



The Reversal Rule changes become effective June 30, 2021. The Rule explicitly addresses improper uses of reversals. It expands the permissible reasons for a reversal to include a "wrong date" error – 1) the reversal of a debit Entry that was for a date earlier than intended by the Originator, or 2) a credit Entry that was for a date later than intended by the Originator.

The Rule establishes formatting requirements for reversals beyond the current requirement to state 'REVERSAL' in the Company Entry Description field. These formatting requirements include:

- The Company ID, SEC Code, and Amount fields of the reversal must be identical to the original entry.
- The contents of other fields may be modified only to the extent necessary to facilitate proper processing of the reversal.
- This is the same approach as the formatting requirements for Reinitiated Entries.

In addition, the Rule explicitly permits an RDFI to return an improper Reversal using:

- R11 for consumer account with a 60-day return timeframe upon receiving a consumer claim;
- R17 for non-consumer accounts with a 2-day return timeframe; and
- An RDFI will be permitted to use R17 to return an improper Reversal that it identifies on its own (i.e., not based on customer contact) with a 2-day return timeframe.