



**RTP Rules Interpretation
Permissible Uses for Request for Payment Messages**

Effective May 3, 2024

This interpretation is issued pursuant to RTP Operating Rule I.C.

RTP Operating Rule VII.B requires that Request for Payment (RFP) messages only be made for a legitimate purpose and for a permissible use. The rule also requires that a Message Sending Participant have a reasonable basis for determining that its Message Sender will only use RFPs for permissible uses prior to allowing the Message Sender to send RFPs. This rules interpretation describes the permissible uses for RFPs and optional, non-exclusive ways a Message Sending Participant may have a reasonable basis for determining that a Message Sender will only use RFPs for one or more permissible uses.

Capitalized terms have the meanings ascribed to them in the RTP Operating Rules.

1. **Notification Requirement.** In accordance with procedures established by The Clearing House, a Message Sending Participant must notify The Clearing House of (a) the identity of any Message Sender that will send RFPs, (b) the permissible use(s) for which the Message Sender will send RFPs, and (c) any changes to the Message Sender's permissible use(s) before such change occurs.

The Clearing House may share this information with Participants that receive Requests for Payment but makes no representations or warranties regarding the accuracy of the information. From the effective date of this rules interpretation, an RFP is only for a permissible use if a Message Sending Participant has complied with this section with respect to the relevant Message Sender.

2. From the effective date of this rules interpretation the following are permissible uses for RFPs:

- a. **Business to business**

In order for an RFP to be made for a business to business use, it must have a business purpose for both the Message Sender and Message Receiver. A business purpose is a purpose that is not related to any personal, family, or household matter. Hence, so long as an RFP is not related to any personal, family, or household matter for the Message Sender or Message Receiver, the Message Sender and/or Message Receiver can be an unincorporated business or sole proprietor. For the avoidance of doubt, the purchase of goods or services for a personal, family, or household purpose is not a business purpose even if the goods or services are sold by a business.

- b. **Account to account**

In order for an RFP to be made for an account to account use:

- I. Either (1) the Message Sender and Message Receiver are the same Person, or (2) the Message Sender is an entity that holds an asset account for the Person who is the Message Receiver and is sending the RFP at the Message Receiver's direction, and
- II. The payment sent in response to the RFP would result in a transfer between asset accounts that are both owned by the same Person, which ownership the Message Sending Participant has verified using a due diligence process that provides reasonable assurance.

For purposes of this rules interpretation an asset account is either (i) an Account, (ii) a brokerage account that is held by a registered broker-dealer under the Securities Exchange Act of 1934, or (iii) a merchant-specific digital wallet.

A merchant-specific digital wallet means an account that holds a stored balance that is redeemable only at a single merchant for the purchase of goods or services that are directly offered by that merchant, and does not allow:

- (i) payments to be sent from the account to any Person other than the Merchant or, provided it is a permissible defunding transfer, the owner of the account; or
- (ii) cash withdrawals or the purchase of cash equivalents (such as casino chips; gift cards or other stored value accounts, unless such cards or stored value accounts can only be used to purchase goods or services directly offered by the Merchant; or "convertible virtual currency" as defined in guidance issued by the Financial Crimes Enforcement Network).

For purposes of this rules interpretation, permissible defunding transfer means (i) an electronic transfer to the same account used to fund the merchant-specific digital wallet or to another account owned by the same Person, which ownership has been verified using a due diligence process that provides reasonable assurance; or (ii) a check sent to the owner of the merchant-specific digital wallet.

In addition, for purposes of this rules interpretation, an asset account is considered owned by a Person where it is a joint account and the Person has an ownership interest in the account.

c. Consumer bill pay

In order for an RFP to be made for a consumer bill pay use the RFP must:

- i. seek payment for a recurring consumer service (e.g., utilities, cable, phone, gym or other membership) or financial obligation (e.g., rent, credit card, installment loan, mortgage, insurance); or
- ii. Seek payment for a non-recurring consumer service that is performed and paid for at a consumer's home, such as lawn care, house cleaning, or repairs.

For purposes of this rules interpretation recurring means that payment is owed on at least a quarterly basis and that the service or financial obligation is expected to continue on an ongoing and predetermined basis for at least a year.

For the avoidance of doubt,

- a Message Sender does not have to use RFPs to seek payment from the Message Receiver on a recurring or regular basis in order to seek payment for a recurring consumer service or financial obligation; for example, a RFP can be used to seek a single, “just in time” payment for a recurring consumer service or financial obligation even though the Message Receiver usually receives and pays the Message Sender’s bills through a different means and will continue to pay the Message Sender’s bills through a different means after the single, “just in time” payment is made in response to the RFP.
- a RFP for a recurring consumer service or financial obligation may include certain one-time charges related to and customary for the service or obligation such as annual fees, late fees, charges for additional usage (e.g. additional data for a cellular service or access to extra content in a streaming service) and charges for one-time purchases related to and customary for the service or obligations (e.g., a router for internet service or a phone for cellular service);
- purchases of goods or services that occur on an individual, as-needed basis and are expected to continue in the future (e.g., groceries, prescriptions, haircuts), are not recurring services;
- services that involve only the delivery of food or other goods to a consumer’s home are not services performed at a consumer’s home.

A Participant may seek permission from TCH to send RFPs for recurring consumer services or financial obligations that are owed less frequently than a quarterly basis.

d. Consumer down payment, security deposit, or final payment

In order for an RFP to be made for a consumer down payment, security deposit, or final payment the RFP must be used for a one-time payment that serves as (i) an initial deposit at the time of opening a new deposit account; (ii) a deposit or initial payment or payment that fully pays the outstanding balance or amount owed for a financial obligation that will involve (or did involve) multiple payments such as rent, an installment loan, or a mortgage.

e. Government payments

In order for an RFP to be made for a government payment use, the RFP must seek a payment that will satisfy, in whole or in part, an obligation that a consumer or a business owes to a federal, state or local government (such as tolls, taxes, licensing fees, or fines).

3. Participants may seek rules interpretations from The Clearing House if they are unsure whether a Customer’s planned use of RFPs falls within one of the permissible uses. Participants may send a

request for such an interpretation to RealTimePaymentsRules@theclearinghouse.org or may contact any member of TCH's Product, Customer Relations, or Legal team to request an interpretation.

4. The following are optional and non-exclusive ways in which a Message Sending Participant may have a reasonable basis for determining that a Message Sender will use RFPs for one or more of the permissible uses.
 - a. A Message Sending Participant has a reasonable basis for determining that a Message Sender will use RFPs for the business to business use, if
 - i. the Message Sender will use a business account to send RFPs or the Message Sending Participant has determined through its standard Know Your Customer procedures that the Message Sender is a sole proprietor or small business that uses a non-business account for business purposes and such account will be used to send RFPs; and
 - ii. the Message Sending Participant has determined through (x) its knowledge of the Message Sender's business that the only foreseeable Message Receivers that the Message Sender would send RFPs to are Message Receivers that have a business tax identification or are sole proprietorships or small businesses, or (y) communication with the Message Sender that the Message Sender will send RFPs to Message Receivers that have a business tax identification number or are sole proprietorships or small businesses.
 - b. A Message Sending Participant has a reasonable basis for determining that a Message Sender will use RFPs for an account to account use, if
 - i. [Message Sender and Message Receiver are the same Person] the Message Sender has indicated to the Message Sending Participant that it will only use Requests for Payment to request payments from an account the Message Sender owns (the Message Receiver's account), and the Message Sending Participant has used a due diligence process to verify with reasonable assurance that the Message Receiver's account is owned by the Message Sender,
 - ii. [Message Sending Participant as Message Sender] the Message Sending Participant acting as a Message Sender has decided to use RFPs to request payments on behalf of its Customers to transfer funds to such Customers' accounts with the Message Sending Participant and has used a due diligence process to verify with reasonable assurance that the Message Receiver's account is owned by the Customer on whose behalf it will send the RFP, or
 - iii. [Broker Dealer as Message Sender] the Message Sending Participant has determined through its standard Know Your Customer procedures that the Message Sender is a registered broker-dealer and has determined through (x) its knowledge of the Message Sender's business that the only foreseeable use of RFPs would be to enable the Message Sender's brokerage account holders (who would be the RFP Message Receivers) to fund their brokerage accounts or, (y) communication with the Message Sender that the Message Sender intends to use RFPs to enable the Message Sender's brokerage account

holders (who would be the RFP Message Receivers) to fund their brokerage accounts; and the Message Sending Participant has used a due diligence process to verify with reasonable assurance that the Message Receiver's account is owned by the Person who owns the brokerage account that will be funded.

- c. A Message Sending Participant has a reasonable basis for determining that a Message Sender will send RFPs for a consumer bill pay use if
 - i. the Messaging Sending Participant has determined through its standard Know Your Customer procedures that the Message Sender is the type of entity that provides recurring services to consumers or non-recurring services that are performed and paid for at a consumer's home, and
 - ii. The Message Sending Participant has determined through (x) its knowledge of the Message Sender's business that the only foreseeable use of RFPs would be for consumer bill pay uses, or (y) communications with the Message Sender that the Message Sender intends to use RFPs for consumer bill pay uses.

- d. A Message Sending Participant has a reasonable basis for determining that a Message Sender will send RFPs for a consumer down payment, security deposit, or final payment use, if
 - i. The Messaging Sending Participant has determined through its standard Know Your Customer procedures that the Message Sender is the type of entity that engages in activity with consumers that requires one-time payments for deposits, down payments, or final payments for financial obligations that will involve (or did involve) multiple payments, and
 - ii. The Messaging Sending Participant has determined through (x) its knowledge of the Message Sender's business that the only foreseeable use of RFPs would be for consumer down payment, security deposit, or final payment use, or (y) communications with the Message Sender that the Message Sender intends to use RFPs for consumer down payment, security deposit, or final payment use.

- e. For the avoidance of doubt a Messaging Sending Participant must make a determination for each Message Sender that it permits to send RFPs that the Message Sender will only send RFPs for one or more of the permissible uses. The Message Sending Participant must make a separate determination for each permissible use that it will rely upon in allowing its Message Sender to send RFPs. Subject to the requirement in the Operating Rule that a Message Sending Participant take corrective action with respect to a Message Sender when it determines, or should have determined based on information available to it, that the Message Sender has initiated RFPs that are not made for a permissible use as described in this rules interpretation, once the Messaging Sending Participant makes an initial determination that a Message Sender will only use RFPs for one or more permissible uses, it does not need to make a determination for each RFP that the Message Sender sends.