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APCA's Involvement in Payments Clearing

Australian Payments Clearing Association (APCA) was established in February 1992 to oversee and manage the development and operation of the Australian payments clearing system. Prior to the establishment of APCA, payments clearing had been managed through a variety of formal and informal agreements between participating financial institutions. The establishment of APCA was indicative of the growing recognition of the importance of payments clearing to the operation of the Australian financial system.

Payments clearing is the exchange of payment instructions for value between providers of payment services. Clearing is at the core of the payments system. Clearers provide the means for individuals and businesses to transfer value, one to the other, regardless of where particular accounts are held. Clearers accept throughout each day open-ended obligations drawn on like institutions, as a matter of course. A high level of mutual confidence is needed between clearers for the payments system to operate effectively.

Institutions, quite simply, would be unwilling to accept open-ended obligations drawn on institutions in which they did not have a very high degree of confidence. Without this mutual confidence between clearers the payments system could not operate effectively.

Under APCA, payments clearing arrangements have been structured into five parts. Each of these parts, or clearing systems as they are called, has a set of regulations and procedures setting out rules of participation. Each clearing system is managed by a committee of management reporting directly to APCA's board.

The five clearing systems are as follows:

- the Australian Paper Clearing System (APCS) for cheques, payment orders and other paper based payment instructions;
- the Bulk Electronic Clearing System (BECS) for recurring electronic debit and credit payment instructions;
- the Consumer Electronic Clearing System (CECS) for proprietary card based ATM and EFTPOS transactions;
- the High Value Clearing System (HVCS) for high value electronic payment instructions; and
- the Australian Cash Distribution Exchange System (ACDES) for the movement of notes and coins.

The APCS was established in December 1993; BECS in December 1994; HVCS in August 1997; CECS in December 2000 and ACDES in December 2001.

The [Regulations and Procedures](#) for each of APCA's clearing systems have the effect of a contract under seal between APCA and each participating member in that system, and between the participating members in that system.