

CitiDirect[®] Recurring Payments Functionality

Frequently Asked Questions

1. Background to Recurring Payments Functionality (General Information)

1.1 What is the Recurring Payments functionality? It is a functionality that enables clients to enter a standing instruction one time to schedule recurring payments that are paid at regular intervals (e.g. 1st of every month). Clients no longer need to submit standing instructions for recurring payments through manual processes.

1.2 What is a standing instruction? A standing instruction is a schedule of recurring payment instructions and payment details. It is created when a customer logs in to the CitiDirect[®] platform and enters transaction details one time for a payment that is to be repeated at scheduled dates determined by the customer, e.g., the customer enters one standing instruction for a payment to be generated once a month for six months. In this example, the standing instruction is the original instruction containing payment details and the schedule. The resulting 6 payments are recurring payments.

1.3 What are recurring payments? Individual payments generated at set intervals from a standing instruction, e.g., a standing instruction generating one payment per month for 18 months will generate 18 recurring payments.

2. User Setup Questions

2.1 How do clients access the Recurring Payments functionality? The Recurring Payments functionality is accessible through the CitiDirect platform. For detailed instructions on using the functionality, clients should refer to the User Guide.

2.2 Can any current CitiDirect client use the Recurring Payments functionality? Client configuration must be enabled by a Citi security administrator to allow clients access to the Recurring Payments functionality. Please refer to the User Guide for step-by-step instructions on how to set up a client.

2.3 Can all the CitiDirect users entitled by a client use the functionality? Individual users within the client's organization must be entitled to use the functionality by the client's security administrator. Please refer to the User Guide for step-by-step instructions on entitling individual users to the Recurring Payments functionality.

3. Functional Questions

3.1 What payment methods can be initiated through standing instructions?

Clients can initiate Domestic, Cross Border electronic and select check payment forms using standing instructions. The exact payment methods that can be initiated vary from country to country. Please connect with your client relationship manager to confirm the domestic capabilities in your country.

3.2 How does the Transaction Reference Number relate to the Recurring Payments?

The transaction reference number field on the "Payment Details" screen is applied to the Standing Instruction and can be used to identify/search the standing instruction. It does not relate to individual Recurring Payments that are generated. The reference numbers for recurring payments are automatically generated by the system on every occurrence of the payment.

3.3 What if the payment value is different at each recurrence?

Recurring payments can be the same amount at each recurrence or they can vary at each recurrence. When entering a standing instruction, clients are required to fill in the field "Recurring Payment Amount Type" by selecting "Fixed" or "Variable." If the client selects "Fixed," they can choose for each recurring payment to require authorization or to be released without any additional authorization. If the client selects "Variable," they will be required to define a new authorization process, or to follow the usual authorization flow defined for the payment method. Each recurring payment in a "Variable" schedule will require payment amount input and will then follow the authorization process.

3.4 What scheduling options will clients have?

Clients can create schedules to make payments at specific times of day over daily, weekly or monthly frequencies. Under the weekly option, clients can select one or more days of the week. Under the monthly frequency, clients can select one or more dates of the month(s) selected, or can specify for payments to be made on the first or last business day of the month(s) selected.

3.5 What if one of the scheduled payments falls on a weekend or holiday?

Clients can choose for the payment date to automatically be moved to the previous business day, the next business day, or for the payment to be skipped. Clients also have the option of manually skipping the payment or changing the payment date when they input a new standing instruction.

3.6 How does the client know if a selected payment date has been moved because it occurs on a weekend or holiday?

If the payment date falls on a weekend or holiday, the CitiDirect platform will automatically move the value date to the previous or next available business day based on the option selected for Holiday Options. For such recurring payments, the column "Value date moved due to holiday" will be set as "Yes" on the "Recurring Payments schedule details window."

3.7 How far in advance must the recurring payments be scheduled?

Instructions for recurring payments must be entered one day before the first payment date. For example, if the first payment should be made on June 30th, the instructions must be entered by June 29th. When inputting a standing instruction, the Start Date of the instruction can be no longer than 30 days away. For example, if setting up a standing instruction of the CitiDirect platform on May 31st, the Start Date specified must be no later than June 30th.

3.8 What is the maximum duration of a Standing Instruction?

Standing Instructions can have a maximum tenure (period of time between Start Date and End Date) of 18 months. For instructions with longer durations, clients can utilize the Auto Roll over option that is available on the Standing Instruction Schedule Details screen. By selecting this option, the client's standing instruction will be automatically renewed on the date of the penultimate recurring payment. The renewed instructions will contain the same payment and schedule details as the original instruction. Instructions will continue to roll over until the Auto Roll Over End Date, which clients will be required to specify. The maximum Auto Roll Over Date available is 12/31/2099, and clients will receive an email notification every time an auto roll over is triggered.

3.9 What are the different statuses that a Standing Instruction can have?

Standing Instructions can have one of the following statuses:

- i. "Input" – the stage during which the instruction is being created
- ii. "Verification Required" - the stage during which verification is pending
- iii. "Authorization Required" – the stage during which authorization is pending
- iv. "SI Active" – the stage during which the instruction has successfully passed through the defined authorization flow and is active
- v. "SI Completed" – the stage after all the recurring payments for a standing instruction have been generated
- vi. "SI Cancelled" – occurs if the user chooses to cancel all recurring payments

3.10 What are the different statuses that a Recurring Payment can have?

Recurring payments can have one of the following statuses on the standing instructions schedule screen, as applicable:

- i. "Pending" – the stage during which the payment is yet to be initiated in the CitiDirect platform
- ii. "Initiated" – the payment has been initiated in the CitiDirect platform
- iii. "Skipped" – user has elected to skip the recurring payment
- iv. "Cancelled" – applies when the Standing Instruction is deleted

Once the recurring payment is initiated, the statuses applicable will follow current CitiDirect payment flow statuses.

3.11 Will the schedule of recurring payments expire?

During the creation of Standing Instructions, clients must select a Start Date and End Date between which the Recurring Payments must be initiated. The maximum schedule duration between the Start Date and End Date is currently 18 months. The Standing Instruction will expire by the specified End Date. Clients will have the option of copying previously submitted Standing Instructions and creating a new schedule.

3.12 Will the user be notified when a Standing Instruction schedule will expire?

Clients can choose to receive notifications that schedules are set to expire. If clients choose to receive notifications that payment schedules are set to expire, they are required to enter an email address when entering the standing instruction.

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| 3.13 Are there other notifications regarding payments and payment schedules that clients can choose to receive? | Clients can also choose to receive email notifications that recurring payments have successfully been initiated in the CitiDirect platform, and that a standing instruction has been cancelled. Clients can enter up to ten email addresses from the user maintained library to which such notifications will be sent. |
| 3.14 How can users see that a standing instruction has expired? | The status of the Standing Instruction will be changed from “SI Active” to “SI Complete.” |
| 3.15 Can standing instructions be created by manual input? | Clients may log in to the CitiDirect platform and enter standing instructions manually. Please refer to the User Guide for step-by-step instructions on entering standing instructions. |
| 3.16 Can clients upload a file of payments? | Currently, standing instructions may only be entered through the CitiDirect platform and not via a file upload process. |
| 3.17 Can clients use an existing preformat to create a standing instruction? | Yes, clients can initiate standing instructions using an existing preformat. |
| 3.18 What happens if payment details are entered incorrectly? | Payment details are entered when inputting a standing instruction. If the details are incorrect, CitiDirect validations will highlight the errors on submission. Please refer to the User Guide for step-by-step instructions on repairing standing instruction payment details. |
| 3.19 Can standing instructions that have already been entered be modified? | Modifications are allowed at any time until SI reaches “SI Active” status. For SI’s in “Active” status, modifications are allowed to payment details. However, limited modifications are allowed to schedule details such as value date of a recurring payment or skipping a recurring payment. |
| 3.20 What happens if the selected schedule calendar includes dates that are non-existent, such as February 30th? | When the selected frequency options include calendar dates that are non-existent, payments will not be scheduled on those dates. For example, if client uses the monthly frequency option and selects for payments to be made on the 30th of every month, no payment will be scheduled for February as the 30th of February is non-existent. In this scenario, clients should utilize the “Last Business Day” option that is available for monthly frequencies. Clients should ensure they review the recurring payments that will be scheduled in the “Recurring Payments Schedule Details” window. |
| 3.21 What happens if there are insufficient funds to cover a recurring payment? | Payments pending due to insufficient funds will follow current business-as-usual processes. In the case of a payment being rejected for insufficient funds, the client will have to initiate a new payment. |

3.22 What happens if the recurring payment misses the cutoff time?

The client's preference, as established in the client configuration, will be respected. Clients have the following two options when the recurring payment misses the cutoff: The payment is either rejected or the payment date is moved to the next-best value date.

3.23 Can a standing instruction be canceled?

Yes, standing instructions with the status "Active" can be canceled at any time by skipping all the pending payments. Standing Instructions with status "SI Completed" cannot be canceled as all payments have already been processed. Canceling a standing instruction will cancel all pending recurring payments only; recurring payments that have already occurred cannot be changed. For step-by-step instructions on how to cancel an SI, please refer to the user guide.

3.24 Can clients view a report showing all standing instructions and recurring payments?

Clients will have the option to view only recurring payments generated from Standing Instructions by selecting "Recurring Payment" as the value for the selection criteria "Creation Method." Clients can select "ALL" values within the selection criteria for "Creation Method" to view all payments regardless of whether they were one-off or generated from a standing instruction.

3.25 Can clients view a report of recurring payments that have already been made and recurring payments that have not yet been made?

Clients will be able to view reports of recurring payments made and upcoming, with subtotals for each. The recurring payments will be grouped according to their parent standing instruction.

3.26 Can clients view a report of recurring payments that are initiated from a specific Standing Instruction?

Yes, clients will be able to view reports of recurring payments made from specific Standing Instructions by entering the Standing Instruction name (as the value for the selection criteria "Standing Instruction Name"). The retention period for past transactions in these reports is the same as other CitiDirect reports, 18 months.