

Term	Definition
<b>ACH Operator</b>	An entity that processes all ACH transaction flows between financial foundations and serves as the central clearing facility for the network participants. <sup>1</sup>
<b>Acquirer</b>	A financial services organization that processes payments for merchants and billers. <sup>1</sup>
<b>Address Verification System (AVS)</b>	A security system requiring merchants to supply address information for a cardholder to the institution that issues the credit card in card-not-present transactions, including online purchases. <sup>3</sup>
<b>Addressing</b>	An automated means to route/direct a transaction using a set of data that may employ a directory service. <sup>4</sup>
<b>Adjustments</b>	A transaction that corrects or modifies the amount or details of a payment entry. <sup>1</sup>
<b>Anti-money laundering</b>	A set of laws, regulations, and procedures set to prevent illegally obtained funds from being treated as legitimate income. <sup>1</sup>
<b>Application Program Interface</b>	A set of specifications, standards, routines, and protocols providing the capability of building software applications which can be used as building blocks and provide the ability to exchange information electronically. <sup>4</sup>
<b>Association for Payment Clearing Services</b>	An organization that manages the main clearing networks which allow UK banks and building societies to exchange payments. <sup>1</sup>
<b>Authentication</b>	The process that verifies the identity or veracity of a participant, device, payment, or message connected to a payment system. <sup>6</sup>
<b>Authorization</b>	The explicit instructions/permission, including timing, amount, Payee, source of funds, and other conditions, given by the Payer to the Payee to transfer funds on a one-time or recurring basis. <sup>6</sup>
<b>Participant</b>	Someone who has legal access to a payment Solution, payment network, or payment service. <sup>1</sup>
<b>Automatic Teller Machine (ATM)</b>	An electronic physical banking option that allows customers to complete basic transactions without the aid of a branch representative or teller. <sup>1</sup>
<b>Available Balance</b>	The amount that includes the total funds available for use right now. <sup>1</sup>
<b>Bank Card</b>	A physical card that is typically a plastic card issued by a card-issuing entity, which is often a bank or credit union, providing access to funds either by drawing on a bank or a credit account. ATM cards, debit cards, and credit cards are all examples of bank cards. <sup>1</sup>

<b>Term</b>	<b>Definition</b>
<b>Bank Identification Code aka SWIFT Code</b>	A bank code made up of a series of numbers used to identify worldwide banks. The bank BIC codes are made up of specific characters: 1—4 company name, 5—6 country, 7—8 city/town, and 9—11 (optional) department code (e.g., JPMorgan Chase = CHASGB2L). <sup>5</sup>
<b>Bank Routing Number</b>	All Financial Institutions (FIs) are identified by a nine (9) digit routing transit number (RTN) that is often found at the bottom of a check. <sup>1</sup>
<b>Banks</b>	Financial Institutions (FIs) chartered to hold deposits, provide loans, and provide financial and other services. <sup>1</sup>
<b>Batch</b>	Multiple transactions that are processed together. <sup>1</sup>
<b>Batch Processing</b>	Method used to process multiple transactions submitted together. <sup>1</sup>
<b>Batch settlement</b>	The settlement of groups of payments. <sup>7</sup>
<b>Breach</b>	An intentional or unintentional incident of compromised payment-related information. <sup>1</sup>
<b>Business Day</b>	An official business day open to substantially carry out all business functions. A Banking Business Day may be different from a Payments Network Business Day. <sup>1</sup>
<b>Business to Business</b>	A payment transaction between two businesses. <sup>1</sup>
<b>Business to Consumer</b>	A payment transaction between a business and a consumer. <sup>1</sup>
<b>Business to Government</b>	A payment transaction between a business or private sector entity and public organization. <sup>1</sup>
<b>California Consumer Privacy Act</b>	The CCPA requires businesses of certain sizes to have a data tracking system(s) in place that gives consumers the right to request all the data a company has collected on them over the previous 12-months, as well as data protection and deletion rights. <sup>1</sup>
<b>Caps</b>	Quantitative limits on the funds transfer activity of individual participants in a system; limits may be set by each individual participant or may be imposed by the body managing the system; limits can be placed on the net debit position or net credit position of participants in the system. <sup>7</sup>
<b>Card Association</b>	An organization owned by a financial institution that licenses bank credit card programs and performs operational functions for its members such as transaction processing, authorizations, and interchange settlement. <sup>3</sup>
<b>Card Issuer</b>	A financial institution, such as a bank or a credit union, that offers a payment card (credit or debit cards) directly to consumers (or organizations) and is liable for the use of the card. The issuer is also responsible for the billing and collecting of funds for purchases that were made using that card. In the payments value chain, the card issuer pays the acquiring bank for purchases of goods and services that the cardholder makes. The cardholder then repays the issuing bank based on terms of the agreement. <sup>3</sup>

<b>Term</b>	<b>Definition</b>
<b>Card Verification Values, version 2</b>	A three or four-digit code on a credit card that enhances fraud protection, also known as CVN, CVV, CSC, Card Security Code, or Card Verification Number. <sup>10</sup>
<b>CHECK 21</b>	Abbreviated term for the Check Clearing for the 21st Century Act which is a federal law that took effect on October 28, 2004, providing the same legal rights for an "image replacement document" (IRD) as the original check with certain qualifications. In turn, this facilitated the ability of banks and other organizations to create electronic image copies of checks, in a process known as check truncation. The images are then sent to the relevant financial institutions to be processed, where money from a consumer's account is transferred to the receiving party's account. <sup>1</sup>
<b>Chip Cards</b>	A type of credit/debit card with an embedded smart chip designed to make transactions more secure. It is now the global standard for credit and debit cards, also known as EMV® for the founding developers of the technology: Europay, Mastercard, and Visa. <sup>3</sup>
<b>Clearing/Exchange</b>	The process by which the Payer's and Payee's Depository Institutions or Regulated Non-Bank Account Providers exchange payment information to validate transactions prior to settlement, potentially including the netting of transactions and the establishment of final positions for settlement. <sup>1</sup>
<b>Clearing House Interbank Payments System</b>	An independent bank-owned payments system for clearing large value payments. CHIPS is a real-time, final payments system for U.S. dollars that uses bi-lateral and multi-lateral netting for maximum liquidity efficiency. <sup>5</sup>
<b>Commercial Card</b>	A generic term referring to payment cards issued to businesses for use by employees to cover expenses (e.g., corporate cards, purchasing cards, travel, and entertainment cards). <sup>3</sup>
<b>Compliance Risk</b>	The danger that a party to a transaction fails to comply, either knowingly or inadvertently, with payment system rules and policies, regulations and applicable US and state law. <sup>1</sup>
<b>Consumer</b>	A natural person. <sup>14</sup>
<b>Consumer Alerts</b>	An opt-in communication service offered by card issuers or account issuers where cardholders or accountholders receive alerts based on unusual or unauthorized transaction activity, or other preset conditons. <sup>1,3</sup>
<b>Consumer Authentication</b>	This refers to tools used to verify that the cardholder making a transaction is actually the individual authorized to make that transaction, for both in-person and card-not-present transactions. <sup>3</sup>
<b>Consumer Financial Protection Bureau (CFPB)</b>	A federal government agency that supervises certain banks, credit unions, and other financial companies for compliance with federal consumer financial laws, and enforces those laws. <sup>1,8</sup>
<b>Consumer to Business</b>	Payments transaction between a consumer and a business. <sup>1</sup>
<b>Consumer to Government</b>	Payments transaction between a consumer and the government (e.g., state, federal, local taxes). <sup>1</sup>

<b>Term</b>	<b>Definition</b>
<b>Contactless Payments</b>	Contactless payments refer to a secure method of transaction that leverages mobile devices and payment terminals equipped with radio frequency identification (RFID) or near-field communication (NFC) technologies. <sup>3</sup>
<b>Continuous Linked Settlement</b>	A means of settling foreign exchange transactions finally and irrevocably. CLS eliminates settlement risk, improves liquidity management, reduces operational banking costs, and improves operational efficiency and effectiveness. <sup>1,5</sup>
<b>Corporate Credit Unions</b>	An organization that is chartered under Federal or state law as a credit union; receives shares from and provides payment, lending, and other services to credit unions; and is operated primarily for the purpose of serving other credit unions. <sup>1</sup>
<b>Correspondent Bank</b>	A bank that provides payment and other services to another bank. Payments through correspondents are often executed through reciprocal accounts (so-called nostro and vostro accounts), to which standing credit lines may be attached. <sup>5</sup>
<b>Cover Payment</b>	In the serial method of funds transfer, there is a single funds transfer consisting of a series of payment orders, each of which is sent to the next party in the chain. A receiving bank gets paid by its sender when it receives final settlement through a funds-transfer system like CHIPS or Fedwire, it debits an account of the sender on its books, it receives a credit to an account it has with the sender, or the sender causes the receiving bank's account at another bank to be credited (i.e., the receiving bank gets cover). <sup>5</sup>
<b>Credential</b>	A verifiable set of data presented by a participant to the payment system as evidence of identity. <sup>6</sup>
<b>Credit Card</b>	A physical or virtual card with a credit limit used to purchase goods and services and to obtain cash advances on credit for which a cardholder is subsequently billed by the issuer (the institution, such as a bank or credit union, which offers the card to the individual) for repayment of the credit extended. <sup>1,3</sup>
<b>Credit limit</b>	A limit on the credit exposure a party is willing to face. For example, in the context of payment systems, a limit on the credit exposure a participant incurs vis-à-vis another participant (bilateral credit limit) or vis-à-vis all other participants (multilateral credit limit) as a result of receiving payments that have not yet been settled. <sup>7</sup>
<b>Credit Push Payment</b>	A payment initiated when a Payer sends a payment order with instructions to transfer funds to the Payee. <sup>1</sup>
<b>Credit Risk</b>	The risk that a counterparty, whether a participant or other entity, will be unable to meet fully its financial obligations when due, or at any time in the future. <sup>7</sup>
<b>Credit Transfer</b>	A payment transaction that increases an account balance. <sup>1</sup>

<b>Term</b>	<b>Definition</b>
<b>Credit Union</b>	Financial institutions, like banks, except the members own the credit union. They are non-profit entities that aim to serve their members rather than seeking to earn a profit. <sup>1</sup>
<b>Credit Union Service Organization</b>	Operates as back-end, profit centers for credit unions to help them pool resources and reduce service costs. CUSOs must have at least one credit union owner and most CUSOs have a specialty, such as auto loans, technology resources, commercial lending and/or consulting services. <sup>1</sup>
<b>Cross Border</b>	The ability of a participant to settle a transaction between two different countries' payment schemes. <sup>1</sup>
<b>Cross-Border Payment</b>	A payment in which the financial institutions of the Payer and the Payee are located in different jurisdictions. <sup>7</sup>
<b>Cross-Border Settlement</b>	A settlement that takes place in a country other than the country in which one trade counter party or both are located. <sup>5</sup>
<b>Cross-Channel Risk</b>	Occurs when the movement of fraudulent or illegal payment transactions from one payments channel to another (e.g., check payments to ACH) is met with inconsistent risk management practices and lack of information sharing across payment channels about fraud. <sup>1</sup>
<b>Cryptocurrency</b>	A digital or virtual currency where encryption technology, operating independently of a central bank, is used to facilitate a generation of units of currency and verify the transfer of funds. <sup>3</sup>
<b>Data Breach</b>	An incident when sensitive, confidential data, such as credit card or personal health information, is viewed, stolen, or used by an unauthorized, untrusted individual. <sup>3</sup>
<b>Data Encryption</b>	The process of securing sensitive data, such as credit card information, by transforming that data using an algorithm to create a key and make it unusable to anyone except those possessing special knowledge. <sup>3</sup>
<b>Data Security Standard</b>	Also referred to as the Payment Card Industry Data Security Standard (PCI DSS), a common set of information security policies and procedures for use by entities that handle credit card data (any organization that accepts, processes, stores, or transmits credit card information) to protect that data and prevent misuse of cardholders' personal information. <sup>3</sup>
<b>Database</b>	A large collection of data that is stored digitally and organized and designed for easy access and retrieval (e.g., a collection of customer names and addresses). <sup>3</sup>
<b>Debit Transaction</b>	A payment transaction that decreases an account balance. <sup>1</sup>
<b>Debit Card</b>	A card issued by a financial institution allowing the holder to access funds or transfer money electronically. <sup>19</sup>
<b>Debit Network</b>	An electronic system used for debit card transactions to withdraw cash from automated teller machines (ATMs), pay bills online, and make purchases. <sup>1</sup>

<b>Term</b>	<b>Definition</b>
<b>Debit Pull Payment</b>	A payment made after prior authorization by the Payer. The Payee sends the payment instruction to the Payee's account to draw on funds from the Payer. <sup>1</sup>
<b>Deferred Net Settlement</b>	A settlement option that settles on a net basis at the end of a predefined settlement cycle typically at the end of the business day, but sometimes during the business day. <sup>1</sup>
<b>Demand Deposit Account</b>	A checking, savings, or money market account where the customer has access to the funds in the account without providing advance notice. <sup>1</sup>
<b>Deposit Account</b>	A bank account where money can be deposited and withdrawn by the accountholder. Deposit accounts include checking, NOW, savings, share draft, and such other depository accounts as are legal under applicable law. <sup>3</sup>
<b>Depository Institutions</b>	A bank, credit union, or savings association that is allowed to accept deposits. <sup>1</sup>
<b>Digital Currency</b>	Any currency, money, or money-like asset that is primarily issued, managed, stored, and exchanged on computer systems. <sup>1</sup>
<b>Direct Deposit</b>	A payment method in which funds are automatically transferred from the account that owes the funds to the account of the Payee. The method is often used in payroll situations where a "paycheck" is directly deposited into an employee's account. <sup>8</sup>
<b>Direct Mobile Billing</b>	A method of paying by charging the purchase to the user's cell phone account. <sup>8</sup>
<b>Distributed Ledger Technology</b>	Technology that uses a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries or institutions with no central administrator or centralized data storage. <sup>4</sup>
<b>Dodd-Frank Act</b>	Is a law that places strict requirements on lenders and banks in an effort to protect consumers. These requirements include Section 1031(a) which authorizes the Consumer Financial Protection Bureau (CFPB) to use its regulatory, supervisory, and enforcement authority to prevent financial service providers from committing or engaging in unfair, deceptive, or abusive acts or practices (UDAAP) in connection with consumer financial products or services. Criteria for determining whether an act or practice is unfair, deceptive, or abusive vary depending on the term. <sup>1</sup>
<b>Electronic Banking</b>	A form of banking in which the funds of financial transactions are transferred through an exchange of electronic signals between financial institutions (e.g., online banking, direct deposit, pay-by-phone systems, debit/credit card transactions, electronic check conversion). <sup>1</sup>

<b>Term</b>	<b>Definition</b>
<b>Electronic Fund Transfer Act</b>	The Act is intended to protect individual consumers engaging in electronic fund transfers (EFTs). EFT services include transfers through automated teller machines, point-of-sale (POS) terminals, automated clearinghouse systems, telephone bill payment plans in which periodic or recurring transfers are contemplated, and remote banking programs. The Consumer Financial Protection Bureau (CFPB) implements EFTA through Regulation E, which includes an official staff commentary and FAQs. <sup>1,11</sup>
<b>Electronic Funds Transfer</b>	A transfer of funds that is initiated through an electronic terminal, telephone, computer (including on-line banking), or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer's account. EFTs include, but are not limited to point-of-sale (POS) transfers, automated teller machine (ATM) transfers, direct deposits or withdrawals of funds, transfers initiated by telephone, and transfers resulting from debit card transactions, whether or not initiated through an electronic terminal (Reg E). <sup>11</sup>
<b>Encryption</b>	The technique of scrambling sensitive data automatically in the terminal or computer before data is transmitted for security/antifraud purposes. <sup>3</sup>
<b>End User</b>	An entity that uses a payment solution, payment network, or payment service for the purpose of sending or receiving payments, such as a business or a consumer. <sup>6</sup>
<b>Error Resolution</b>	The process of an investigation to determine whether or not an erroneous, unauthorized, or fraudulent transaction has occurred and if so, the corrective measures to be taken by the end user and/or provider. <sup>4</sup>
<b>eWallet</b>	An electronic device, online service, or software program that allows one party to make electronic transactions with another party from an electronic wallet of one or more cards and/or other accounts. <sup>1</sup>
<b>Expedited Funds Availability Act</b>	To ensure that account holders have prompt access to funds deposited into their bank accounts, Congress passed the Act in 1987 to address concerns about the lengths of holds banks were placing on check deposits. The EFAA establishes maximum permissible hold periods for checks and other deposits. <sup>11</sup>
<b>eXtensible Markup Language (message standards)</b>	eXtensible markup language that defines a set of rules for encoding documents in a format that is readable by both humans and machines. <sup>15</sup>
<b>Faster Payments</b>	Electronic payment services that provide funds to the Payee within seconds or up to a few hours. Faster payments include instant/immediate/real-time, push-to-card, and same day ACH. <sup>1</sup>
<b>Federal Deposit Insurance Corporation</b>	An independent agency created by Congress to maintain stability and public confidence in the nation's financial system. To accomplish this mission, the FDIC insures deposits; examines and supervises financial institutions for safety, soundness, and consumer protection; makes large and complex financial institutions resolvable; and manages receiverships. <sup>20</sup>

<b>Term</b>	<b>Definition</b>
<b>Federal Financial Institutions Examination Council</b>	A formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Consumer Financial Protection Bureau (CFPB) and to make recommendations to promote uniformity in the supervision of financial institutions. <sup>13</sup>
<b>Fedwire</b>	A real-time gross settlement funds transfer system operated by the United States Federal Reserve Banks, allowing financial institutions to electronically transfer funds between participants. <sup>12</sup>
<b>Financial Institution</b>	Means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution. <sup>23</sup>
<b>FinCEN - Financial Crimes Enforcement Network</b>	A bureau of the United States Department of the Treasury, its mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities. <sup>22</sup>
<b>Fintech / FinTech</b>	Any business that uses technology to modify, enhance, or automate financial services for businesses or consumers. <sup>32</sup>
<b>First-Party Fraud</b>	Fraud committed by an accountholder against another Entity. For example, a legitimate customer may dishonestly request a chargeback on a purchase after receiving the merchandise as agreed, or an individual may set up an Account (either using his or her own identity or a synthetic identity) to purchase items on credit without intending to pay the bill in full. <sup>6</sup>
<b>Fraud</b>	In the payments industry, this refers to dishonest means used to perpetrate false or illegal transactions including account takeovers, identity theft, card counterfeiting, and other illicit schemes. <sup>3</sup>
<b>Fraud Detection</b>	The process of monitoring and detecting suspicious activity for evaluation, classification, and action. <sup>1</sup>
<b>Fraud Risk</b>	The danger that a payment transaction is initiated or altered by any party to the transaction (i.e., employees, interlopers, or organizations), or induced / authorized by a nonparty, in an attempt to misdirect or misappropriate funds with fraudulent intent. <sup>1</sup>
<b>Fraudulent</b>	An unauthorized transaction that has occurred, or an account holder has been manipulated into authorizing a payment to an impersonator or person who does not provide the promised benefit. <sup>1</sup>
<b>Freeze Account</b>	An action taken by a bank, financial institution or fintech that prevents any transaction from occurring in the account. <sup>1</sup>
<b>Funding Agent</b>	A financial institution that maintains a prefunded account (or Federal Reserve Master Account) balance as a third-party funding manager or funding provider. <sup>23</sup>
<b>Funds Availability</b>	The time at which funds or a portion of funds are available for use. <sup>1</sup>



<b>Term</b>	<b>Definition</b>
<b>Funds Transfer</b>	The series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary, including any payment order issued by the originator's bank or an intermediary bank. A funds transfer is completed by the acceptance of a payment order for the benefit of the beneficiary by the beneficiary's bank. <sup>5</sup>
<b>Gateway Processor</b>	A gateway for transactions to flow in-and-out and connects payment processor and participants. <sup>4</sup>
<b>Good Funds</b>	The funds that are unconditionally available to the owner of the receiving account and usable immediately by the owner of the account. <sup>4</sup>
<b>Governance</b>	The process whereby organizations create policies, decisions, and authority at the highest level that are transparent, support the organization's objectives and Public Policy Objectives, while allowing for input and representation from diverse stakeholders and support the public interest. <sup>1</sup>
<b>Government to Business</b>	A payment transaction between the government and a business. <sup>1</sup>
<b>Government to Consumer</b>	A payment transaction between the government and a consumer. <sup>1</sup>
<b>Government to Government</b>	A transaction between a government and another government. <sup>1</sup>
<b>Gramm-Leach-Bliley-Act</b>	Requires financial institutions – companies that offer consumers financial products or services like loans, financial or investment advice, or insurance – to explain their information-sharing practices to their customers and to safeguard sensitive data. <sup>24</sup>
<b>Payment Initiation</b>	A process that is triggered when either the Payer or Payee in a payment transaction, or a third party, sends an instruction to another entity that ultimately leads to a payment. The initiation ends at the point when the Payer authorizes a payment order, or in the case of pre-authorization, when the provider confirms that pre-authorization exists for a given payment. <sup>6</sup>
<b>Instant (AKA Immediate/Real-time) Payments</b>	An electronic payment solution available 24/7/365, resulting in the immediate interbank clearing of the transaction and crediting of the Payee's account with confirmation to the Payer within seconds of payment initiation. <sup>1</sup>
<b>Interbank Settlement</b>	The final settlement between banks done within seconds of an instant/immediate/real-time payment or through a deferred settlement scheme where funds are available to the receiver either before (i.e., push-to-card) or after the bank-to-bank settlement (Same Day ACH). <sup>1</sup>
<b>International ACH Payment</b>	IAT is a Standard Entry Class Code for an ACH International Payment. IAT payment transactions may be ACH debit or credit entries involving a financial agency's office that is not located in the territorial jurisdiction of the United States. <sup>5</sup>
<b>International Bank Account Number</b>	A standard international numbering system developed to identify an overseas bank account. IBAN does not replace a bank's own account number, as its only meant to provide additional information that helps in identifying overseas payments. <sup>5</sup>

<b>Term</b>	<b>Definition</b>
<b>Interoperability</b>	A process that enables solutions to transmit and receive payment instructions across various payment systems or platforms. It requires the use of common applied technical standards, coordinated digital identities, alias directories, and broad access to settlement mechanisms compatible between systems. <sup>1</sup>
<b>Irrevocable Payment</b>	A payment that is final and typically has no recourse for correction or reversal. <sup>1</sup>
<b>ISO 20022</b>	An international standard for exchanging electronic messages between financial institutions. First introduced in 2004, ISO 20022 was created to give the financial industry a common platform for developing messages using a modelling methodology, a central dictionary, and a set of XML and ASN.1 design rules. <sup>25</sup>
<b>ISO 8583</b>	An international standard for financial transaction card originated interchange messaging. It is the International Organization for Standardization standard for systems that exchange electronic transactions initiated by cardholders using payment cards. <sup>1</sup>
<b>Issuer</b>	A bank or financial institution that issues credit and debit cards to consumers on behalf of card networks. The entities are responsible for providing financial details of each transaction, assume the responsibility for a cardholder's ability to pay, and are responsible for account data, card maintenance, and status. <sup>1</sup>
<b>Legal Framework</b>	All legal sources that are applicable to a payment system including all public sector laws, regulations, other regulatory interpretations or rulings, court decisions, and the payment system rules applicable to the payment system. <sup>6</sup>
<b>Liquidity Risk</b>	The risk that a financial institution cannot settle an obligation for full value when it is due (even if it may be able to settle at some unspecified time in the future). <sup>1</sup>
<b>Liquidity Management</b>	The active maintenance of a cash position that allows a financial institution to meet its ongoing settlement obligations without incurring the opportunity costs that arise from holding excess balances. <sup>1</sup>
<b>Master Account</b>	The record of financial rights and obligations of an Account Holder and the Administrative Reserve Bank (or any other Reserve Bank maintaining a Master Account identified in Operating Circular 1) with respect to each other, where opening, intraday and closing balances are determined. <sup>31</sup>
<b>Message Standards</b>	The standards that provide consistent messaging for interoperability. <sup>1</sup>
<b>Mobile Payments Service</b>	A service that enables transactions through a portable device. <sup>1</sup>
<b>Mobile Wallet</b>	A mobile device and its software program that allows one party to make electronic transactions with another party from an electronic wallet of one or more cards and/or other accounts. <sup>1</sup>
<b>Multi-Currency</b>	The ability of a transaction to be processed in more than one currency. <sup>6</sup>
<b>Nacha File Format</b>	A text file with ASCII text lines, where each line is 94 characters long and serves as a record to execute ACH transactions through ACH. <sup>1</sup>
<b>Nacha Rules</b>	The rules adopted by the National Automated Clearing House Association that apply to all entries transmitted through one or more ACH operators. <sup>14</sup>

<b>Term</b>	<b>Definition</b>
<b>National Automated Clearing House Association</b>	The entity which manages the development, administration, and governance of the ACH Network. <sup>1</sup>
<b>Near Real-Time</b>	A timeframe that occurs close to the act of initiating a payment order or authorizing a payment, but not necessarily immediately thereafter. <sup>6</sup>
<b>Non-Bank</b>	An entity that provides some financial services but does not offer a full array of retail banking services and does not have the legal status of a bank. <sup>1</sup>
<b>OFAC Screening</b>	Checking entities against the denied party lists maintained by the United States Treasury Department's Office of Foreign Assets Control (OFAC). Additionally, OFAC compliance can also include identifying sanctions and embargoes placed on nations and political jurisdictions. <sup>1</sup>
<b>Office of Foreign Assets Control</b>	An organization that administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. OFAC acts under Presidential wartime and national emergency powers as well as authority granted by specific legislation to impose controls on transactions and freeze foreign assets under US jurisdiction. <sup>5</sup>
<b>Office of the Comptroller of the Currency</b>	A federal agency that oversees the execution of laws relating to national banks, and federal branches and agencies of foreign banks. The OCC supervises national banks and federal branches of foreign banking organizations for capital adequacy and other compliance issues. <sup>1</sup>
<b>Original Credit Transaction</b>	A payment method for fast fund transfers. OCT credits (pushes) funds to a recipient's account. <sup>1</sup>
<b>Originating Depository Financial Institution</b>	The financial institution which delivers Automated Clearing House (ACH) entries directly or indirectly through a third party to its ACH operator. <sup>1</sup>
<b>Overlay Service</b>	A tailored, value adding payment service or payment-related service owned and operated by a third party, which can be deployed on the basic infrastructure to deliver value to a specific group of subscribers and end users. <sup>1</sup>
<b>Payee</b>	The intended recipient of a payment. <sup>6</sup>
<b>Payer</b>	The sender of funds in a payment transaction; particularly the Entity that, prior to Settlement, owns the funds to be sent to the Payee. <sup>6</sup>
<b>Payment Amount</b>	The total amount of a transaction submitted for authorization for payment. <sup>1</sup>
<b>Payment Card Industry Compliance</b>	The Payment Card Industry Data Security Standard (PCI DSS) applies to companies of any size that accept card payments. If a company intends to accept card payment, and store, process, and transmit cardholder data, it needs to store customer data securely in a manner with is PCI compliant. <sup>1</sup>
<b>Payment Message</b>	A communication that typically contains information related to the payment, such as the identities of the parties involved, relevant account information, and the payment amount. <sup>15</sup>

<b>Term</b>	<b>Definition</b>
<b>Payment Orders</b>	An instruction from a sender transmitted orally, electronically, or in writing, to pay, or to pay a fixed and determinable amount of money to a beneficiary. <sup>1</sup>
<b>Payment Service Provider</b>	An entity that enables transactions between parties in a payment network. <sup>1</sup>
<b>Payment Rail Network Operator</b>	The owner/operator of a platform that facilitates clearing and settlement of payment transactions. <sup>1</sup>
<b>Payment System Rules</b>	The rules, standards/protocols, and procedures specific to various payment systems. <sup>1</sup>
<b>Payment-Related Information</b>	Information that flows directly with a payment to describe its purpose and/or instruct the receiving party how to apply the funds. <sup>4</sup>
<b>Personally Identifiable Information</b>	The personal information used to distinguish or trace an individual associated with a transaction (e.g., social security, fingerprints, biometrics). <sup>6</sup>
<b>Person-to-Person</b>	A peer-to-peer or person-to-person transaction such as payments by individuals to friends, family members, and other individuals for goods and services. <sup>8</sup>
<b>Point-of-Sale</b>	An electronic device where a customer makes a payment to settle on the purchase of goods or services. <sup>1</sup>
<b>Posting</b>	The act of transferring and/or recording an entry or item to the proper account or ledger. <sup>1</sup>
<b>Debit Pull Payment</b>	A payment made after prior authorization by the Payer. The Payee sends the payment instruction to the Payer's account to draw on funds from the Payer. <sup>1</sup>
<b>Credit Push Payment</b>	A payment initiated when a Payer sends a payment order with instructions to transfer funds to the Payee. <sup>1</sup>
<b>Push-to-Card</b>	A process whereby money is sent to a debit or prepaid card belonging to an individual or business. <sup>1</sup>
<b>Real-Time Gross Settlement</b>	The settlement of payments, transfer instructions, or other obligations individually on a transaction-by-transaction basis. <sup>1</sup>
<b>Real-Time Payments</b>	A real-time payment includes the transmission of the payment message and the availability of final funds to the Payee, occurring in real time or near real time, and on as near to 24-hour and seven (7) days basis as possible. <sup>1</sup> NOTE: "RTP" is a trademark for the real-time payments network owned and operated by The Clearing House. <sup>1</sup>
<b>Receiving Depository Financial Institution</b>	The financial institution which receives Automated Clearing House (ACH) entries directly or indirectly through a third party from its ACH operator. <sup>1</sup>
<b>Reconciliation</b>	A procedure to verify that multiple sets of records issued by different entities or generated by different systems involved in transaction processing match. <sup>1</sup>
<b>Regulated Non-Bank Provider</b>	A non-bank participant, such as a money services business, money transmitter, or broker-dealer, that sends and receives payments on behalf of Payers and Payees and is subject to federal and/or state regulation. <sup>6</sup>

<b>Term</b>	<b>Definition</b>
<b>Regulation E</b>	The implementing regulation for the Electronic Fund Transfer Act. This Act (Title IX of the Consumer Credit Protection Act) establishes the rights, liabilities, and responsibilities of participants in electronic fund transfer systems. The Act requires financial institutions to adopt certain practices respecting such matters as transaction accounting, and error resolution, requires financial institutions and others to have certain procedures for preauthorized transfers, and sets liability limits for losses caused by unauthorized transfers. <sup>1,24</sup>
<b>Remittance</b>	The action of sending money in payment. <sup>26</sup>
<b>Remittance Data</b>	Information the Payer provides to the Payee about the reason or details of a payment. <sup>1</sup>
<b>Request for Payment (AKA Request to Pay)</b>	A standardized network message that Payees can leverage to send electronic requests to Payers through the network. <sup>1</sup>
<b>Same Day ACH</b>	An ACH payment following the Nacha rules, that is sent, received, and settled the same business day. <sup>1</sup>
<b>Sender Limit</b>	A threshold limit imposed to mitigate risk on a transaction or group of transactions. <sup>1</sup>
<b>Settlement</b>	A financial transaction that has been satisfied between transacting parties and their financial institutions. <sup>1</sup>
<b>Society for Worldwide Interbank Financial Telecommunications</b>	Swift is a global member-owned cooperative provider of secure financial messaging services. <sup>1,27</sup>
<b>Specially Designated Nationals &amp; Blocked Persons</b>	A list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country specific. Their assets are blocked, and U.S. persons are generally prohibited from dealing with them. <sup>28</sup>
<b>Suspicious Activity Report</b>	A document that financial institutions, and those associated with their business, must file with the Financial Crimes Enforcement Network whenever there is a suspected case of money laundering or fraud. For money services businesses, cash transactions over state-specific limits also require SAR's to be filed. <sup>1,28</sup>
<b>Technology Risk</b>	Any potential for technology failures to disrupt a business or individual such as information security incidents or service outages. <sup>1</sup>
<b>Third-Party Fraud</b>	An unknown authorized attempt to access an account holder's funds to conduct fraudulent transactions. <sup>1</sup>
<b>Transaction Limits</b>	The maximum amount that can be transferred or spent during a payment transaction determined by network specific rules, guidelines, risk profile and/or regulations. <sup>1</sup>
<b>Travel Rule</b>	A Bank Secrecy Act (BSA) rule [31 CFR 103.33(g)]—often called the “Travel” rule—requires all financial institutions to pass on certain information to the next financial institution, in certain funds transmittals involving more than one financial institution. <sup>30</sup>
<b>Ubiquitous</b>	In reference to payments, it is a system in which any Payer can make a payment to any Payee. <sup>1</sup>

<b>Term</b>	<b>Definition</b>
<b>Unfair, Deceptive or Abusive Acts or Practices</b>	Seeks to eliminate any unfair, deceptive, or abusive acts or practices. The CFPB has broad authority to enforce UDAAP to prevent any acts and practices that may cause financial injury to consumers, erode consumer confidence, and undermine the financial marketplace. <sup>1</sup>
<b>Uniform Commercial Code</b>	A comprehensive set of laws governing commercial transactions in the United States. It is not a federal law, but a uniformly adopted state law. The UCC makes sure all states comply with the same business laws, although there might be some local variations. <sup>1,33,34</sup>
<b>Use Case</b>	A specific situation in which a faster payments service could be used. <sup>1</sup>
<b>User authentication</b>	A process that verifies the identity of a user attempting to gain access to a network or computing resource by authorizing a transfer of credentials during interactions on a network to confirm a user's authenticity. <sup>1</sup>
<b>Value Added Services</b>	An extra or special features added by a company or producer to increase the value of a product or service. <sup>1</sup>
<b>Void</b>	The ability to null a transaction before it impacts the customer's account. <sup>1</sup>
<b>Zero-Hour Rule</b>	A provision in the insolvency law of some countries whereby the transactions conducted by an insolvent institution after midnight on the date the institution is declared insolvent is automatically ineffective by operation of law. <sup>7</sup>

## Reference Sources:

1	FPC Education & Awareness Work Group: Glossary of Terms Subgroup <a href="https://fasterpaymentscouncil.org/">https://fasterpaymentscouncil.org/</a>
2	Glenbrook Partners <a href="https://glenbrook.com/">https://glenbrook.com/</a>
3	FirstData.com, Payments 101 Glossary <a href="https://merchants.fiserv.com/en-us/features/payments-101-glossary/">https://merchants.fiserv.com/en-us/features/payments-101-glossary/</a>
4	Epcor.org, sourced from Fed FP Task Force
5	Nacha, Glossary of International ACH Terms <a href="https://www.nacha.org/content/international-payments-glossary">https://www.nacha.org/content/international-payments-glossary</a>
6	Fed Payments Improvements <a href="https://fedpaymentsimprovement.org/">https://fedpaymentsimprovement.org/</a>
7	Bank for International Settlements <a href="https://www.bis.org/">https://www.bis.org/</a>
8	PYMNTS.com, Pay-Ology Glossary <a href="https://www.pymnts.com/">https://www.pymnts.com/</a>
9	Mastercard RTP Message <a href="https://www.mastercard.us/content/dam/mccom/en-us/business-payments/documents/real-time-payments-whitepaper-sept-2018.pdf">https://www.mastercard.us/content/dam/mccom/en-us/business-payments/documents/real-time-payments-whitepaper-sept-2018.pdf</a>
10	Paypal.com <a href="https://www.paypal.com/us/home">https://www.paypal.com/us/home</a>
11	Federal Reserve <a href="https://www.federalreserve.gov/">https://www.federalreserve.gov/</a>
12	Fedwire Funds Services <a href="https://www.frb services.org/financial-services/wires">https://www.frb services.org/financial-services/wires</a>
13	Federal Financial Institutions Examination Council <a href="https://www.ffiec.gov/">https://www.ffiec.gov/</a>
14	The Clearing House RTP System Operating Rules <a href="https://www.theclearinghouse.org/payment-systems/rtp/Rules-and-Legal-Framework">https://www.theclearinghouse.org/payment-systems/rtp/Rules-and-Legal-Framework</a>
15	FasterPaymentsPlaybook.org <a href="https://fasterpaymentsplaybook.org/">https://fasterpaymentsplaybook.org/</a>
16	Otava.com <a href="https://www.otava.com/">https://www.otava.com/</a>
17	<a href="https://fasterpaymentscouncil.org/blog/2756/Faster-Payments-Interoperability">https://fasterpaymentscouncil.org/blog/2756/Faster-Payments-Interoperability</a>
18	<a href="https://fasterpaymentscouncil.org/blog/1474/Faster-Payments-Playbook">https://fasterpaymentscouncil.org/blog/1474/Faster-Payments-Playbook</a>
19	Oxford English Dictionary <a href="https://www.oed.com/">https://www.oed.com/</a>
20	FDIC.gov <a href="https://www.fdic.gov/">https://www.fdic.gov/</a>
21	investopedia.com/terms <a href="https://www.investopedia.com/financial-term-dictionary-4769738">https://www.investopedia.com/financial-term-dictionary-4769738</a>
22	fincen.gov <a href="https://fincen.gov/">https://fincen.gov/</a>
23	15 US Code 6827; <a href="http://www.law.cornell.edu">www.law.cornell.edu</a>
24	ftc.gov <a href="https://www.ftc.gov/">https://www.ftc.gov/</a>
25	ISO 20022.org <a href="https://www.iso20022.org/">https://www.iso20022.org/</a>
26	Merriam-Webster Dictionary <a href="https://www.merriam-webster.com/">https://www.merriam-webster.com/</a>

27	swift.com <a href="https://www.swift.com/">https://www.swift.com/</a>
28	<a href="https://home.treasury.gov">home.treasury.gov</a> <a href="https://home.treasury.gov/">https://home.treasury.gov/</a>
29	legal.thomsonreuters.com <a href="https://legal.thomsonreuters.com/en">https://legal.thomsonreuters.com/en</a>
30	sec.gov <a href="https://www.sec.gov/">https://www.sec.gov/</a>
31	frbervices.org <a href="https://frbervices.org/">https://frbervices.org/</a>
32	<a href="https://bootcamp.cvn.columbia.edu/blog/what-is-fintech/">https://bootcamp.cvn.columbia.edu/blog/what-is-fintech/</a>
33	<a href="https://www.uniformlaws.org/acts/ucc">https://www.uniformlaws.org/acts/ucc</a>
34	<a href="https://www.upcounsel.com/uniform-commercial-code">https://www.upcounsel.com/uniform-commercial-code</a>