rule 6.7(a).

Service Provider means any third party service provider (including, for clarification, any Connected Service Provider) engaged by a Member or Direct Affiliate to perform one or more of that Member's or Direct Affiliate's obligations under the Scheme Documentation.

Statutory Management means that an ADI statutory manager, as defined in the *Banking Act 2009* (Cth), has been appointed to that person.

Subsidiary Facilitation has the meaning given in Scheme Rule 10.1(a).

Supervisory Authority means any governmental, regulatory or supervisory body, authority or agency, including the RBA, APRA, and the Office of the Australian Information Commissioner.

Suspension Event has the meaning given in Scheme Rule 4.1(a).

Supplier has the meaning given in Scheme Rule 7.5(b).

Termination Event means any "Termination Event" defined as such in the Product Rules.

Terms of Reference means the terms that describe the objectives, composition and operating protocol of a Committee, determined by the Board under Scheme Rule 6.1(e).

Trade Marks has the meaning given in Scheme Rule 18.1(a)(i).

Transaction means a payment, transaction or message that is governed by the Scheme Documentation.

Transaction Information means information:

- (a) relating to a Transaction or Adjustment; or
- (b) to facilitate a Transaction or Adjustment (whether or not that Transaction or Adjustment ultimately occurs).

Transitional Document has the meaning given in Scheme Rule 1.5(c).

Withdrawal Notice has the meaning given in Scheme Rule 19.4(g).

22.2 Interpretation

In the Scheme Documentation:

- (a) a reference to:
 - (i) a Scheme Rule is a reference to the relevant provision of these AP+ Scheme Rules;
 - (ii) a Product Rule or Product Procedure is a reference to the relevant provision of the Product Rules or Product Procedures that correspond with the first letter used in that reference, where “B” means “BPAY”, “E” means eftpos, and “N” means NPP”. For example, a reference to Product Rule N3.1 is a reference to rule 3.1 of the NPP Product Rules;
 - (iii) the powers of a Governing Body is a reference to the rights and obligations of that Governing Body under the Scheme Documentation;
 - (iv) a person includes an individual, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency or authority;
 - (v) a particular person includes a reference to the person’s employees, executors, administrators, successors, and permitted substitutes (including persons taking by novation) and assigns;
 - (vi) the singular includes the plural and vice versa;
 - (vii) a document includes any schedules, attachments or annexures to the document;
 - (viii) a document includes any variation or replacement of it;
 - (ix) a statute or code (or to a provision of a statute or code) means the statute or code (or the provision) as modified or amended and in operation for the time being, or any replacement statute, code or provision;
 - (x) a law means common law, principles of equity and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth statutes and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
 - (xi) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
 - (xii) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually; and
 - (xiii) Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (b) words incorporating any gender include the other genders;
- (c) headings are for convenience and do not affect the interpretation of the Scheme Documentation;
- (d) if there is any inconsistency between:
 - (i) the text of any provision of the Scheme Documentation, including the text in any table; and
 - (ii) any diagram in the Scheme Documentation,the text referred to in Scheme Rule 22.2(d)(i) will take precedence;

- (e) in relation to the calculation of time:
 - (i) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
 - (ii) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
 - (iii) a reference to a month is to be interpreted as the period of time comprising a calendar month; and
 - (iv) a reference to any specific time is a reference to Sydney time;
- (f) the words “include”, “including”, “for example” or “such as” are not words of limitation;
- (g) a reference to the Scheme Documentation (and any obligations under the Scheme Documentation) includes all documents (and obligations) which are incorporated into the Scheme Documentation by reference; and
- (h) explanatory notes or examples may be included to aid in the interpretation of the Scheme Documentation. These explanatory notes or examples may be used to provide guidance in following the Scheme Documentation, but if they are inconsistent with any other part of the Scheme Documentation, the other part of the Scheme Documentation prevails to the extent of any inconsistency.

Appendix A Change history

Date	Version	Impacted sections
24 August 2024	Initial version for Board approval	Creation of AP+ Scheme Rules from scheme harmonisation project. Approved by AP+ Board 24 August 2024
1 March 2025	V1.0	Amendment of Confidentiality clause following feedback from Scheme Harmonisation. Approved by AP+ Board 18 February
8 May 2025	V2.0	Inclusion of new clause 12.2 – <i>Scheme Operator - Annual operational risk review</i> Approved by AP+ Board on 8 May 2025
30 April 2026	V3.0	Amendment to the Amendments to Scheme Documentation clause following post-Scheme Harmonisation feedback. Approved in principle by the AP+ Board on 26 August 2025; subsequent internal stakeholder engagement undertaken to align the amendments with related workstreams, without changing the approved scope.