### DIRECT DEBIT

A direct debit is a contract signed by a customer and a Biller (or Merchant) allowing the Biller to debit the customer's nominated bank account.

A Direct Debit Request gives an organization permission to electronically withdraw a nominated amount from the chosen account. The payment will be deducted from the account on a date requested by the customer, at regular intervals.

Before the payer's banker allows the transaction to take place, the payer must have advised the bank that he or she has authorized the payee to directly draw the funds. This is taken care by the payer issuing a mandate for the transaction.

A Direct Debit Request initiated by OAB will be referred to as a Direct Debit Outward request and a Direct Debit Request initiated by another bank to debit an account at OAB will be referred to as a Direct Debit Inward transaction.

#### Direct Debit Outward

Direct Debit Outward request is initiated by a user/customer of OAB to transfer the money from an account at a different bank to an account at OAB. The flowchart below shows the requirements for the ESB layer to implement Direct Debit Outward request integration with CBO’s ACH-Participant system.

1. A Direct Debit Outward batch of messages is received by the ESB Layer.

Required input sample messsage with values

1. For each request in the batch:
   1. Validate if the received message has all the required information as shown in appendix(Do we have to check the length of the fields as mentioned in appendix)
   2. If Validation fails, reject the particular transaction from the batch and send it back to source system (What is the response message structure for the failure message and advisable reason codes)
   3. Validate the account to be credited

(What is the message structure to validate the account in CBS)

* 1. If account validation fails, reject the particular transaction from the batch and send it back to source system

(What is response message structure for the failure message and advisable reason codes)

* 1. For a valid transaction, insert into DB to be processed.

(Data base structure not mentioned)

1. During the exchange session of the ACH-Participant System, at every configured interval, for the transactions that are stored in DB that have to be processed, create an ISO pacs.003.001.05 message with the cap limit and amount limit set by CBO and send it to CBO via Active MQ interface.

(What is cap limit, how to get information of amount limit from CBO,Queue Names,Session interval details, How to get transactions based on cap limit and amount limit)

1. ESB Layer will have to generate the pacs.003.001.05 message with all the required fields. The field values that are not sent by the OAB front ending system have to be generated and maintained by ESB. For Eg: Group information, BIC, etc.

How the field values are to be generated by ESB for example:Group information,BICetc..?

Ex.MsgId length is 16Text. Format given is:{BankNumericCode}

{CreationDate}{BatchSequence}.

Where:BankNumericCode is 4 digits CreationDate:6digits,YYMMDD

BatchSequence: 3 characters(TOTAL = 13 but it should be 16)

1. CBO, validates the message and responds back to OAB immediately if there is any validation failure using ISO message pacs.002.001.006.

(Whether we receive single failure message or a batch failure message from CBO and In which field we have to look the failure reason)

1. ESB has to update the transactions in the DB with the failure response and send the response to the OAB front ending application if the rejection reason is because of the data sent by source system or is related to Mandate information.(What is the format for sending failure response for OAB and which reason codes we have to look for failure from source side or ESB side)
2. If the rejection is because of data that ESB generated, corrective steps either by manual intervention or automation needs to be done by the ESB layer along with updation in DB.

(What are the action plans if the error is due to ESB?)

1. If CBO validations are successful, CBO sends the transactions in the batch to the corresponding RDFIs.
2. The reply batch from RDFI is forwarded to OAB ESB Layer by CBO in ISO message pacs.002.001.006

(What is the communication channel for receiving RDFI messages. Did we get one more message apart from the CBO message)

1. ESB Layer has to update the transaction status in the DB and for all the successful transactions in the batch, credit the corresponding accounts and send a response to the front ending application

(Mention Req/Resp message structure for crediting account in CBS)

1. For the transactions that are marked as failure in the batch from RDFI, ESB Layer has to update the DB and send the failure response with reason to the front ending application

(Which field we have to check for RDFI rejection and req/resp structure debiting the account, What is the final response message structure for OAB)

#### Direct Debit Inward

Direct Debit Inward request is initiated by CBO because of a Direct Debit request initiation from other Financial institution where the debtor account is at OAB. The flowchart below shows the requirements for the ESB layer to implement Direct Debit Inward request integration with CBO’s ACH-Participant system

1. Direct Credit Inward request is received by the ESB Layer from CBO

(Is it a bulk message?)

1. For Each request in the batch:
   1. Validate if the received message has all the required information as per ISO 20022 spec(Do we have to check the length of the feilds as mentioned in appendix)
   2. If Validation fails, reject the particular transaction from the batch and send it back to source system using ISO message pacs.002.001.006

(Required mapping details for pacs.002.001.006?)

* 1. Validate the account to be Debited(What is the message structure to validate the account in CBS)
  2. If validation is successful debit the account and update the DB

(What is the message structure to debit the account in CBS?)

1. Reply to CBO using ISO message pacs.002.001.006 with the status of the transactions (Required mapping details for pacs.002.001.006?)