

SUMMARY OF NEW MARCH 2026 RULES CHANGES:

RISK MANAGEMENT TOPICS – Company Entry Descriptions

These two Rule amendments on Company Entry Descriptions become effective on March 20, 2026 and are part of a larger Risk Management package intended to reduce the incidence of successful fraud attempts and improve the recovery of funds after frauds have occurred.

Details

Standardized uses of the Company Entry Description can help parties in the ACH Network identify, monitor and count the volume of payments for specific purposes; and can help manage risk.

Included in this portion of the Risk Management Rule amendments are two new defined Company Entry Descriptions PAYROLL and PURCHASE.

Technical

Effective date of March 20, 2026 for both amendments

These are “no later than” dates, Originators may begin using the descriptions as soon as practical.

Standard Company Entry Description – PAYROLL

This rule establishes a new standard description for PPD Credits for payment of wages, salaries and similar types of compensation. The Company Entry Description field must contain the description PAYROLL.

- RDFIs that monitor inbound ACH credits will have better information regarding new or multiple payroll payments to an account.
- A standard description for payroll payments can help support RDFI logic to provide or suppress early funds availability.
- The amendment is intended to reduce the incidence of fraud involving payroll redirections.

Standard Company Entry Description – PURCHASE

This amendment establishes a new standard description for e-commerce purchases; the Company Entry Description field must contain the description PURCHASE.

Language for the definition of e-commerce purchases:

- “For this purpose, an e-commerce purchase is a debit Entry authorized by a consumer Receiver for the online purchase of goods, including recurring purchases first authorized online. An e-commerce purchase uses the WEB debit SEC Code, except as permitted by the rule on Standing Authorization to use the PPD or TEL debit SEC Code.”

Language has also been added to disclaim obligation on the part of ODFIs to “police” Originators’ correct use

- “The ODFI has no obligation to verify the presence or accuracy of the word “PURCHASE” as a description of purpose.”

Impact

Standard Company Entry Descriptions

Effective date of March 20, 2026 for both amendments

- All standard Company Entry Descriptions in this set of Rule amendments are proposed to become effective on the same date.

- These are “no later than” dates, Originators may begin using the descriptions as soon as practical.

Anticipated Benefits

- Improved, targeted risk mitigations and tools may be utilized as participants are able to better identify certain purposes of transactions.
- For payroll, can help support RDFI transaction monitoring and logic regarding funds availability.
- For e-commerce purchases, enables identification of such transactions.
- Standardized use of data can help parties manage risk and improve ACH quality.

Potential Impacts

- Originators/Third-Party Service Providers/ODFIs of these types of transactions will need to update their systems to utilize the required Company Entry Description(s).
- RDFIs may choose to take advantage of intelligence enabled by new descriptors, but they would not be required to act as a result of these descriptions.