Vitesse

FCP Returns Credit Processing in ARCS Guide

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Purpose

This guide describes the end-to-end process for Returns Credit Processing in ARCS. It is intended for users responsible for managing credit entries related to returns. It explains how automatic Returns Credit Processing in ARCS incorporates returns into the existing ARCS top-up process, removing the need for Managing Agents to manually transfer returned credits from the Funding Account to the Trust Account.

System

Vitesse Merchant Administration System (MAS)

Overview

The Returns Credit Processing in ARCS feature nets off future pull values by the value of returned funds that are categorised as ***Liquidity Push*** or ***Refund of Payment***. Netting will only be applied when the **total ARCS Pull value** is greater than the value of any **individual returned credit** to be deducted (i.e. *Sum of Liquidity Pulls > individual Liquidity Push or Refund of Payment*).

This logic is applied at **syndicate** and **year of account** level.

Key Benefits

- Ensures returned balances are systematically considered in ARCS Pull calculations.
- Reduces manual processing effort and operational risk for Managing Agents by removing the need to manually transfer returned credits.
- Provides a clear, auditable trail of how returned credits are applied within ARCS.
- Prevents excess balances from being held in Funding Accounts.
- Improves the reconciliation process.

Returns Credit Processing Guidelines

Opt-in and Opt-out

- **Existing Funding Accounts**
    - Funding Accounts that were open prior to this feature's release will be **automatically opted in** to Returns Credit Processing.

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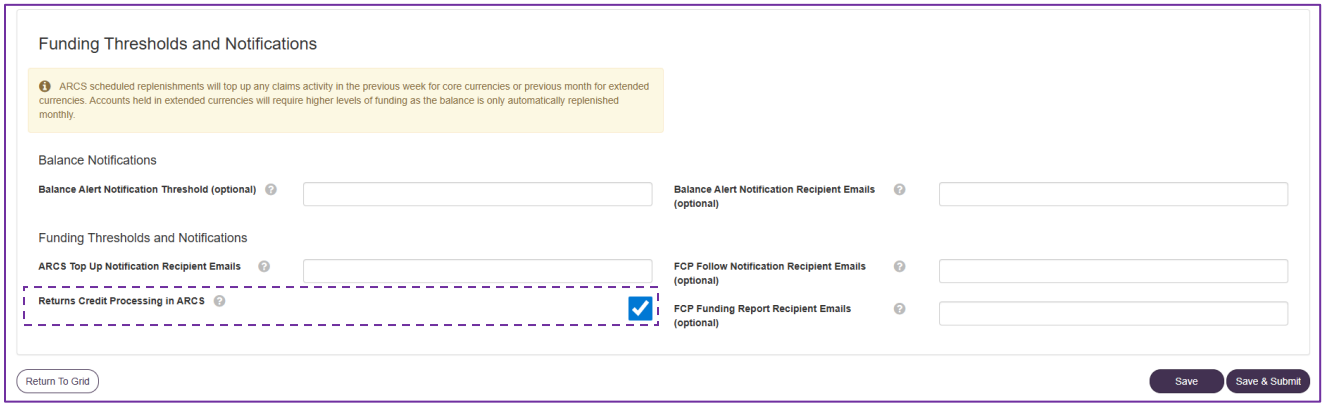
- All existing retuned credits on the account prior to the release date must be **manually transferred** back to the Trust account. These historical returned credits will **not** be considered in ARCS Pull netting.

- **New Funding Accounts**
  - For new Funding Accounts, untick the Returns Credit Processing in ARCS checkbox on the Funding Account Application form in MAS to **opt out**.



Note: Users can update their opt-in preference for Returns Credit Processing at any time. To update the preference for your Funding Account, please email FCPSupport@vitessepsp.com or contact your Relationship Manager.

⚠️ **Important:** Changes to your opt-in status for Returns Credit Processing will impact reconciliations.

What it means to be Opted in

- Credits returned to your Funding Account and categorised as **Liquidity Push** or **Refund of Payment** will be **automatically considered** when ARCS requests a top-up.
- Credit values will **only be netted off** when the value of an individual returned credit is less than the required ARCS Pull amount.
- If the **FCP Funding Account Returns Report** is used for accounts that are opted in to Returns Credit Processing in ARCS, the report will display a note confirming that the account is opted in. Individual Returns will not be shown.
- To identify older returns after you opt-in, use the **FCP Funding Report** to locate historic returns and then process them as a single payment.

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What is means to be Opted out

- Returned credits are **not automatically processed** via ARCS.
- The **FCP Funding Account Returns Report can be used** for opted-out Funding Accounts.
- The **FCP Funding Account Returns Report** enables MAs to:
    - Track returned credits for a selected time period by creating a report in the batch payments format.
    - Use the exported file to make payments via **batch payments** or manually complete payments using **single payments**.
- If a **previously opted in account is subsequently opted out** of Returns Credit Processing in ARCS, only returns from the point of opt-out onwards will be visible in the FCP Funding Account Returns report (with the required detail). We do this to avoid duplication, as we cannot guarantee whether earlier entries have already been manually returned.

If you are **currently opted in** and **then opt out**, all queued returns will be **removed** from those considered for netting in ARCS. These funds will not be automatically processed and must be **returned manually**. Use the **FCP Funding Report** to locate these returns.

If you subsequently **opt back in**, only returns from the **date you re-opt in onwards** will be considered for automatic processing in ARCS.

For guidance on using this report, see the LIMOSS Academy training module for the **FCP Funding Account Returns Report**.

Identify transactions used in the ARCS process

1. Log in to **MAS**
2. Go to **Accounts**
3. Locate and select the relevant **Account**
4. Open the **Transactions** tab to view all transactions for that account

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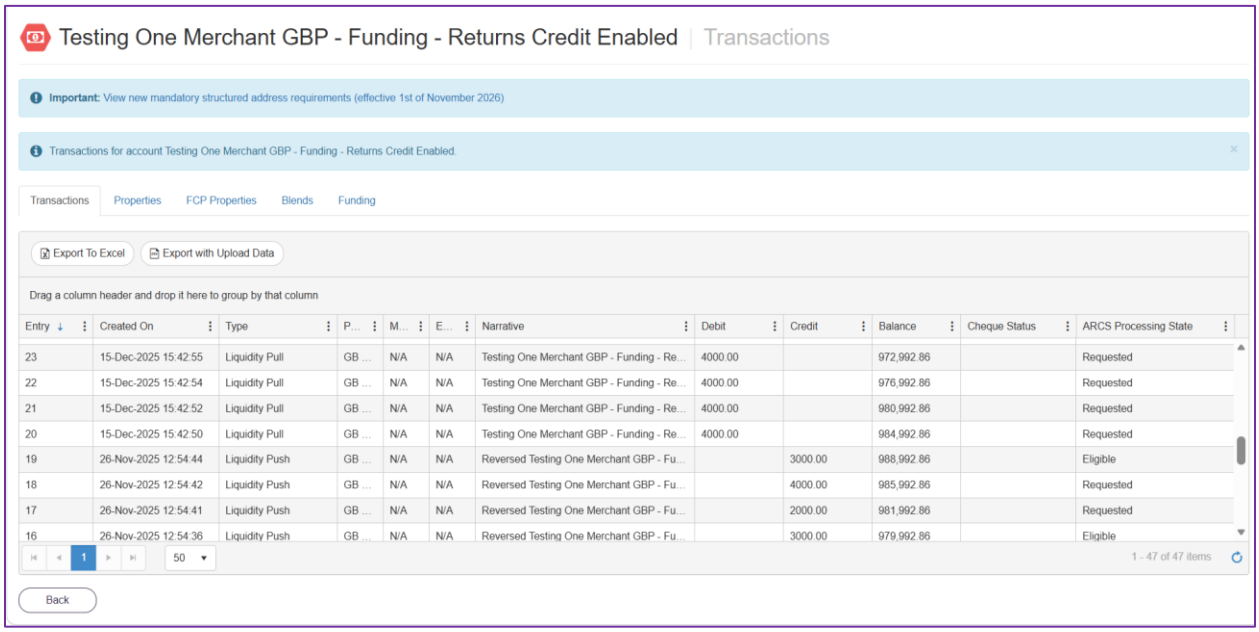

The **ARCS Processing State** field indicates which transactions have been included in a funding request.

Scenario	Liquidity Push	Refund of Payment
Opted in to Returns Credit Processing	Eligible / Requested / Completed	Eligible / Requested / Completed
Opted out of Returns Credit Processing	Ineligible	Ineligible
Entries posted prior to Returns Credit Processing being enabled	Ineligible	Ineligible
Manual journal entries (recoveries)	Ineligible	Ineligible

- **Eligible** = Returns are eligible to be considered for netting, but will only be netted off when the value of the individual returned credit is less than the required ARCS Pull amount. Transactions will initially display **Eligible**, and will update to **Requested** when the funding request file has been created. The transactions will then display as **Completed** once they have been netted off.
- **Ineligible** = Returns that will never be considered for automatic ARCS processing, either because the account was **opted out** at the time, or the entries are manual journal entries (recoveries), or the entries were created before Returns Credit Processing was enabled.

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Note: Liquidity Pull entries will always initially be marked as **Eligible**. Once they are used in a funding request, they will be updated to **Requested** and then **Completed.**

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Frequently Asked Questions

Q. Can I view the Return Credit Processing status for a Funding Account?

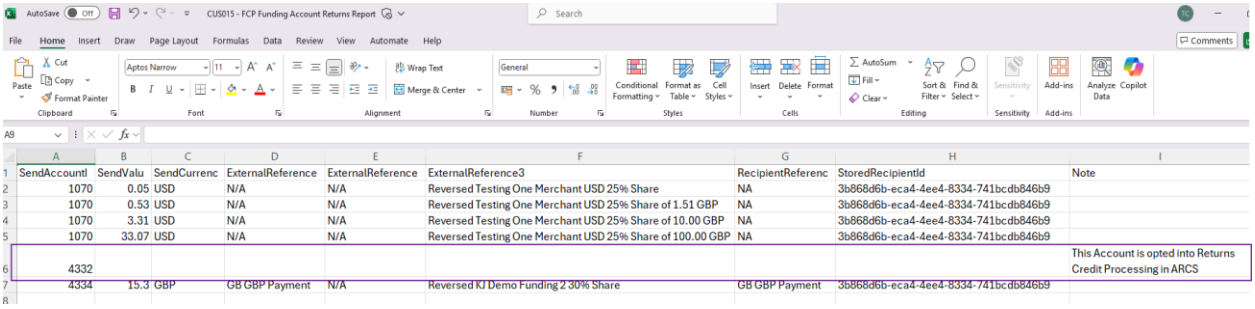
A. Yes. The status is displayed on the **FCP Properties** page for the Funding Account.

Q. How do I know if credits were considered as part of a funding request?

A. The notification sent to the Managing Agent when funding has been requested will indicate whether returned credits (refunds) were applied as part of this replenishment request. You can view more details on the returns applied in the Transactions table in MAS.

Q. Can I still use the FCP Funding Account Returns Report to obtain a list of returns to a Funding account when opted in to Automatic Returns Credit Processing?

A. No. If the Funding account is opted in, the FCP Funding Account Returns Report cannot be used. When you attempt to run the report, it will include a note stating that "The Account is opted into Returns Credit Processing in ARCS", so returns are not available via this report.



	A	B	C	D	E	F	G	H	I
1	SendAccountI	SendValu	SendCurrenc	ExternalReference	ExternalReference	ExternalReference3	RecipientReferenc	StoredRecipientId	Note
2	1070	0.05	USD	N/A	N/A	Reversed Testing One Merchant USD 25% Share	NA	3b868d6b-eca4-4ee4-8334-741bcdb846b9	
3	1070	0.53	USD	N/A	N/A	Reversed Testing One Merchant USD 25% Share of 1.51 GBP	NA	3b868d6b-eca4-4ee4-8334-741bcdb846b9	
4	1070	3.31	USD	N/A	N/A	Reversed Testing One Merchant USD 25% Share of 10.00 GBP	NA	3b868d6b-eca4-4ee4-8334-741bcdb846b9	
5	1070	33.07	USD	N/A	N/A	Reversed Testing One Merchant USD 25% Share of 100.00 GBP	NA	3b868d6b-eca4-4ee4-8334-741bcdb846b9	
6	4332								This Account is opted into Returns Credit Processing in ARCS
7	4334	15.3	GBP	GB GBP Payment	N/A	Reversed KJ Demo Funding 2 30% Share	GB GBP Payment	3b868d6b-eca4-4ee4-8334-741bcdb846b9	

Q. Will manual journal entries (recoveries) be considered in the automatic returns credit process if the Funding Account is opted in?

A. No, manual entries will not be included in the automatic returns credit process. These transactions must be manually returned to the Trust account using the single or batch payment feature. Manual journal entries will be marked as ineligible in the Transactions table. Use the **FCP Funding Report** to locate these returns.

Support

If you need additional help or have suggestions for future enhancements, please contact the FCP support team at FCPSupport@vitessepsp.com or your Relationship Manager.

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