

Incasso and Acceptgiro

for the business market



CURRENCE

November 2009

Colofon

Incasso and Acceptgiro for the business market is published by Currence.
www.currence.nl. Amsterdam, November 2009

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The latest version of this brochure can be downloaded at www.incassomachtigen.nl and www.acceptgiro.nl

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1 Introduction

1.1 Explanation

This brochure is a Currence¹ publication intended for business customers of banks wishing to collect receivables using Incasso (direct debit) and/or Acceptgiro (a preprinted credit transfer form) payment products. In this brochure, Currence provides information on the main product features and terms of use.

Please contact your bank if you have any questions relating to this brochure.

¹ Currence is the owner of the Dutch uniform payment products PIN (debit card) and Chipknip (electronic purse), Incasso/Machtigen (direct debit), Acceptgiro (preprinted credit transfer forms) and iDEAL (online payments). Currence's mission is to facilitate a competitive market and transparency while preserving the quality and security of the payment system in the Netherlands. Currence was formed on 1 January 2005 on the initiative of eight Dutch banks (ABN Amro, Rabobank, ING, Fortis, SNS Bank, BNG, Friesland Bank and Van Lanschot Bankiers).

2 Receiving payment

2.1 Incasso or Acceptgiro?

You can arrange for your customers to pay for your products and services by Incasso (direct debit) or with Acceptgiro (a preprinted credit transfer form). Both products have their own specific features, so it is important to decide which is best suited to your business operations, products and customer base.

2.2 Incasso

This product is based on an agreement between a debtor (your customer) and a creditor/payee (your organisation). Customers granting your organisation a direct debit mandate agree to either one-off or recurrent payments being taken from their account and credited to your account.

The Incasso process works as follows:

As payee, you send your customer a direct debit mandate form. As soon as the customer signs the form and returns it to you, you may send direct debit payment collection orders via data communication to your bank, for the agreed amount or amounts payable as and when due. Your bank will then arrange for further processing with your customer's bank. Your customer's bank arranges for the amount to be debited and transferred to your bank. Finally, your bank credits the amount to your account.

Advantages of Incasso:

- low processing costs;
- efficient payment method;
- you decide the collection date (as per agreement with your customer) so that you are no longer dependent on your customer taking action;
- straightforward payment reconciliation;
- simple processing in your accounts/accounting package;
- equally suited to payments from retail or business customers;
- telephone mandates can also be obtained from retail customers.

Disadvantages of Incasso:

- you are dependent on your customer's willingness to allow direct debiting (some debtors do not like direct debits);
- the payee is not certain of the payment until the refund period has expired.

2.3 Acceptgiro

This product is based on a preprinted paper form ('Acceptgiro' form), showing the main payment details, such as the name and address of your organisation and your customer's name and address, the amount and the payment reference. An optically readable section allows banks to process these forms automatically. The forms can be combined with, for example, an invoice section and/or a direct debit mandate form. Your bank can help you to choose the most suitable type of form. Apart from this, the Acceptgiro form is a familiar and widely-accepted product, so you can send it to your customers without any problem.

The Acceptgiro process works as follows:

Customers sign your Acceptgiro forms and send them to their own banks. Customers can also submit Acceptgiro payment orders to their banks via electronic banking. The bank sends the information on the form to a processor for further processing. The processor then ensures that your customer's bank receives a debit message and your own bank a credit message.

Advantages of Acceptgiro:

- suitable for both large and small transaction volumes;
- simple to produce;
- easy to combine with an invoice section;
- simple to process in your accounts;
- increases payment convenience for your customers;
- unambiguous reconciliation through the payment reference.

Disadvantages of Acceptgiro:

- you are dependent on the date when your customer decides to pay;
- higher processing, paper and dispatch costs than Incasso;
- dependent on speed of postal service;
- if your customer, while using electronic banking, fails to fill in the payment reference, or makes a mistake in doing so, you will probably have more difficulty in identifying the payment in your accounts.

2.4 Conclusion

As payee, the choice is not difficult: Incasso is by far the cheapest and most efficient product. However, the choice is not entirely up to you. Not every customer is willing to authorise you to debit funds from their account. In that situation, sending preprinted Acceptgiro forms offers more advantages than sending an invoice alone.

2.5 Identifying marks

As soon as you have an Incasso or Acceptgiro contract, you are permitted to use the following logos in communications concerning payments using the Acceptgiro and/or Incasso products.



Use of the identifying marks must, however, comply with the rules of Acceptgiro B.V. or Currence Incasso B.V. These can be obtained from Currence (info@currence.nl).

An example of a form combining an invoice, Incasso form and Acceptgiro form is shown on the next page.

Assurantiekantoor G. van Witsen

Rozenlaan 104, 4336 XG Aalsmeer

Bankrekening 761145427

A. van den Bos
Beethovenstraat 34
3851 AF Amstelveen

Nota

Betreft Jaarpremie 2009 levensverzekering

Kenmerk 5000056789012345
Factuurnr. 2876766-2009
Datum 04-01-2009

Jaarpremie 2009	€ 62,33
Assurantiebelasting 7,5%	€ 4,67
Totaal	€ 67,00
Korting bij gebruik van machtiging	€ 1,00

Wij verzoeken u bovenstaand bedrag binnen twee weken te voldoen.
U kunt hiervoor gebruik maken van de Acceptgiro of van de machtigingskaart.
Bij gebruik van de machtigingskaart ontvangt u een korting.

In plaats van betalen door middel van de Acceptgiro kunt u toestemming geven om de betalingen automatisch van uw bankrekening af te boeken. Dit doet u met de *groene* machtigingskaart die u hiernaast ontvangt. Deze kaart stuurt u naar het bedrijf, de instelling of de vereniging waaraan u moet betalen.

Als u het niet eens bent met een afschrijving, heeft u 56 dagen (acht weken) de tijd om uw bankkantoor opdracht te geven het bedrag terug te boeken. U gebruikt dan de *gele* terugboekingskaart. Deze kaarten zijn verkrijgbaar bij uw bankkantoor en bij de postkantoren.

Natuurlijk kunt u te allen tijde uw machtiging weer intrekken. U gebruikt dan de *rode* intrekingskaart. U vult de kaart in, stuurt deze op en de afschrijving stopt. Houdt u bij inzending rekening met enige tijd voor verwerking. Ook deze kaarten zijn verkrijgbaar bij uw bankkantoor en bij de postkantoren.

Machtigingskaart

- invullen in hoofdletters

Ondergetekende verleent hierbij tot wederopzegging machtiging aan **Assurantiekantoor G. van Witsen, Aalsmeer** om van zijn/haar hierondergenoemde bankrekening bedragen af te schrijven wegens Levensverzekering

Bankrekening 912345

Naam en voorletters A. van den Bos

Adres Beethovenstraat 34

Postcode en plaats 3851 AF Amstelveen

Relatienummer 9012345

Ondergetekende verklaart zich akkoord met de regeling zoals op de aangehechte kaart is vermeld.

Datum _____ Handtekening _____

deze strook niet meezenden

5000 0567
8901 2345

euro 67 ct 00

Jaarpremie 2009
levensverzekering
Fact.nr. 2876766-2009

op rekening 761145427 tgv
Ass.knt. G.v.Witsen
Aalsmeer

euro-acceptgiro

over te schrijven/te storten

67 euro 00 ct 5000 0567 8901 2345+

van bankrekening 9123456

van/door

naam A. van den Bos
adres Beethovenstraat 34
plaats 3851 AF Amstelveen

op rekening 761145427
van Assurantiekantoor G. van Witsen
Rozenlaan 104, 4336 XG Aalsmeer

Jaarpremie 2009 levensverzekering
Fact.nr. 2876766-2009

handtekening

zijn alle rode rubrieken ingevuld?

formulier uitsluitend bestemd voor betaling in euro's

D002

formulier met blauwe of zwarte inkt invullen

© Acceptgiro B.V.

nadruk verboden de ruimte hieronder niet beschrijven niet vouwen

betalingskenmerk van rekening euro ct diversen naar rekening code

5000056789012345+ 0059123456< 000067002+ 0761145427+ 13>

Invoice, Incasso and Acceptgiro form, separated by perforations.

2.6 If Incasso is not possible

If your customer is not prepared to grant an Incasso mandate, or if an Incasso is reversed because your customer's account has insufficient funds, it is advisable to send an Acceptgiro form (plus invoice) rather than just an invoice. If a customer only receives an invoice, they first have to fill in all the details on a blank credit transfer slip. It is easier simply to sign an already completed Acceptgiro form, and there is also less risk that information will be entered incorrectly, making the payment harder to identify. If your customer makes the Acceptgiro payment via electronic banking, and includes the payment reference in the details, the payment is also easily reconciled.

The Acceptgiro product has an important advantage over Incasso, in that the payment is certain as soon as it is credited to your account. Incasso payments are not certain until the refund period has expired. One advantage of Incasso is that you decide the payment date, whereas the customer decides the date for payment by Acceptgiro. Instead of sending your customer Acceptgiro forms for payment in two instalments, for instance, you could offer to collect the amount in ten direct debit instalments using the Incasso product.

Rejects of Incasso payments due to insufficient funds can largely be avoided by debiting amounts at the end or the start of the month. Your customers will then probably have just received a salary payment and have more funds in their account. For account numbers with a maximum of 7 digits, you also have the option of 'Automatic Repeat Presentation'. In that case, if a direct debit payment is refused, ING automatically presents the payment order four more times. To use this extra service, you must sign a separate contract with your bank.

3 Incasso

3.1 Using the product

If, as a payee, you would like to make use of Incasso, please contact your bank, which will assess whether you qualify. If you meet the criteria, you and your bank complete and sign an Incasso contract. As there are different variants of the Incasso product, you must discuss with your bank which type or types are best suited to your business operations. The rule is that you must sign a separate contract, and use a separate account number, for each type of Incasso that you want to use. By agreement with your bank, the Incasso contract records the limits within which you can present transactions. You can then state whether you want to contract an agreement for the option of 'Automatic Repeat Presentation'. You can also decide how you will present transactions and how you want to receive payment information.

If you want to be able to collect payments by both written and telephone mandates, you will need two separate Incasso contracts. To be permitted to accept telephone Incasso mandates, however, you will have to comply with certain procedural and administrative conditions. Your bank can give you further details.

NB The above also applies if you employ a service bureau.

3.2 Obtaining mandates

When you ask your customers to provide you with an Incasso mandate, you can point out the convenience of direct debit. Customers do not themselves have to take any further action for payments to be made and, therefore, cannot forget to pay. Emphasise that this does not mean that they lose control over their account.

If, for instance, a customer gives you a written 'Doorlopende Incasso Algemeen' mandate (Recurrent Mandate - General), they have 56 calendar days (eight weeks) in which to reverse the payment if they disagree with it. The customer's bank is required to execute a direct debit reversal order immediately. As from 1 November 2009, your customer also has the right to revoke the direct debit transaction until one day before processing date. Your bank is obligated to execute this revocation.

Incasso also becomes more attractive to your customers if they share in the savings that you achieve. The treasurer of a sports association with 600 members, for instance, can easily save hundreds of euros each year by switching from Acceptgiro to Incasso, since your costs for preprinted Acceptgiro forms are substantially higher than for Incasso. You can pass on part or all of that cost benefit to your customers or members.

Obviously, you want to make things as simple as possible for your customers. With a written mandate, all they have to do is sign the form and return it in an enclosed reply envelope.

3.3 Important rules for Incasso

Under any one contract, mandating is possible exclusively in writing or exclusively by telephone. The two types of form have their own features and requirements (see sections 3.4 and 3.5). It will undoubtedly be clear to you that widespread acceptance of Incasso is also in your own interests. The following rules are important in order to win and retain your customer's confidence in the Incasso product and in your organisation:

1. you receive an Incasso mandate in writing or by telephone;
2. you collect only the agreed amount, with the agreed frequency, on the agreed dates;
3. you only collect amounts for the agreed products and/or services, following delivery;
4. you discontinue collection as soon as you receive cancellation of an Incasso mandate.

3.4 Written mandates

You must keep written mandates on file. If you cannot present a signed mandate in the event of a dispute, you are required to repay the amount in question (even if the refund period has expired) for up to thirteen months after the amount has been debited from the customer's account. Information on the duration of filing and reversal periods is included in your Incasso contract.

You can order Incasso mandate forms from your bank for the 'Doorlopende Incasso Algemeen' (Recurrent Mandate – General) variant via 'Bestelservice' at www.incassomachtigen.nl. These are the familiar green, yellow and red mandate forms (popularly referred to as 'traffic light' slips). For the 'Doorlopende Incasso Bedrijven' (Recurrent Mandate – Business) variant there are also mandate forms available at your bank. You can also design your own mandate form (e.g. using your own corporate identity).

In any event, the design must include the following information or data fields:

- your name;
- the reason for the debit;
- the payer's account number;
- the payer's name and address;
- the payer's signature and the date;
- the amount, or description of the amount.

In addition, for recurrent mandates, the following is required:

- the refund period;
- the payment frequency;

Also required for one-off mandates:

- a statement to the effect that the payer has no refund right;
- the date and amount of the payment.

Mandate forms contain fraud-sensitive personal details. You must therefore tell your customers to send the mandate to you in a sealed envelope. It is also advisable to use a freepost number for this purpose and, if possible, to enclose a preprinted reply envelope with the mandate form. Provided you have a valid Incasso contract, you can start collecting payments as soon as you receive a mandate. You must, however, notify your customers in advance of when a certain amount will be debited from their account, for instance on the face of your invoice.

3.5 Telephone mandates

With existing private customers, telephone mandates can be initiated either by you or by your customer. You will already have the customer's name and address, landline telephone number and account number. You will also have checked that your customer's name matches the account number. After that, all you need from the customer is a customer number, and you can collect the necessary payment.

In the case of telephone mandates, it is *always* essential to send your customer written confirmation of the receipt of the mandate, simultaneously advising them of the refund period and the payment date. You must notify your customer in advance of when you will debit what amount. An additional requirement for telephone mandates in favour of charities is that the institution is certified by the Central Bureau on Fundraising (CBF).

If a private payer is not an existing customer, you must comply with the following additional rules before you can collect payments:

- you have contracted a separate agreement with your bank in order to check that the bank account number matches the name given;
- the payer calls you (*not vice versa*) from their *landline* number
Please note that, as the payee, you are *not* permitted to contact the payer in this regard;
- you request the payer's name, address and account number and then check the details provided by the telecom supplier to ensure that the name and address match the telephone number;
- if the payer has given an account number at a bank other than ING, you must check that the name matches the account number according to the information from the bank;
- if the payer has given an account number with a maximum of 7 digits, the relevant direct debit payment must be marked as 'unchecked'² in the batch of Incasso orders being prepared.

NB 1 If you assign the payer a customer number on initial contact, all you need to do in the future is, to obtain a telephone mandate is request this number.

NB 2 Telephone mandates are not possible for business-to-business transactions. You can only collect payments on the basis of a telephone mandate if the mandate has been given by a private customer. Telephone mandates given by business banking customers are invalid.

² An 'unchecked' ('onzuiver') account number is an account number with a maximum of 7 digits that you have not presented before for transaction processing and for which a name-number check needs to be performed. When the name and account number have been verified, you can designate this account number as 'checked' ('zuiver') for processing of further transactions

3.6 Transaction processing

For timely and accurate processing of transactions, you send your bank, or the institution designated by your bank (referred to below as 'your bank'), a file of Incasso orders. Your bank will send you further details of the precise delivery method, security, procedures, timelines, file description and file format.

Your bank will check received files at batch and transaction levels. It will reject batches and/or transactions that do not comply with the set requirements. You can avoid this by following your bank's instructions. If your bank receives two identical batches within five working days, it will contact you on receipt of the second batch as a safeguard against duplicate processing.

If the required processing date is less than six calendar days in the past, or if the date is not a working day, your bank will process the batch on the next working day. If the required processing date for the batch is more than six calendar days in the past, batch control will be performed first. Again, the bank will contact you in this case to request consent for processing.

NB 1 Before you present a file for the first time, you must ask your bank whether a test procedure is needed. If so, you will not be able to collect actual payments before trial processing has been successfully completed.

NB 2 In some cases, payments credited to your account by your bank are not necessarily certain (see section 3.8 for the product variants concerned). It is possible that they may be reversed. The payment can only be regarded as certain after the refund period has expired. However, customers can still have a payment reversed for a period of thirteen months after the debit date if they think it is wrong. In such cases, your bank will ask you to provide the relevant written mandate (or a copy). If you are unable to do so, or if the mandate is invalid, you will have to refund the amount concerned to your bank.

3.7 Payment information

Your bank will issue a statement of rejected payments, payments cancelled by you and payment refunds. It is up to you to whether you wish to receive this information electronically or on paper, and whether the information should be sent to you or to your service bureau.

The payment information will enable you to update your accounts simply and automatically (if in electronic form).

Depending on your requirements, your bank statements will show details of all Incasso orders that you present, or only the total amount. As you know which orders you have submitted and which have been rejected or cancelled, in most cases a statement containing the total amount will suffice.

Your bank will be happy to advise you about the ways in which you can receive these statements.

3.8 Product variants

Features of main Incasso variants

	Recurrent General	Recurrent Business	One-off	Recurrent Games of Chance
Type of payer	Retail (or business)	Business	Retail and business	Retail
Payment frequency	Regular	Regular	Single	Regular
Notification of payment date	On obtaining mandate ☎: Letter	At least 4 working days in advance	Mandate date ☎: Letter	On obtaining mandate ☎: Letter
Notification of payment amount	If changed: invoice or other notification	At least 4 working days in advance	Mandate date ☎: Letter	If changed: invoice or other notification
Payment reversible by payer	Yes	Yes	No	No
Refund period for payer	56 calendar days (eight weeks)	5 working days	None	None
Payment reversible by bank	Yes	Yes	Yes	Yes
Refund period for bank	56 calendar days (eight weeks)	5 working days	5 working days	5 working days
Refund period for payee-initiated refunds or rejects	61 calendar days	9 working days	9 working days	9 working days
Cancellation of mandate	Possible	Possible	Not possible	Possible
Revocation direct debit transaction	Possible until one day before processing	Possible until one day before processing	Possible until one day before processing	Possible until one day before processing

NB A ☎ sign in the table means that a different feature applies if the mandate is granted by telephone.

In addition to the above mentioned variants, there is a specific variant for auctioneers. Your bank can provide further details.

Your customers can give you either written or telephone mandates (telephone mandates can only be provided by private persons) for the Recurrent Mandate - General, One-off Mandate and Recurrent Mandate - Games of Chance variants. For other variants, only written mandates are permitted.

4 Acceptgiro

4.1 Using the product

If, as a payee, you would like to make use of Acceptgiro forms, please contact your bank, which will assess whether you qualify. If you meet the criteria, you and your bank complete and sign an Acceptgiro contract. The same procedure applies if you employ a service bureau. You can order Acceptgiro forms, including test forms from Acceptgiro printers which are certified by Currence. A list of these printers can be found at www.acceptgiro.nl. Sometimes it is also possible to order Acceptgiro forms from your bank. There are different types of Acceptgiro contracts, depending on who prints the code line. If you do this partial yourself, you need a B- or C contract. You will need an A/S contract if this is done by a certified service bureau.

When you sign the Acceptgiro contract, you agree how you want to receive payment information (see 4.3). If you print Acceptgiro forms yourself, you will need a laser printer that can print OCR-B writing (according to ECMA 11-standard, size 1). You will then need to conduct a test with your bank, because the printing of the code line on the form needs to be very accurate. Even minor discrepancies will necessitate manual processing, which of course leads to delays and high costs.

If you print Acceptgiro forms yourself, it is advisable to preprint the forms with as much information as possible. All your customers then need to do is sign the form. This reduces the risk of errors and ensures that you receive optimum information from your bank.

The brochure entitled 'Specifications and standards for production and processing of Acceptgiro forms' explains the best practices relating to Acceptgiro forms. This brochure is available from your bank or direct from Currence (www.acceptgiro.nl).

If you want to outsource printing and dispatch of Acceptgiro forms, you can engage a service bureau for this purpose. A list of service bureaus which are certified by Currence, can also be found at www.acceptgiro.nl.

NB The maximum amount that your customers can pay using an Acceptgiro form is € 999,999.99.

4.2 Processing

Your customers fill in the missing details if necessary on the Acceptgiro form and send it after signing to their bank. The bank copies the details from the form into a data file via optical character recognition or manual entry. It also produces a digital image of the Acceptgiro form, which is archived in case of queries, for example. It is also possible for your customer to enter the data from the Acceptgiro into his electronic banking application and pay the amount due in this way.

One possible problem with a different payment method (e.g. electronic banking) is that your customer forgets to enter the payment reference, or makes a mistake in doing so. You will then probably have more difficulty in identifying the payment in your accounts. You should therefore always explicitly request your customers, in your invoices or by other means, to quote the payment reference.

4.3 Payment information

You can receive a statement of processed Acceptgiro forms, showing the payment information, your customers' name, address and account number details, the payment reference and the amount of each transaction. You (or your service bureau) can also receive this information electronically, which gives you the possibility of updating your accounts automatically, for instance on the basis of the payment reference from the code line.

You can also have statements sent weekly, fortnightly, monthly or when a certain number of payments is reached.

Your bank will be happy to advise you about the ways in which you can receive this payment information (procedure, file format, timelines etc.).

Depending on your requirements, your bank statements will show details of all Acceptgiro forms processed for you, or only the total amount. If you receive the payment information separately, a statement of the total amount will suffice in most cases.

More information?

For more information on the Incasso and Acceptgiro products, ask your bank or visit www.acceptgiro.nl and www.incassomachtigen.nl.

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