



# FIRSTRAND COLLECTIONS TERMS OF USE



# Contents

<b>GENERAL APPLICATION</b> .....	6
<b>1 Introduction</b> .....	6
<b>2 Glossary</b> .....	6
<b>3 Definitions</b> .....	7
<b>4 Third Party Payment Provider (TPPP) and/or System Operator (SO)</b> .....	9
<b>5 Amendment</b> .....	9
<b>6 Breach</b> .....	9
<b>7 Indemnity</b> .....	10
<b>8 Confidentiality</b> .....	11
<b>9 General</b> .....	11
<b>APPENDIX A - ELECTRONIC FUNDS TRANSFER (EFT) DEBIT</b> .....	12
<b>1 Glossary</b> .....	12
<b>2 Definitions</b> .....	12
<b>3 Qualifying Criteria</b> .....	15
<b>4 General Payment Instruction Standards</b> .....	15
<b>5 Payment Instructions eligible for clearing</b> .....	15
<b>6 Payment Instructions not eligible for clearing</b> .....	16
<b>7 Mandate Initiation</b> .....	16
<b>8 Mandate Amendment</b> .....	17
<b>9 Mandate Retention</b> .....	17
<b>10 Cancellation of Mandates</b> .....	17
<b>11 Disputed Authority for Payment Instructions</b> .....	17
<b>12 Abbreviated Short Name</b> .....	18
<b>13 Stop Payments</b> .....	18
<b>14 Returns and Unpaid</b> .....	19
<b>15 Presentment and Re-presentment</b> .....	19
<b>16 Recalls</b> .....	19
<b>17 Reversals</b> .....	20



18	<b>System Errors</b> .....	20
19	<b>Item Limit</b> .....	20
20	<b>Cession and/or Assignment</b> .....	21
21	<b>Management of Ratios</b> .....	21
22	<b>Fraud</b> .....	21
A1	<b>EFT Unpaid Response and Dispute Return Reason Codes</b> .....	23
A2	<b>EFT DR Authority/Mandate Specimen: Paper/Electronic</b> .....	25
A3	<b>EFT DR Authority/Mandate: Voice recorded</b> .....	28
A4	<b>Standard for Voice Recorded Mandate/Authority</b> .....	30
A5	<b>Minimum Requirements for Confirmation to Payer</b> .....	32
A6	<b>Minimum Requirements for Notification of Cession/Assignment</b> .....	32
	<b>APPENDIX B - NAEDO</b> .....	34
1	<b>Glossary</b> .....	34
2	<b>Definitions</b> .....	34
3	<b>Qualifying Criteria</b> .....	37
4	<b>Payment Instructions eligible for clearing</b> .....	38
5	<b>Payment Instructions that are not eligible for clearing</b> .....	38
6	<b>Mandate Initiation</b> .....	38
7	<b>Mandate Amendment</b> .....	39
8	<b>Mandate Retention</b> .....	39
9	<b>Cancellation of Mandates</b> .....	39
10	<b>Credit Tracking</b> .....	39
11	<b>Disputed Authority for Payment Instructions</b> .....	40
12	<b>Abbreviated Short Name</b> .....	40
13	<b>Stop Payments</b> .....	40
14	<b>Returned Debit Payment Instructions</b> .....	41
15	<b>Presentment and Re-presentment</b> .....	41
16	<b>Recalls</b> .....	41
17	<b>Reversals</b> .....	42
18	<b>Item Limit</b> .....	42
19	<b>Cession and/or Assignment</b> .....	42
20	<b>Management of Ratios</b> .....	43
21	<b>Fraud</b> .....	43



<b>B1 - Unpaid Response and Dispute Return Reason Codes</b> .....	45
<b>B2 – NAEDO Authority/Mandate Specimen: Paper/Electronic</b> .....	47
<b>B3 – NAEDO Mandate/Authority specimen: Voice recorded</b> .....	50
<b>B4 - Standard for Voice Recorded Mandate/Authority</b> .....	51
<b>B5 – Minimum Requirements for Confirmation to Payer</b> .....	53
<b>B6 – Minimum Requirements for Notification of Cession/Assignment</b> .....	53
<b>APPENDIX C - DEBICHECK</b> .....	55
<b>1 Glossary</b> .....	55
<b>2 Definitions</b> .....	55
<b>3 Qualifying Criteria</b> .....	60
<b>4 Payment Instructions eligible for processing</b> .....	61
<b>5 Mandate Initiation</b> .....	61
<b>6 Mandate Amendment</b> .....	62
<b>7 Mandate Retention</b> .....	63
<b>8 Mandate Information</b> .....	63
<b>9 Cancellation of Mandate Information</b> .....	63
<b>10 Credit Tracking</b> .....	63
<b>11 Disputed Authority for Payment Instructions</b> .....	64
<b>12 Returned Payment Instructions</b> .....	64
<b>13 Recalls</b> .....	65
<b>14 System Errors</b> .....	65
<b>15 Abbreviated Short Name</b> .....	65
<b>16 Mandate Suspension</b> .....	65
<b>17 Presentment and Re-Presentment</b> .....	66
<b>18 Item Limit</b> .....	67
<b>19 Cession and/or Assignment</b> .....	67
<b>20 Change of Sponsoring Bank and/or TPPP</b> .....	68
<b>21 Fraud</b> .....	69
<b>C1 - MIGRATED NAEDO</b> .....	70
<b>1 Mandate Initiation</b> .....	70
<b>2 Mandate Amendment</b> .....	70
<b>3 Disputed Authority for Payment Instruction</b> .....	70
<b>4 Item Limit</b> .....	70



<b>C2 - REGISTERED MANDATE SERVICE</b> .....	<b>71</b>
<b>1 Mandate Initiation</b> .....	<b>71</b>
<b>2 Mandate Amendment</b> .....	<b>71</b>
<b>3 Disputed Authority for Payment Instruction</b> .....	<b>71</b>
<b>4 Losses</b> .....	<b>71</b>
<b>C3 – Mandate Information</b> .....	<b>73</b>
<b>C4 – Dispute Return Reason Codes</b> .....	<b>75</b>
<b>C5 - Mandate Amendment Requirements</b> .....	<b>76</b>
<b>C6 - Allowable Presentment Combinations</b> .....	<b>77</b>
<b>C7 – Mandate Information</b> .....	<b>78</b>



# GENERAL APPLICATION

## 1 Introduction

- 1.1 These Terms of Use will govern the use of the Electronic Funds Transfer (EFT) Payment Systems for recurring payments which includes the following transaction types:
- **EFT Debit** as set out in **Appendix A**;
  - Non-Authenticated Early Debit Order (**NAEDO**) as set out in **Appendix B**; and
  - **DebiCheck** (including **Migrated NAEDO** and **Registered Mandate Service**) as set out in **Appendix C**;
- 1.2 This Terms of Use further regulates the sponsoring relationship between FirstRand Limited as Sponsoring Bank (hereafter referred to as FRB and/or the Bank) and the payment originator (hereafter referred to as the User).

## 2 Glossary

The following abbreviations are used in this Terms of Use:

ABBREVIATION	CLARIFICATION
DR	Debit
CR	Credit
EFT	Electronic Funds Transfer
NAEDO	Non Authenticated Early Debit Order
NPS	National Payment System
NPS Act	National Payment System Act 78 of 1998
NPSD	National Payment System Department
PASA	Payments Association of South Africa
PCH	Payment Clearing House
PSO	PCH System Operator
SARB	South African Reserve Bank
SO	System Operator
TPPP	Third Party Payment Provider



### 3 Definitions

3.1 All of the listed terms will have the meanings assigned to them and similar expressions will have corresponding meanings. Unless otherwise indicated:

- Any one gender includes the other and are neutral;
- The singular includes the plural and vice versa;
- Capitalised words have a special meaning in lieu of their dictionary meaning. These terms are defined in this clause.
- Bold type is used for visual emphasis.
- Reference to other documents is in italics.

3.2 The following terms will have the meanings assigned to them and cognate expressions will have corresponding meanings, namely:

TERM	DEFINITION
<b>Abbreviated Short Name</b>	A 10-character description of the Ultimate Creditor's name, which must be included in the Mandate, Mandate Register and in the Payment Instruction.
<b>Action Date</b>	The date which is stated in the Payment Instruction as the date upon which the Payment Instruction is to be presented by the User for payment against the Payer's Bank Account.
<b>Bank</b>	A financial institution actively providing products and services commensurate with that of a 'Bank' as defined in the Banks Act, 1990. The term 'Bank' will also include any 'Designated Clearing System Banks' as defined by the NPS Act, 1998.
<b>Bank Account</b>	This means a bank account held at a Bank which can be debited or credited as a result of a Payment Instruction.
<b>Bank Table</b>	The consolidated bank table which provides Users with a means to verify specific data of the applicable Banks prior to the submission of Payment Instructions.
<b>Client Confidentiality</b>	This is the principle that an institution or individual should not reveal information about their account holders to a third party without the consent of the account holder or a clear legal reason as provided for and/or dictated by any applicable law and/or regulation.
<b>Collections</b>	This means a mandated Payment Instruction from the User to its Sponsoring Bank, presented in the form of an electronic record, to collect money from a Payer's Bank Account using the EFT/ NAEDO/DebiCheck Payment Stream.
<b>DebiCheck</b>	A debit order that is electronically confirmed by the Payer with the Paying Bank.



<b>Frequency</b>	The regularity of the Payment Instruction namely: Weekly, Fortnightly, Monthly, Quarterly, Bi-annually, Annually.
<b>Mandate</b>	The written, verbal, or electronic authority given by the Payer to the Ultimate Creditor, allowing the Ultimate Creditor/User to debit the Payer's Bank Account or to initiate a Payment Instruction against the Payer's Bank Account.
<b>Nominated Account</b>	Means a current account in the User's name held by the Sponsoring Bank for the specific (but not necessarily exclusive) purpose of transacting/posting entries connected with Collection services.
<b>Payer</b>	A legal person (natural and/or juristic) who holds a Bank Account at the Paying Bank.
<b>Paying Bank</b>	The Bank with whom the Payer holds a Bank Account.
<b>Payment Clearing House (PCH)</b>	An arrangement between two or more clearing system participants and SARB settlement system participants, excluding a designated settlement system operator, governing the clearing, or netting of Payment Instructions between those clearing system participants and SARB settlement system participants;
<b>Payment Cycle</b>	A time period determined by the Action Date and relating to the start and end of the Frequency.
<b>Payment Instruction / Transaction / Item</b>	An instruction to a Bank to transfer funds (make a payment) (CR Payment Instruction) or to collect funds (collect a payment) (DR Payment Instruction).
<b>Payment System</b>	A system that enables: the transfer of Mandate Information; payments to be affected; the circulation of money; and includes any instruments such as notes and coins, paper and electronic Payment Instructions, and procedures that relate to the system.
<b>Payment Stream</b>	A Payment Stream refers to the types of service available to the User (EFT/NAEDO/DebiCheck) to process Collections as defined by its own characteristics and terms.
<b>PCH System Operator</b>	A person(s) appointed by each Bank to provide payment clearing processing services on behalf of such Bank in the PCH, which appointment is subject to the authorisation of PASA.
<b>Registered Mandate</b>	Registration of Mandate Information at the Paying Bank that has not been Authorised by the Payer, and which is therefore not registered as DebiCheck, due to no response being received from the Payer.
<b>Sort at Source</b>	Where Users sort each Bank's Payment Instructions and submit those directly to each Bank, where the proceeds of such Payment Instructions are credited to the User's Nominated Account.
<b>Sponsoring Bank</b>	The Bank that sponsors the User.





<b>System Operator</b>	Means a person appointed by a User who provides services to two or more persons in respect of Payment Instructions, which appointment is subject to the authorisation of PASA.
<b>TPPP (Third Party Payment Provider)</b>	A Third Party Payment Provider as contemplated in section 7(c) of the NPS Act, who collects payments on behalf of the Ultimate Creditor.
<b>Ultimate Creditor</b>	The person to whom the Payer has given the Mandate.
<b>User</b>	The person (Ultimate Creditor or TPPP collecting on behalf of the Ultimate Creditor) sponsored by FRB, as the Sponsoring Bank, including an Ultimate Creditor that may or may not have a direct relationship with FRB.

## 4 Third Party Payment Provider (TPPP) and/or System Operator (SO)

If a prospective User wishes to operate as a Third Party Payment Provider (TPPP) and/or System Operator (SO), the User must:

- 4.1 Comply with all applicable law and regulations including directives issued by the SARB NPSD and/or PASA.
- 4.2 Be registered as a TPPP and/or SO with the PASA.
- 4.3 If the User is not registered as a TPPP with PASA, FRB will assist with the application prior to the User being allowed to submit Payment Instructions.
- 4.4 Application for an SO must be made with PASA directly however the SO must also contract separately with FRB in respect of interface services required from FRB in order to perform its services as an SO.
- 4.5 Comply with the standards and terms as set out in this Terms of Use.
- 4.6 Ensure that a service level agreement is concluded between the TPPP and/or SO and its Users and ensure that such agreement binds its Users to this Terms of Use.
- 4.7 Have an Abbreviated Short Name for each User that it processes on behalf of.
- 4.8 Ensure that Payment Instructions are not masked.
- 4.9 The User may not Sort at Source.
- 4.10 Be able to stop services to a User immediately on instruction received from FRB.

## 5 Amendment

- 5.1 FRB may amend these Terms of Use from time to time, at which time FRB will ensure the User receives the updated Terms of Use.
- 5.2 If the amendment is not understood in whole or part, it is the User's responsibility to approach their FRB representative to gain clarity.

## 6 Breach

- 6.1 Users must ensure compliance with:
  - 6.1.1 all terms as provided for in this Terms of Use; and



- 6.1.2 all applicable law and regulations including directives issued from time to time by the SARB NPSD and/or any other supervisory body;
- 6.2 Should the User breach any term contained herein and/or introduce risk to the National Payment System as defined by FRB and/or an appropriate supervisory body, such breach and/or risk imposed may result in:
  - 6.2.1 immediate suspension of the User in respect of its sponsoring relationship with FRB;
  - 6.2.2 penalties being levied against the User (including any penalties being levied against FRB as a result of the User's breach of this Terms of Use) for which the User will be liable;
  - 6.2.3 termination of the sponsoring relationship with FRB; and/or
  - 6.2.4 reversal of Payment Instructions;
- 6.3 The remediation of the User in respect of any breach or risk is at FRB's sole discretion.

## 7 Indemnity

- 7.1 Adjustments by a regulator/supervisory body
  - 7.1.1 The User indemnifies and holds FRB harmless against all adjustments, fines and/or penalties imposed upon FRB arising out of or relating to any act or omission of the User (including any breach by the User of the provisions of this Terms of Use).
  - 7.1.2 Where the User is partially responsible for the adjustment, fine and/or penalty, the User will be liable for a pro rata share of such adjustment, fine and/or penalty.
  - 7.1.3 FRB will notify the User of the adjustments, fines and/or penalties and the reasons therefore prior to imposing the adjustments, fines and/or penalties on the User.
- 7.2 Third Party Claims
  - 7.2.1 The User indemnifies and holds FRB harmless against all direct, indirect and/or inconsequential losses, liabilities, costs, expenses, fines, penalties, damages, special damages and claims which will include (without limitation) third party claims, and all related costs and expenses (including legal fees on the scale as between attorney and client, tracing and collection charges, costs of investigation, interest and penalties) (hereafter referred to as "Losses") arising out of any infringement or alleged infringement by FRB of any rights of any third party attributable to the provisions in this Terms of Use, or any part thereof.
  - 7.2.2 The User also indemnifies the Bank against any Losses, arising out of the Consumer Protection Act, which arise out of the provision of any services to the User.
  - 7.2.3 FRB will as soon as possible notify the User, in writing, of any proceedings instituted by a third party against FRB about any alleged infringement referred to in clause 7.2.1 and/or 7.2.2. Any delay by FRB in giving the notice will not limit the User's obligations under these Terms of Use except for any losses suffered due to the delay.
  - 7.2.4 The User will, at its expense, defend any action instituted by a third party against FRB, and will be obliged to apply to be joined as a defendant in terms of the rules of the High Court. FRB



will, at the User's expense, assist it, by providing the User with reasonable information as may be required so that it may defend any proceedings instituted against it.

7.2.5 The User will hold FRB harmless against all Losses arising out of the User's failure to comply or satisfy the provisions in this Terms of Use;

7.3 The User's obligation to indemnify FRB will survive the termination of the sponsoring relationship.

## 8 Confidentiality

8.1 FRB accepts the principles of Client Confidentiality.

8.2 User's and Payer's personal information is kept private and confidential even when a User and/or Payer is no longer sponsored or a customer of FRB.

8.3 Mandate Information can only be used for the purpose for which it is intended.

8.4 FRB is obligated to share the User's information upon request:

**9** as received from another Bank to trace a Payment Instruction;

**10** as received from a Paying Bank pursuant to a request by the Payer;

**11** in respect of any defined process followed by FRB as set out in this Terms of Use;

11.1 FRB is obligated to also share the User's information to any appropriate supervisory body where required.

11.2 FRB is obligated to share the information contained in a Mandate and any other data elements as provided by the User to the Payer and/or the Paying Bank, on request.

## 12 General

12.1 FRB will not become involved in dispute resolution between the User and the Payer other than the dispute process as described in this Terms of Use.

12.2 The User may not switch between Payment System transaction types in order to circumvent any obligations placed on Users utilizing any particular Payment System. For instance, where a User is using the EFT Debit Payment System, the User may not switch between EFT Debit and another Payment System transaction type, for instance DebiCheck, to circumvent any obligation placed on the User utilising the EFT Debit Payment System.

12.3 Furthermore, the User may not switch between Payment Systems in a Payment Cycle.

12.4 Where the User does switch Payment Instructions between Payment Systems in different and separate Payment Cycles, the User must ensure prior to presentment that the Mandate in terms of which the Payment Instruction will be presented meets the minimum requirements for the applicable Payment System.

12.5 The User must ensure that the latest Bank Table is implemented into their business systems.

12.6 The User may not Sort at Source.



# APPENDIX A - ELECTRONIC FUNDS TRANSFER (EFT) DEBIT

## 1 Glossary

The following abbreviations are used in this Appendix:

ABBREVIATION	CLARIFICATION
DR	Debit
CR	Credit
EDO	Early Debit Order
EFT	Electronic Funds Transfer
NPS	National Payment System
NPS Act	National Payment System Act 78 of 1998
PASA	Payments Association of South Africa
PCH	Payment Clearing House
PSO	PCH System Operator
SARB	South African Reserve Bank
SO	System Operator
STP	Straight Through Processing
TPPP	Third Party Payment Provider

## 2 Definitions

12.7 All of the listed terms will have the meanings assigned to them and similar expressions will have corresponding meanings. Unless otherwise indicated:

- Any one gender includes the other and are neutral;
- The singular includes the plural and vice versa;
- Capitalised words have a special meaning in lieu of their dictionary meaning. These terms are defined in this clause.
- Bold type is used for visual emphasis.
- Reference to other documents is in italics.

12.8 The following terms will have the meanings assigned to them and cognate expressions will have corresponding meanings, namely:

TERM	DEFINITION
------	------------



<b>Abbreviated Short Name</b>	A mandatory field within the Mandate and Payment Instruction reflecting the name of the Ultimate Creditor/User and not exceeding 10 digit characters.
<b>Action Date</b>	The date which is stated in the Payment Instruction as the date upon which the Payment Instruction is to be presented by the User for payment against the Payer's Bank Account.
<b>Alleged Fraud</b>	Any claim made with regards to a transaction or potential transaction allegedly intended to defraud or deceive the Banks, User or Payers.
<b>Bank</b>	A financial institution actively providing products and services commensurate with that of a 'Bank' as defined in the Banks Act, 1990. The term 'Bank' will also include any 'Designated Clearing System Banks' as defined by the NPS Act, 1998.
<b>Bank Account</b>	This means a bank account held at a Bank which can be debited or credited as a result of a Payment Instruction.
<b>Business Days</b>	Every day of the week, excluding Saturdays, Sundays, and Public Holidays.
<b>Calendar Days</b>	Every day of the week including Saturdays, Sundays, and Public Holidays.
<b>Contract/Agreement</b>	The contractual arrangement (including, but not limited to, any loan or sales agreement) concluded between a Payer and an Ultimate Creditor.
<b>Contract/Agreement Reference</b>	The unique reference used by the Ultimate Creditor and the Payer to identify the Contract concluded between them.
<b>Dispute Ratio</b>	The total monthly disputed Payment Instructions as a percentage of the total successful monthly input.
<b>Early Window</b>	The period within which certain prioritised Payment Instructions such as DebiCheck, are processed directly after bulk credits.
<b>Fraud</b>	Deliberate deception to unlawfully gain access or potential access to money in a Bank Account of a Bank, User or Payer (a proven outcome after an investigation into alleged fraud has been conducted).
<b>Fraudulent Transaction</b>	This means any alleged fraudulent transaction intended to defraud or deceive the Bank, User or Payers.
<b>Frequency</b>	The regularity of the Payment Instruction, namely: Weekly, Fortnightly, Monthly, Bi-monthly, Quarterly, Bi-annually, Annually.
<b>Item limit</b>	The maximum monetary value of a single transaction that may be submitted by a User as defined by the applicable PCH.
<b>Late Recall</b>	Late Recall means a request by the User to withdraw a Payment Instruction where the PSO processing window is closed, and the request may not be processed as a Recall.
<b>Mandate</b>	The written, verbal, or electronic authority given by the Payer to the Ultimate Creditor, allowing the Ultimate Creditor/User to debit the Payer's Bank Account or to initiate a payment instruction against the Payer's Bank Account.



<b>Nominated Account</b>	Means a current account in the User's name held by the Sponsoring Bank for the specific (but not necessarily exclusive) purpose of transacting/posting entries connected with Collection services.
<b>Payer</b>	A legal person (natural and/or juristic) who holds a Bank Account at the Paying Bank.
<b>Paying Bank</b>	The Bank with whom the Payer holds a Bank Account.
<b>Payment Cycle</b>	A time period determined by the Action Date and relating to the start and end of the Frequency.
<b>Payment Instruction / Transaction / Item</b>	An instruction to a Bank to transfer funds (make a payment) (CR Payment Instruction) or to collect funds (collect a payment) (DR Payment Instruction).
<b>Payment System</b>	A system that enables: the transfer of Mandate Information; payments to be affected; the circulation of money; and includes any instruments such as notes and coins, paper and electronic Payment Instructions, and procedures that relate to the system.
<b>PCH System Operator (PSO)</b>	A person(s) appointed by each Bank to provide payment clearing processing services on behalf of such Bank in the PCH, which appointment is subject to the authorisation of PASA.
<b>Payment Clearing House (PCH)</b>	An arrangement between two or more clearing system participants and SARB settlement system participants, excluding a designated settlement system operator, governing the clearing, or netting, of Payment Instructions between those clearing system participants and SARB settlement system participants;
<b>Processing Days</b>	Means Monday to Saturday (excluding Public Holidays) for 6-day processing Banks; and Monday to Sunday (including Public Holidays) for 7-day processing Banks.
<b>Public Holidays</b>	A Public Holiday as determined by the Public Holidays Act 36 of 1994. This means non-Business Days which are not valid Action Dates.
<b>Recall</b>	A Recall means a request by a User to its Sponsoring Bank to withdraw a Payment Instruction not yet posted to the Bank Account of the Payer.
<b>Reversal</b>	A Reversal means a request by the User to its Sponsoring Bank to withdraw a Payment Instruction which has been processed to the Bank Account of the Payer.
<b>Sponsoring Bank</b>	The Bank that sponsors the User.
<b>Stop Payment</b>	An instruction by the Payer to the Paying Bank to stop future Payment Instructions from being processed on the Payer's Bank Account.
<b>Stop Payment Ratio</b>	The total monthly stopped Payment Instructions as a percentage of total monthly input.
<b>STP (Straight Through Processing)</b>	Payment Instructions that are processed electronically without any human intervention.



<b>System Error</b>	The processing of a Payment Instruction which has been introduced erroneously, by either a Bank or a Bank's User.
<b>System Error Correction</b>	The automated process of correcting a System Error.
<b>TPPP (Third Party Payment Provider)</b>	A Third Party Payment Provider as contemplated in section 7(c) of the NPS Act, who collects payments on behalf of the Ultimate Creditor.
<b>Ultimate Creditor</b>	The person to whom the Payer has given the Mandate.
<b>Unpaid ratios</b>	The total monthly unpaid Payment Instructions as a percentage of total monthly input.
<b>User</b>	The person (Ultimate Creditor or TPPP collecting on behalf of the Ultimate Creditor) sponsored by FRB, as the Sponsoring Bank, including an Ultimate Creditor that may or may not have a direct relationship with FRB.

## 13 Qualifying Criteria

In order for a prospective User to be sponsored into the National Payment System by FRB, FRB must be satisfied regarding the following:

- 13.1 The User must not introduce any risk into the National Payment System. This risk includes but is not limited to, reputational, legal and/or financial risk.
- 13.2 The User must submit Payment Instructions as per the technical specifications provided to them by FRB.
- 13.3 The User must comply with FRB's pre-onboarding vetting which includes (without limitation) producing a sample of their Mandate for vetting to ensure compliance with the minimum requirements as set out in this Terms of Use;

## 14 General Payment Instruction Standards

- 14.1 Users must ensure the accuracy and completeness of all of the information, including the branch and account numbers, contained in Payment Instructions submitted to the Bank.
- 14.2 All payments will be made on the Nominated Account number as provided by the User and the Payment Instruction will be processed according to the principles of STP.
- 14.3 A User must not submit transactions unless properly mandated and Authorised to do so by the Payer. Any Payment Instruction made that is not properly mandated or Authorised will be treated as a disputed item.

## 15 Payment Instructions eligible for clearing

In order for a Payment Instruction to be eligible for processing, the User must ensure that:

- 15.1 A valid Mandate is obtained prior to the submission of the Payment Instruction;
- 15.2 The Payment Instruction has reached its action date as stipulated by the mandate;



- 15.3 The Payment Instruction is identifiable by a unique Abbreviated Short Name and the Contract/Agreement Reference.
- 15.4 Payment Instructions must not be presented if there has been a Stop Payment placed against future debit Payment Instructions and/or the mandate and related agreement has been cancelled.
- 15.5 No part of the mandate is unilaterally changed without consent being obtained from the Payer and/or notice given to the Payer where necessary.
- 15.6 The User must obtain unequivocal and unambiguous acceptance by the Payer of understanding and obligations in the instances of voice recorded and electronic Mandates.

## 16 Payment Instructions not eligible for clearing

Payment Instructions are not eligible for clearing if:

- 16.1 The Payment Instruction is presented without having obtained a valid Mandate to do so or prior to obtaining a valid Mandate.
- 16.2 The Payment Instruction is presented prior to the mandated Action Date.
- 16.3 Unilateral changes have been made to any part of the Mandate. Authority/Authorisation must be obtained, and notice given where necessary especially in the instances of changes to account number or beneficiary details.

## 17 Mandate Initiation

- 17.1 A Mandate is valid when the format of the Mandate conforms to the minimum requirements as provided for in **Appendices A2 and A3**;
- 17.2 The format of the Mandate must be approved by FRB prior to being utilised by the User read with clause 7.1 above.
- 17.3 The individual Payment Instructions so authorised must be issued and delivered on the date when the obligation in terms of the Contract/Agreement is due and the amount of each individual Payment Instruction may not differ as agreed to in terms of the Contract/Agreement.
- 17.4 In the instance of a written Mandate, the signed Mandate copy must be provided to the Payer prior to any Payment Instructions being processed in terms of that particular Mandate.
- 17.5 In the instance of a voice recorded Mandate, the Payer must be notified in writing within 30 (thirty) days of the voice-recorded Mandate being authorised and prior to any Payment Instructions being processed to the Bank Account of the Payer in terms of the Mandate. This written notification must conform to the requirements as specified in **Annexure A5**.
- 17.6 The Mandate must indicate the exact amount payable or clearly state that the premium payable will vary. The latter can only occur in instances where it is dependent on the type of service provided e.g. cellular phone contracts, etc.
- 17.7 The User carries the responsibility of verifying that the account details provided by the Payer on the mandate are valid and that the Payer has relevant signing authority on the account.





## 18 Mandate Amendment

- 18.1 If a User amends the Mandate and in doing so changes the format from what is currently being used, read with clause 7.1 above, the format must be approved by FRB prior to being used.
- 18.2 When amending a Mandate, the User must ensure that the applicable contractual and/or legislative obligations are met including but not limited to the Payer's authorisation.

## 19 Mandate Retention

- 19.1 When requested from FRB, Users are required to produce, at their own cost, a copy of any original Mandate that is requested inclusive of any applicable amendment/s.
- 19.2 Users must keep a copy of the Mandate and contract in a form that enables the efficient resolution of disputes.
- 19.3 Users must retain all Mandates and relating documentation for a minimum period of 5 (five) years after the expiry of the Contract/Agreement or after the payments have ceased or from the date of the last Payment Instruction having been processed in terms of the Mandate.
- 19.4 The inability to produce a valid Mandate or authority will be deemed evidence that no valid Mandate or authority existed or exists.
- 19.5 Upon request Users are required to produce, at their own cost, an auditor's certificate confirming the existence of valid mandates.

## 20 Cancellation of Mandates

- 20.1 A Mandate or authority may be withdrawn at any time by the Payer via a written instruction given due notice as stipulated in the Mandate.
- 20.2 When a Payment Instruction is returned "Not Provided for" on 2 (two) consecutive mandated Action Dates, read with clause 14 below, the User may not submit the Payment Instruction and must remove the Payment Instruction from the system unless the User has received a new Mandate from the Payer to meet future payments.

## 21 Disputed Authority for Payment Instructions

- 21.1 The Payer has a right to declare a dispute against the authority in terms of which the Payment Instruction had been processed.
- 21.2 The authority will only be considered in dispute in the following instances:
  - The Payer did not authorise the Payment Instruction/s; or
  - The Payment Instruction is in contravention to the authorised Mandate; or
  - The User had been instructed by the Payer to cancel the Mandate; or
  - The Payer had stopped the payment of the instruction at their Bank or with the User.
- 21.3 FRB will not process any disputes for partial amounts.
- 21.4 The Bank will immediately reverse the disputed Payment Instruction/s in instances where a dispute



declaration is submitted within 40 (forty) Calendar Days from Action Date of the Payment Instruction being processed.

- 21.5 In instances where the disputed Payment Instruction falls outside of the 40 (forty) Calendar Days window period, the following must occur:
- The User must provide a copy of a valid written Mandate for the disputed Payment Instruction within 21 (twenty-one) calendar days of receiving the request for same from FRB;
  - FRB will not become involved in a dispute between the User and the Payer to prove the validity of the Mandate;
  - In instances where the requested Mandate cannot be provided, the User's Nominated Account will be debited by FRB with the value of the disputed Payment Instruction;
  - Voice recorded and electronic Mandates, while valid Mandates, will not be considered in the event of a dispute and the User's Nominated Account will be debited with the value of the disputed Payment Instruction/s.
  - FRB will not become involved with any process to prove the existence of voice-recorded and/or electronic Mandates to Payers for the purpose of resolving the dispute.

## 22 Abbreviated Short Name

- 22.1 Abbreviated Short Names must be validated and approved by FRB prior to being included in any Payment Instructions.
- 22.2 Should an Abbreviated Short Name submitted by the User be similar to or already in use by another User (including Users sponsored by other banks), FRB will reject the Abbreviated Short Name submitted and the User will have to resubmit a different Abbreviated Short Name.
- 22.3 The Abbreviated Short Name and Contract/Agreement Reference must remain the same for the duration of the contract between the User and the Payer and must reflect on the customer statement as specified on the authority and mandate regardless of where the transaction is submitted from.

## 23 Stop Payments

- 23.1 The Abbreviated Short Name and the Contract Reference are the primary keys to be used in identifying a Stop Payment and Users are prohibited from changing Abbreviated Short Names and/or Contract References for any Payment Instruction in order to circumvent the Stop Payment system.
- 23.2 Upon receipt of a Stop Payment instruction from the Payer; the Paying Bank must return all future dated Payment Instructions in accordance with the Stop Payment instruction.
- 23.3 Where a User receives a stop presentment message (i.e. an E1 message) as a result of a Payer having placed a Stop Payment on the Payment Instruction, the User may not resubmit future dated Payment Instructions unless a new Mandate has been obtained.



## 24 Returns and Unpaid

- 24.1 If for any reason a Payment Instruction cannot be processed as received by a User, FRB will return the Payment Instruction to the User due to either being unpaid or disputed, together with a reason as per the response and reason codes provided for in **A1**.
- 24.2 These codes each have an action attached to them to which the User must comply with including:
- When a Payment Instruction is returned Unpaid the User may not resubmit until the next mandated date.
  - When a Payment Instruction is returned “Account Closed” or “Payment Stopped” the User may not resubmit the Payment Instruction.

## 25 Presentment and Re-presentment

- 25.1 EFT Payment Instructions will be presented after the Early Window.
- 25.2 The User must not:
- Present the same Payment Instruction for processing more than once per day.
  - Present more than 2 (two) Payment Instructions in any particular Payment Cycle.
  - Present Payment Instructions where the amount due for payment exceeds the amount as stipulated by the Mandate.
  - Present Payment Instructions where the amount is an aggregate of multiple Payment Instructions in order to recover arrear amounts or if the mandated amount is changed outside the context of the Mandate. A separate Mandate must be obtained in order to recover arrear amounts.
  - Present Payment Instructions if the Mandate has been stopped and/or the Mandate and Contract/Agreement has been cancelled.
  - Present Payment Instructions that have been cancelled by the Payer.

## 26 Recalls

- 26.1 Where Payments Instructions contain bona fide errors, Users may request FRB to withdraw entire data sets after acceptance of the data set but prior to output distribution to the Paying Bank.
- 26.2 The User must indemnify FRB against any loss and/or claim in respect of all Recall requests.
- 26.3 All requests for the Recall of Payment Instructions must be formally made to FRB.
- 26.4 The User may not a Recall in order to recover part of the Payment Instruction value.
- 26.5 The User may not generate debit Payment Instructions in order to rectify incorrectly processed credit Payment Instructions.
- 26.6 A Late Recall request may be unsuccessful due to the following reasons:
- Insufficient funds (credit only),
  - No authority to debit (credit only),
  - Transaction disputed,



- Incorrect processing information provided.

26.7 FRB is not obligated to process Late Recalls on a Saturday, Sunday, and Public Holidays.

26.8 Late Recall requests that cannot be processed must be processed as Reversals.

## 27 Reversals

27.1 Reversals apply to both Debit and Credit Payment Instructions.

27.2 The User must request a Reversal to FRB as its Sponsoring Bank who will forward the request to the Paying Bank.

27.3 The User must indemnify FRB against any loss and/or claim in respect of all Reversal requests.

27.4 All requests for the Reversal of Payment Instructions must be formally made to FRB.

27.5 The Paying Bank must first obtain authorisation from the Payer prior to the withdrawal of a Credit Payment Instruction from the Payer's Bank Account.

27.6 In the event that the Reversal cannot be successfully processed, the Banks will not become involved in the Reversal. Any dispute must be resolved by the parties to the transaction. i.e. the originator and the beneficiary.

27.7 Valid reasons for an unsuccessful Reversal Request are:

- Insufficient funds (credit only)
- No authority to debit (credit only)
- Transaction disputed and or unpaid
- Incorrect processing information provided

27.8 The banks are not obliged to process reversals on a Saturday, Sunday, and Public Holidays.

27.9 The User may not submit a Reversal request in order to recover part of the Payment Instruction value.

27.10 Where a Reversal occurs as a result of the duplication of Payment Instructions due to a system error by a Bank no authorisation is required from the Payer.

## 28 System Errors

28.1 Where the User has successfully processed a Payment Instruction, which was invalid due to a System Error, the User may request FRB to correct the System Error.

28.2 System Error Correction requests can only be submitted on or after the original Action Date.

28.3 In the event of a System Error Correction, authorisation from the Payer will not be required to correct the erroneous transaction(s).

28.4 System Error Corrections are not disputable.

28.5 Partial Reversals/recoveries are not allowed.

## 29 Item Limit

29.1 The User may not circumvent the specified item limit by splitting Payment Instructions.

29.2 The EFT Item limit for Debit Payment Instructions is R 1 000 000 (One Million Rand).



## 30 Cession and/or Assignment

- 30.1 In the event of cession or assignment of all or a portion of its book the User must notify FRB, as the Sponsoring Bank of the intended cession and assignment.
- 30.2 A User may not cede or assign any of its rights in terms of a Mandate held, to any third party unless:
- the Contract/Agreement is also ceded or assigned to that third party;
  - written consent has been obtained from the Payer;
  - such cession or assignment is communicated to the Payer prior to any Payment Instructions being processed to the Bank Account of the Payer in terms of the ceded or assigned Mandate; and
  - the communication of the cession or assignment conforms to the requirements as specified in **A6**;
- 30.3 In the event of cession or assignment the User's Abbreviated Short Name and/or Contract Reference may be changed.
- 30.4 Users must provide one month's notice of the changed details prior to the processing of any future Debit Payment Instructions to the Payer. The notice must reflect the User's new Abbreviated Short Name and/or Contract Reference and must be kept as an addendum to the Mandate.

## 31 Management of Ratios

- 31.1 The User is obligated to adhere to certain thresholds in relation to the total monthly Payment Instructions processed per Abbreviated Short Name as follows:
- 10% (ten per centum) for the Unpaid Ratio;
  - 0.5% (zero point five per centum) for the Dispute Ratio;
  - 15% (fifteen per centum) for the Stop Payment Ratio;
- 31.2 Should a User exceed these thresholds, FRB must conduct the necessary investigations to determine the reasons for the higher ratios and to implement the necessary action to positively manage the ratios of the User within the acceptable threshold(s).
- 31.3 FRB is obliged to report to any appropriate supervisory body on all Users under investigation and/or in rehabilitation.
- 31.4 FRB may transfer penalties against the User and/or terminate the sponsoring relationship with the User.
- 31.5 During the investigation and remediation period, the User will not be allowed to change to another Sponsoring Bank. Only once the User has successfully been remediated and fully compliant, the User will be allowed to change from one Sponsoring Bank to another.

## 32 Fraud

- 32.1 All complaints of alleged Fraudulent Transactions received by FRB will be reported to the relevant FRB Fraud team for investigation.
- 32.2 Where the Paying Bank is not FRB, it may engage with FRB in an attempt to recover a refund for the



Payer which will also be reported to the relevant FRB Fraud team for further investigation.

- 32.3 When a Payer's Bank Account is debited as a result of an alleged Fraudulent Transaction, FRB, upon instruction, must place a hold on the User's Nominated Account in accordance with FRB internal rules and policies.
- 32.4 FRB must immediately act on receipt of an instruction as per an original or certified copy of a court order are refer the matter to the relevant FRB Fraud team.
- 32.5 FRB must release or refund on receipt and instruction of a court order and on specific instruction by the relevant FRB Fraud team.
- 32.6 Where Fraudulent Transactions are proven in respect of any User, FRB may suspend and/or terminate the sponsoring relationship with such User.



## A1 - EFT Unpaid Response and Dispute Return Reason Codes

UNPAID RESPONSE CODES		
Code	Description	Action to be Taken
<b>02</b> Not provided for	There are insufficient funds in the Bank Account.	The User must advise the Payer that the Payment Instruction has been returned. The Payment Instruction may only be re-presented subject to Sections <b>Error! Reference source not found.</b> 6 and 14. If not, the User cannot re-present the Payment Instruction unless a new Mandate has been obtained from the Payer in terms of Sections 7; 8; 9 and 15.
<b>03</b> No Debit / Credit transactions allowed against this account	No debit or credit Payment Instructions may be processed against this Bank Account.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>04</b> Payment stopped	The Payer has instructed their bank to stop all future debit payments being processed on their Bank Account from the User in terms of the debit order authority granted to the User.	The Payment Instruction may not be re-presented unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>05</b> Dormant	The Bank Account that the Payment Instruction has been issued against is dormant	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>06</b> Account frozen	No Payment Instructions may take place on this Bank Account at all.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>08</b> Account in liquidation	The Bank Account is not accessible due to liquidation of Legal Entity that holds it.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>10</b> Account in sequestration	The Bank Account is not accessible due to sequestration of the Individual that holds it.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>12</b> Account closed	The Bank Account in question has been closed.	The Payment Instruction may not be re-presented unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>18</b> Payer deceased	The Payer is deceased.	The Payment Instruction may not be re-presented, and all future Payment Instructions removed from processing.
<b>22</b> Account effects not cleared	The Payer's funds have not been cleared i.e. there may be a cheque awaiting clearance, therefore there are insufficient funds in the Bank Account to meet the	The User must advise the Payer of this and may not re-present the Payment Instruction unless the Payer has confirmed that the funds have been cleared or that the hold on the Bank Account has been removed.



	obligation.	
<b>26</b> No such account	The Bank Account does not exist at the specified Bank.	The Payment Instruction may not be re-presented, and all future Payment Instructions removed from processing.
<b>56</b> Not FICA compliant	The Bank Account does not comply with the requirements as set out by FICA.	The Payment Instruction may only be re-presented once confirmation is received from the Payer that they are FICA compliant.
<b>14</b> Account transferred (Internal)	The Bank Account to which the Payment Instruction must be processed has been transferred within the Bank.	The User must ensure that the new Bank Account details are reflected when redirecting the Payment Instructions to the new account.
<b>16</b> Account transferred (External)	The Bank Account to which the Payment Instruction must be processed has been transferred to another the Bank	The Payment Instruction must be removed from processing and the User must not resubmit Payment Instructions using the Bank Account details as outlined in the existing Mandate. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>DISPUTE RETURN REASON CODES</b>		
<b>Code</b>	<b>Description</b>	<b>Action to be Taken</b>
<b>30</b> No authority to debit	The Payer has disputed the User's authority to debit funds from their Bank Account .	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>32</b> Debit in contravention of payer's authority	The Payer has disputed the Payment Instruction based on the fact that the User is debiting their Bank Account in contravention of their authority.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms Sections 7; 8; 9 and 15.
<b>34</b> Authorization cancelled	The Payer has disputed the Payment Instruction based on the fact that the authority given has been cancelled.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.
<b>36</b> Previously stopped via Stop Payment advice	The Payer is disputing the Payment Instruction based on the fact that they have previously issued a Stop Payment Instruction on their account.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 7; 8; 9 and 15.





## A2 – EFT DR Authority/Mandate Specimen: Paper/Electronic

### A. AUTHORITY<sup>1</sup>

GIVEN BY: (NAME OF ACCOUNT HOLDER)

\_\_\_\_\_

(ADDRESS)

\_\_\_\_\_

–

(BANK ACCOUNT DETAILS):

BANK NAME \_\_\_\_\_

BRANCH NAME AND TOWN \_\_\_\_\_

BRANCH NUMBER

ACCOUNT NUMBER

TYPE OF ACCOUNT: CURRENT (CHEQUE) / SAVINGS / TRANSMISSION)\*

\* (DELETE WHERE NOT APPLICABLE)

DATE \_\_\_\_\_

TO: (NAME OF BENEFICIARY)

\_\_\_\_\_

(ADDRESS)

\_\_\_\_\_

–  
ABBREVIATED SHORTNAME TO BE USED: \_\_\_\_\_

REFER TO CONTRACT REFERENCE NUMBER \_\_\_\_\_ (“the  
Contract Reference Number”)

I / We hereby authorise\_\_\_\_(Service Provider Name) to issue and deliver payment instructions to your banker for collection against my / our abovementioned account at my/our abovementioned bank on condition that the sum of such payment instructions will not differ from my/our obligations

\_\_\_\_\_  
<sup>1</sup> This authority and mandate must be given in writing or electronically in terms of the Electronic Communications and Transaction Act, 2002, Chapter 3, Part 1.



as agreed to in the Contract Reference Number.

The individual payment instructions so authorised must be issued and delivered on the date when the obligation in terms of the Agreement is due and the amount of each individual payment instruction may not differ as agreed to in terms of the Agreement.

The payment instructions so authorised to be issued must carry the Contract Reference Number, included in the said payment instructions, and must be provided to identify the specific contract. The said Contract Reference Number should be added to this form in section E before the issuing of any payment instruction and communicated directly after having been completed.

I / we agree that the first payment instruction will be issued and delivered on \_\_\_\_\_(date) and thereafter regularly on the \_\_\_\_\_of each month

If however, the date of the payment instruction falls on a non-processing day (weekend or public holiday) I agree that the payment instruction may be debited against my account on the following business day; or

Subsequent payment instructions will continue to be delivered in terms of this authority until the obligations in terms of the Agreement have been paid or until this authority is cancelled by me/us by giving you notice in writing of not less than the interval (as indicated in the previous clause) and sent by prepaid registered post or delivered to your address indicated above.

#### **B.MANDATE**

I / we acknowledge that all payment instructions issued by you will be treated by my / our abovementioned bank as if the instructions had been issued by me / us personally.

#### **C.CANCELLATION**

I / we agree that although this authority and mandate may be cancelled by me/us, such cancellation will not cancel the Agreement. I / we also understand that I/we cannot reclaim amounts, which have been withdrawn from my/our account (paid) in terms of this authority and mandate if such amounts were legally owing to you.

#### **D.ASSIGNMENT:**

I / We acknowledge that this authority may be ceded or assigned to a third party if the Agreement is also ceded or assigned to that third party.



**NOTE: The EFT User may add or delete (at its own risk) from the above Minimum requirements.**

Signed ..... on this ..... day of

.....

.....

SIGNATURE AS USED FOR OPERATING ON THE ACCOUNT

.....

ASSISTED BY

.....

CAPACITY

FOR OFFICE USE

**E.AGREEMENT REFERENCE NUMBER**

THE AGREEMENT REFERENCE NUMBER IS .....



### A3 – EFT DR Authority/Mandate: Voice recorded

Consultant: \_\_\_\_\_

Good morning, my name is ..... and I am calling from .....

Before I continue, I need to inform you that all calls are recorded for quality control purposes. The reason for my call is:

Mr/Mrs, The purpose of the call.....

Can I take you through how it works? I need a few minutes of your time to explain. Client: Yes / No

Consultant: explain the product or service you are selling

If Client agree, confirm their personal details, and ensure that they agree to the declaration below:

Contact details .....

Name and Surname .....

Branch number.....

Account Number.....

ID No.....

Address.....

Confirm the Abbreviated name.....(name must appear on your client's statement)

Action date.....

Contract / Agreement number.....

Declaration:

Do you authorise to issue and deliver payment instructions to your banker for collection against your bank account on condition that the sum of such payment instruction will never exceed your obligations as agreed to in your contract/agreement.

This method will commence effective <date> and will continue monthly/weekly thereafter until this Authority and Mandate is terminated by yourself by giving us notice of not less than one month.



In the event that the payment day falls on a Saturday, Sunday or recognised South African public holiday, the payment day will automatically be the very next ordinary business day.

This Authority and Mandate may be ceded or assigned to a third party if the Agreement is also ceded or assigned to the third party.

Mr / Mrs..... do you understand and accept what I have read to you? (Yes / No)

If you have any questions or complaints, please contact .....on .....

Thank you

Goodbye



## A4 – Standard for Voice Recorded Mandate/Authority

DESCRIPTION	MEANING
Abbreviated Name on bank statement	The inscription used on the bank statement of the payer must be stated.
Beneficiary name	The name of the collecting party.
Call Centre name	The name of the call centre obtaining the Mandate of which the VR authorisation forms a part.
Confirmation	Confirm that Payer identified by the surname, initials and identity number in this section has authorised a deduction for [describe the underlying commercial agreement for instance insurance premiums] for an amount specified from his/her bank account stating such bank account particulars as from the deduction start date confirming the inscription [User Abbreviated Name] which will be used on the Payer' bank account.
Contact Telephone Number	The number used to contact the Payer must be recorded including confirmation whether such number relates to his /her cellular, work or home number.
Contract Reference Number	The unique identifier that relates to the underlying business transaction.
Current date	The day on which the conversation took place.
Deduction	It must be clearly stated that a deduction is to be made against the Payer's bank account.
Deduction dates	The first and subsequent dates from which the deduction on the bank account must be made.



Payer Bank particulars	The name of the bank, account number, branch code and type of account against which the deduction must be made.
Surname and Initial	The surname and initials of the Payer on whose account the deduction must be made.
Value amount	The deduction amount.



## A5 – Minimum Requirements for Confirmation to Payer

Name and Surname .....

Contract / Agreement number.....

Commencement / Action date .....

Amount .....

Abbreviated Name ..... (must appear on your client's statement)

User Contact Details.....

Date of Confirmation.....





## A6 – Minimum Requirements for Notification of Cession/Assignment

Date.....

Name and Surname .....

Contract / Agreement number.....

Current User Abbreviated Short Name.....

New User Abbreviated Short Name.....

Commencement / Action date .....

Amount .....

Abbreviated Name ..... (must appear on the payer's statement)

User Contact Details.....

Email Address.....



# APPENDIX B - NAEDO

## 1 Glossary

The following abbreviations are used in this Appendix:

ABBREVIATION	CLARIFICATION
AC	Authenticated Collections
DR	Debit
CR	Credit
EDO	Early Debit Order
NAEDO	Non Authenticated Early Debit Order
NPS	National Payment System
NPS Act	National Payment System Act 78 of 1998
PASA	Payments Association of South Africa
PCH	Payment Clearing House
PSO	PCH System Operator
SARB	South African Reserve Bank
SO	System Operator
TPPP	Third Party Payment Provider

## 2 Definitions

2.1 All of the listed terms will have the meanings assigned to them and similar expressions will have corresponding meanings. Unless otherwise indicated:

- Any one gender includes the other and are neutral;
- The singular includes the plural and vice versa;
- Capitalised words have a special meaning in lieu of their dictionary meaning. These terms are defined in this clause.
- Bold type is used for visual emphasis.
- Reference to other documents is in italics.

2.2 The following terms will have the meanings assigned to them and cognate expressions will have corresponding meanings, namely:

TERM	DEFINITION
------	------------



<b>Abbreviated Short Name</b>	A 10-character description of the Ultimate Creditor's name, which must be included in the Mandate, Mandate Register and in the Payment Instruction.
<b>AC Directive</b>	Directive 1 of 2017 (as amended) issued by the SARB: Directive for Conduct within the National Payment System in respect of the Collection of Payment Instructions for Authenticated Collections, including any further amendments and/or supplementary documentation.
<b>Action Date</b>	The date which is stated in the Payment Instruction as the date upon which the Payment Instruction is to be presented by the User for payment against the Payer's Bank Account and where applicable the date from which the tracking period commences.
<b>Alleged Fraud</b>	Any claim made with regards to a transaction or potential transaction allegedly intended to defraud or deceive the Banks, User or Payers.
<b>Bank</b>	A financial institution actively providing products and services commensurate with that of a 'Bank' as defined in the Banks Act, 1990. The term 'Bank' will also include any 'Designated Clearing System Banks' as defined by the NPS Act, 1998.
<b>Bank Account</b>	This means a bank account held at a Bank which can be debited or credited as a result of a Payment Instruction.
<b>Business Days</b>	Every day of the week, excluding Saturdays, Sundays, and Public Holidays.
<b>Calendar Days</b>	Every day of the week including Saturdays, Sundays, and Public Holidays.
<b>Contract/Agreement</b>	The contractual arrangement (including, but not limited to, any loan or sales agreement) concluded between a Payer and an Ultimate Creditor.
<b>Contract/Agreement Reference</b>	The unique reference used by the Ultimate Creditor and the Payer to identify the Contract concluded between them.
<b>Credit Tracking</b>	A process in terms of which a Payment Instruction that was not paid upon initial presentment is held over for presentment until either successful or the period for Credit Tracking is complete, whichever is the earlier.
<b>Cycle Date</b>	The mandated date formally agreed between the User and the Payer and on which the Payment Instruction will be presented to the Bank Account for execution.
<b>Early Window</b>	The period within which NAEDO Payment Instructions are processed directly after bulk credits.
<b>Effective Action Date</b>	The date on which the Payment Instruction is processed to the account of the Payer.
<b>Fate or Fate Message</b>	The code indicating the outcome of the presentment of a NAEDO Payment Instruction to the User.
<b>First Priority</b>	Randomisation of Payment Instructions which are processed directly after bulk credits, in the Early Window.
<b>Fraud</b>	Deliberate deception to unlawfully gain access or potential access to money



	in a Bank Account of a Bank, User or Payer (a proven outcome after an investigation into alleged fraud has been conducted).
<b>Fraudulent Transaction</b>	This means any alleged fraudulent transaction intended to defraud or deceive the Bank, User or Payers.
<b>Frequency</b>	The regularity of the Payment Instruction, namely: Weekly, Fortnightly, Monthly, Bi-monthly, Quarterly, Bi-annually, Annually.
<b>Item limit</b>	The maximum monetary value of a single transaction that may be submitted by a User as defined by the applicable PCH.
<b>Late Recall</b>	Late Recall means a request by the User to withdraw a Payment Instruction where the PSO processing window is closed, and the request may not be processed as a Recall.
<b>Mandate</b>	The written, verbal, or electronic authority given by the Payer to the Ultimate Creditor, allowing the Ultimate Creditor/User to debit the Payer's Bank Account or to initiate a payment instruction against the Payer's Bank Account.
<b>Nominated Account</b>	Means a current account in the User's name held by the Sponsoring Bank for the specific (but not necessarily exclusive) purpose of transacting/posting entries connected with Collection services.
<b>Payer</b>	A legal person (natural and/or juristic) who holds a Bank Account at the Paying Bank.
<b>Paying Bank</b>	The Bank with whom the Payer holds a Bank Account.
<b>Payment Cycle</b>	A time period determined by the Action Date and relating to the start and end of the Frequency.
<b>Payment Instruction</b>	An instruction to a Bank to transfer funds (make a payment) (CR Payment Instruction) or to collect funds (collect a payment) (DR Payment Instruction).
<b>Payment System</b>	A system that enables: the transfer of Mandate Information; payments to be affected; the circulation of money; and includes any instruments such as notes and coins, paper and electronic Payment Instructions, and procedures that relate to the system.
<b>PCH System Operator (PSO)</b>	A person(s) appointed by each Bank to provide payment clearing processing services on behalf of such Bank in the PCH, which appointment is subject to the authorisation of PASA.
<b>Payment Clearing House (PCH)</b>	An arrangement between two or more clearing system participants and SARB settlement system participants, excluding a designated settlement system operator, governing the clearing, or netting, of Payment Instructions between those clearing system participants and SARB settlement system participants;
<b>Public Holidays</b>	A Public Holiday as determined by the Public Holidays Act 36 of 1994. This means non-Business Days which are not valid Action Dates.
<b>Randomisation</b>	Means combining all Payment Instructions by the Paying Bank.
<b>Recall</b>	A Recall means a request to withdraw a Payment Instruction not yet posted



	to a bank account.
<b>Registered Mandate</b>	Registration of Mandate Information at the Paying Bank that has not been Authorised by the Payer, and which is therefore not registered as DebiCheck, due to no response being received from the Payer.
<b>Reversal</b>	A Reversal means a request to withdraw a Payment Instruction which has been processed to a bank account.
<b>Second Priority</b>	Randomisation of NAEDO and Registered Mandate Payment Instructions which are processed directly after the First Priority, in the Early Window.
<b>Sponsoring Bank</b>	The Bank that sponsors the User.
<b>Stop Payment</b>	An instruction by the Payer to the Paying Bank to stop future Payment Instructions from being processed on the Payer's Bank Account.
<b>TPPP (Third Party Payment Provider)</b>	A Third Party Payment Provider as contemplated in section 7(c) of the NPS Act, who collects payments on behalf of the Ultimate Creditor.
<b>Ultimate Creditor</b>	The person to whom the Payer has given the Mandate.
<b>User</b>	The person (Ultimate Creditor or TPPP collecting on behalf of the Ultimate Creditor) sponsored by FRB, as the Sponsoring Bank, including an Ultimate Creditor that may or may not have a direct relationship with FRB.

### 3 Qualifying Criteria

In order for a prospective User to be sponsored into the National Payment System by FRB, FRB must be satisfied regarding the following:

- 3.1 The User must not introduce any risk into the National Payments System. This risk includes but is not limited to, reputation, legal and/or financial risk.
- 3.2 The User must submit Payment Instructions as per the technical specifications provided to them by FRB.
- 3.3 The User must comply with FRB's pre-onboarding vetting which includes (without limitation) producing a sample of their Mandate for vetting to ensure compliance with the minimum requirements as set out in this Terms of Use;
- 3.4 A prospective NAEDO User must be a member of the Payment System Stakeholder Forum (PSSF) prior to being allowed to submit NAEDO Payment Instructions. If the User is not a member of the PSSF, FRB will assist the User only with the necessary contact information to obtaining the membership.
- 3.5 The User is obliged to ensure that their PSSF membership is up to date.
- 3.6 Should the User default on their PSSF membership, FRB will suspend NAEDO services until such time as their membership is updated.
- 3.7 Users will have NAEDO services terminated if they fail to ensure their membership is current despite reasonable steps to assist the User in doing so.



## 4 Payment Instructions eligible for clearing

In order for a NAEDO Payment Instruction to be eligible for clearing, the User must ensure that:

- 4.1 A valid Mandate is obtained prior to the submission of the Payment Instruction, this means the Mandate must comply with the minimum standards as indicated in the attached **Appendices B2 and B3**;
- 4.2 The Payment Instruction must be issued to the Bank Account of the Payer;
- 4.3 The Payment Instruction is identifiable by a unique Abbreviated Short Name, Contract/Agreement number and Cycle Date;
- 4.4 The Payment Instruction have reached its mandated action date;
- 4.5 Payment Instructions must not be presented if there has been a Stop Payment placed against future debit Payment Instructions and/or the mandate and related agreement has been cancelled.
- 4.6 No part of the mandate is unilaterally changed without consent being obtained from the Payer and/or notice given to the Payer where necessary.
- 4.7 The User must obtain unequivocal and unambiguous acceptance by the Payer of understanding and obligations in the instances of voice recorded and electronic Mandates.

## 5 Payment Instructions that are not eligible for clearing

Payment Instructions will not be eligible for clearing if:

- 5.1 The Payment Instruction is presented for collection before its mandated action date.
- 5.2 The Mandate and/or the Contract/Agreement were cancelled.
- 5.3 Changes were applied to an account number or the beneficiary details (excluding cession arrangements) which changes were not instructed by the Payer, in writing or electronically.
- 5.4 Amounts were changed by the NAEDO user outside the context of the Mandate.
- 5.5 The amounts of the NAEDO Payment Instructions are amended for the purpose of collecting arrear payments unless this is specifically mentioned in the Mandate and has been Authorised by the Payer.

## 6 Mandate Initiation

- 6.1 A valid Mandate conforms to the minimum requirements as provided for in **Appendices B2 and B3**.
- 6.2 The format of the Mandate must be approved by FRB prior to being utilised by the User read with clause 6.1 above.
- 6.3 The individual Payment Instructions so authorised must be issued and delivered on the date when the obligation in terms of the Contract/Agreement is due and the amount of each individual Payment Instruction may not differ as agreed to in terms of the Contract/Agreement.
- 6.4 In the instance of written Mandates, the signed Mandate copy must be provided to the Payer prior to any Payment Instructions being processed in terms of that particular Mandate.
- 6.5 In the instances of voice recorded and electronic Mandates, the Payer must be notified in writing of the Mandate prior to any Payment Instructions being processed in terms of that particular Mandate. This written notification must conform to the requirements as specified in **B5**.



- 6.6 The Mandate must indicate the exact amount payable or clearly state that the premium payable will vary. The latter can only occur in instances where it is dependent on the type of service provided e.g. cellular phone contracts, etc.
- 6.7 The User carries the responsibility of verifying that the Bank Account details provided by the Payer on the Mandate are valid and that the Payer has relevant signing authority on the Bank Account.
- 6.8 NAEDO Payment Instructions will be presented as Second Priority in the Early Window.

## 7 Mandate Amendment

- 7.1 If a User amends the Mandate and in doing so changes the format from what is currently being used read with clause 6.1 above, the format must be approved by FRB prior to being used.
- 7.2 When amending a Mandate, the User must ensure that the applicable contractual and/or legislative obligations are met including but not limited to the Payer's authorisation.

## 8 Mandate Retention

- 8.1 Users will be required to produce, at their own cost, a copy of any original Mandate that is requested inclusive of any applicable amendment/s.
- 8.2 Users must keep a copy of the Mandate and Contract/Agreement in a form that enables the efficient resolution of disputes.
- 8.3 Users must retain all Mandates and relating documentation for a minimum period of 5 (five) years after the payments have ceased or after the last Payment Instruction having been processed in terms of the Mandate, whichever applicable.
- 8.4 The inability to produce a valid Mandate or authority will be deemed evidence that no valid Mandate or authority existed or exists.
- 8.5 Upon request Users are required to produce, at their own cost, an auditor's certificate confirming the existence of valid mandates.

## 9 Cancellation of Mandates

The User must cancel all future NAEDO Payment Instructions if and when:

- 9.1 there have been 4 (four) consecutive unsuccessful Payment Instructions presented and/or if no Payment Instructions have been presented over 4 (four) consecutive Payment Cycles;
- 9.2 the Fate Message of any one of the payment instructions for that Agreement indicates that the account is inoperable or that the mandate has been cancelled;

## 10 Credit Tracking

- 10.1 Where a User makes use of Credit Tracking the User must indicate (on the Mandate) that the Credit Tracking option will be used.
- 10.2 Credit Tracking is only available for a maximum of 32 (thirty-two) Calendar Days as from the Action date



## 11 Disputed Authority for Payment Instructions

- 11.1 The Payer has a right to declare a dispute against the authority of the Payment Instruction processed.
- 11.2 The authority will only be considered in dispute in the following instances:
- The Payer did not authorise the Payment Instruction/s; or
  - The Payment Instruction is in contravention to the authorised Mandate; or
  - The User had been instructed by the Payer to cancel the Mandate; or
  - The Payer had stopped the payment of the instruction at their Bank or at the User.
- 11.3 FRB will not process any disputes for partial amounts.
- 11.4 FRB will immediately reverse the disputed Payment Instruction/s in instances where a dispute declaration is submitted within 40 (forty) Calendar Days from the Effective Action Date.
- 11.5 Where the dispute declaration is submitted more than 40 (forty) Calendar Days from the Effective Action Date, the following must occur:
- 11.5.1 The User must provide a copy of a valid written Mandate for the disputed Payment Instruction within 21 (twenty-one) Calendar Days of receiving the request for same from FRB;
- 11.5.2 FRB will not become involved in a dispute between the User and the Payer to prove the validity of the Mandate;
- 11.5.3 In instances where the requested Mandate cannot be provided, the User's Nominated Account will be debited by FRB with the value of the disputed Payment Instruction;
- 11.5.4 Voice recorded and electronic Mandates, while valid Mandates, will not be considered in the event of a dispute and the User's Nominated Account will be debited with the value of the disputed Payment Instruction/s.
- 11.5.5 FRB will not become involved with any process to prove the existence of voice-recorded and/or electronic Mandates to Payers for the purpose of resolving disputes.

## 12 Abbreviated Short Name

- 12.1 The Abbreviated Short Name and the Contract/Agreement Reference must remain the same for the duration of the Contract/Agreement between the User and the Payer and must reflect on the customer statement as specified on the authority and mandate regardless of where the transaction is submitted from.

## 13 Stop Payments

- 13.1 The Abbreviated Short Name and the Contract/Agreement Reference are the primary keys to be used in identifying a Stop Payment and Users are prohibited from changing Abbreviated Short Names and/or Contract/Agreement References for any Payment Instruction in order to circumvent the Stop Payment system.





- 13.2 Upon receipt of a Stop Payment instruction from the Payer; the Paying Bank must return all future dated Payment Instructions in accordance with the Stop Payment instruction.
- 13.3 Where a User receives a stop presentment message (i.e. an E1 message) as a result of a Payer having placed a Stop Payment on the Payment Instruction, the User may not resubmit future dated Payment Instructions unless a new Mandate has been obtained.

## 14 Returned Debit Payment Instructions

- 14.1 If for any reason a Payment Instruction cannot be processed as received by a User, FRB will return the Payment Instruction to the User due to either being unpaid or disputed, together with a reason as per the Unpaid Response and Dispute Reason Codes provided for in **B1**. These Response and Reason Codes each have an action attached to them to which the User must comply with.

## 15 Presentment and Re-presentment

- 15.1 The User may not present Payment Instructions in contravention of the actions relating to the Unpaid Response Codes and the Dispute Reason Codes as outlined in **B1**.
- 15.2 The User may not present, save for Credit Tracking arrangements, the same Payment Instruction for collection more than once per day;
- 15.3 The User may not present more than 2 (two) Payment Instructions (including Payment Instructions presented via Credit Tracking) for any one of the agreements within a Payment Cycle.

## 16 Recalls

- 16.1 Where Payments Instructions contain bona fide errors, Users may request FRB to withdraw entire data sets after acceptance of the data set but prior to output distribution to the Paying Bank.
- 16.2 The User must indemnify FRB against any loss and/or claim in respect of all Recall requests.
- 16.3 All requests for the Recall of Payment Instructions must be formally made to FRB.
- 16.4 The User may not a Recall in order to recover part of the Payment Instruction value.
- 16.5 The User may not generate debit Payment Instructions in order to rectify incorrectly processed credit Payment Instructions.
- 16.6 A Late Recall request may be unsuccessful due to the following reasons:
- Insufficient funds (credit only),
  - No authority to debit (credit only),
  - Transaction disputed,
  - Incorrect processing information provided.
- 16.7 FRB is not obligated to process Late Recalls on a Saturday, Sunday, and Public Holidays.
- 16.8 Late Recall requests that cannot be processed must be processed as Reversals.



## 17 Reversals

- 17.1 Reversals apply to both Debit and Credit Payment Instructions.
- 17.2 The User must request a Reversal to FRB as its Sponsoring Bank who will forward the request to the Paying Bank.
- 17.3 The User must indemnify FRB against any loss and/or claim in respect of all Reversal requests.
- 17.4 All requests for the Reversal of Payment Instructions must be formally made to FRB.
- 17.5 The Paying Bank must first obtain authorisation from the Payer prior to the withdrawal of a Credit Payment Instruction from the Payer's Bank Account.
- 17.6 In the event that the Reversal cannot be successfully processed, the Banks will not become involved in the Reversal. Any dispute must be resolved by the parties to the transaction. i.e. the originator and the beneficiary.
- 17.7 Valid reasons for an unsuccessful Reversal Request are:
- Insufficient funds (credit only)
  - No authority to debit (credit only)
  - Transaction disputed and or unpaid
  - Incorrect processing information provided
- 17.8 The Banks are not obliged to process reversals on a Saturday, Sunday, and Public Holidays.
- 17.9 The User may not submit a Reversal request in order to recover part of the Payment Instruction value.

## 18 Item Limit

- 18.1 The User may not circumvent the specified item limit by splitting Payment Instructions.
- 18.2 The NAEDO debit Item Limit is R30 000.00 (Thirty Thousand Rand).

## 19 Cession and/or Assignment

- 19.1 In the event of cession or assignment of all or a portion of its book the User must notify FRB, as the Sponsoring Bank of the intended cession and assignment.
- 19.2 It is the User's responsibility to notify the Payer of the cession or assignment.
- 19.3 A User may not cede or assign any of its rights in terms of a Mandate held, to any third party unless:
- the Contract/Agreement is also ceded or assigned to that third party;
  - the written consent of the Payer has been obtained;
  - such cession is communicated to the Payer prior to any Payment Instructions being processed to the Bank Account of the Payer in terms of the ceded or assigned Mandate; and
  - the communication of cession or assignment conforms to the requirements as specified in **B6**.
- 19.4 In the event of cession or assignment the User's Abbreviated Short Name and/or Contract/Agreement Reference may be changed.
- 19.5 Users must provide one month's notice of the changed details prior to the processing of any future Debit Payment Instructions to the Payer. The notice must reflect the User's new Abbreviated Short



Name and/or Contract/Agreement Reference and must be kept as an addendum to the Mandate.

## 20 Management of Ratios

- 20.1 The User is obligated to adhere to certain thresholds in relation to the total monthly Payment Instructions processed per Abbreviated Short Name as follows:
- 10% (ten per cent) for the Unpaid Ratio;
  - 0.5% (zero point five per cent) for the Dispute Ratio;
  - 15% (fifteen per cent) for the Stop Payment Ratio;
- 20.2 Should a User exceed these thresholds, FRB must conduct the necessary investigations to determine the reasons for the higher ratios and to implement the necessary action to positively manage the ratios of the User within the acceptable threshold(s).
- 20.3 FRB is obliged to report to any appropriate supervisory body on all Users under investigation and/or in remediation.
- 20.4 FRB may transfer penalties against the User and/or terminate the sponsoring relationship with the User.

## 21 Fraud

- 21.1 All complaints of alleged Fraudulent Transactions received by FRB will be reported to the relevant FRB Fraud team for investigation.
- 21.2 Where the Paying Bank is not FRB, it may engage with FRB in an attempt to recover a refund for the Payer which will also be immediately reported to the relevant FRB Fraud team for further investigation.
- 21.3 When a Payer's Bank Account is debited as a result of a suspected Fraudulent Transaction, FRB must place a hold on the User's Nominated Account in accordance with FRB internal policy.
- 21.4 FRB must immediately act on receipt of an instruction as per an original or certified copy of a court order are refer the matter to the relevant FRB Fraud team.
- 21.5 FRB must release or refund on receipt and instruction of a court order and on specific instruction by the relevant FRB Fraud team.
- 21.6 When Fraudulent Transactions are proven in respect of a User that processed NAEDO Payment Instructions, FRB:
- must suspend such NAEDO User's right of use of the service and system;
  - must inform the PSSF to suspend the User's PSSF Membership;
  - must confirm the suspension to PASA; and
  - may suspend and/or terminate the sponsoring relationship with the User;

## LIMITATION OF SERVICE



**In accordance with the AC Directive, the NAEDO (and AEDO) service will be terminated in due course. Users are to ensure compliance as read with clause 6 (Breach) under General Application of this Terms of Use.**



## B1 - Unpaid Response and Dispute Return Reason Codes

UNPAID RESPONSE CODES		
Code	Description	Action to be Taken
<b>02</b> Not provided for	There are insufficient funds in the Bank Account.	The User must advise the Payer that the Payment Instruction has been returned. The Payment Instruction may only be re-presented subject to Sections <b>Error! Reference source not found.</b> 5 and 14. If not, the User cannot re-present the Payment Instruction unless a new Mandate has been obtained from the Payer in terms of Sections 6; 7; 8 and 15.
<b>03</b> No Debit / Credit transactions allowed against this account	No debit or credit Payment Instructions may be processed against this Bank Account.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>04</b> Payment stopped	The Payer has instructed their bank to stop all future debit payments being processed on their Bank Account from the User in terms of the debit order authority granted to the User.	The Payment Instruction may not be re-presented unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>05</b> Dormant	The Bank Account that the Payment Instruction has been issued against is dormant	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>06</b> Account frozen	No Payment Instructions may take place on this Bank Account at all.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>08</b> Account in liquidation	The Bank Account is not accessible due to liquidation of Legal Entity that holds it.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>10</b> Account in sequestration	The Bank Account is not accessible due to sequestration of the Individual that holds it.	The User may not re-present Payment Instructions using the Bank Account details as outlined in the existing Mandate unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>12</b> Account closed	The Bank Account in question has been closed.	The Payment Instruction may not be re-presented unless a new Mandate is obtained from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>18</b> Payer deceased	The Payer is deceased.	The Payment Instruction may not be re-presented, and all future Payment Instructions removed from processing.
<b>22</b> Account effects not cleared	The Payer's funds have not been cleared i.e. there may be a cheque awaiting clearance, therefore there are insufficient funds in the Bank Account to meet the	The User must advise the Payer of this and may not re-present the Payment Instruction unless the Payer has confirmed that the funds have been cleared or that the hold on the Bank Account has been removed.



	obligation.	
<b>26</b> No such account	The Bank Account does not exist at the specified Bank.	The Payment Instruction may not be re-presented, and all future Payment Instructions removed from processing.
<b>40</b> Item limit exceeded	The NAEDO item limit has been exceeded.	The User may only re-present the Payment Instructions with the correct item limit. As per Section 16, Payment Instructions must not be split in order to circumvent the item limit.
<b>56</b> Not FICA compliant	The Bank Account does not comply with the requirements as set out by FICA.	The Payment Instruction may only be re-presented once confirmation is received from the Payer that they are FICA compliant.
<b>E1</b> Payer request to stop presentations	The Payer has instructed their Bank to stop all future debit Payment Instructions from the User.	Upon receipt, all future Payment Instructions removed from processing as per Section 13.3.
<b>F2</b> Payment Instruction disputed by Payer	The Payer has disputed the Payment Instruction at their Bank.	The Payment Instruction may not be re-presented, and all future Payment Instructions removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>14</b> Account transferred (Internal)	The Bank Account to which the Payment Instruction must be processed has been transferred within the Bank.	The User must ensure that the new Bank Account details are reflected when redirecting the Payment Instructions to the new account.
<b>16</b> Account transferred (External)	The Bank Account to which the Payment Instruction must be processed has been transferred to another the Bank	The Payment Instruction must be removed from processing and the User must not resubmit Payment Instructions using the Bank Account details as outlined in the existing Mandate. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>DISPUTE RETURN REASON CODES</b>		
<b>Code</b>	<b>Description</b>	<b>Action to be Taken</b>
<b>30</b> No authority to debit	The Payer has disputed the User's authority to debit funds from their Bank Account .	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>32</b> Debit in contravention of payer's authority	The Payer has disputed the Payment Instruction based on the fact that the User is debiting their Bank Account in contravention of their authority.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>34</b> Authorization cancelled	The Payer has disputed the Payment Instruction based on the fact that the authority given has been cancelled.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.
<b>36</b> Previously stopped via Stop Payment advice	The Payer is disputing the Payment Instruction based on the fact that they have previously issued a Stop Payment Instruction on their account.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 6; 7; 8 and 15.



**B2 – NAEDO Authority<sup>2</sup>/Mandate Specimen:  
Paper/Electronic**

**A. AUTHORITY**

GIVEN BY: (NAME OF ACCOUNT HOLDER)

\_\_\_\_\_

(ADDRESS)

\_\_\_\_\_

**(BANK ACCOUNT DETAILS):**

BANK NAME \_\_\_\_\_

BRANCH NAME AND TOWN \_\_\_\_\_

BRANCH NUMBER

--	--	--	--	--	--	--	--	--	--

ACCOUNT NUMBER

--	--	--	--	--	--	--	--	--	--	--	--

TYPE OF ACCOUNT: CURRENT (CHEQUE) / SAVINGS / TRANSMISSION)\*

\* (DELETE WHERE NOT APPLICABLE)

DATE \_\_\_\_\_

TO: (NAME OF BENEFICIARY / COMPANY)

\_\_\_\_\_

Abbreviated Short Name as registered with the Acquiring bank:

\_\_\_\_\_

(ADDRESS) \_\_\_\_\_

—

REFER TO OUR CONTRACT DATED \_\_\_\_\_ (“the Agreement”)

I / We hereby authorise \_\_ (Service Provider Name) to issue and deliver payment instructions to your banker for collection against my/our abovementioned account at my/our abovementioned bank.

\_\_\_\_\_

<sup>2</sup> This authority and mandate must be given in writing or electronically in terms of the Electronic Communications and Transaction Act, 2002, Chapter 3, Part 1.



The individual payment instructions so authorised must be issued and delivered monthly/ bi-monthly/ three-monthly/ six-monthly/ annually/ weekly/ bi-weekly\* (interval) on the date when the obligation in terms of the Agreement is due and the amount of each individual payment instruction may not differ as agreed to in terms of the Agreement.

\*(delete what is not applicable)

The payment instructions so authorised to be issued, must carry a number, which number must be included in the said payment instructions, and if provided to you should enable you to identify the Agreement on your bank statement. The said number should be added to this form in section E before the issuing of any payment instruction and communicated to me directly after having been completed by you.

I / we agree that the first payment instruction will be issued and delivered on \_\_\_\_\_ (date) and thereafter regularly according to the Agreement, \*\* except for payment instructions due in December which may be debit against my account on \_\_\_\_\_

\*\* (If applicable)

If however, the date of the payment instruction falls on a non-processing day (weekend or public holiday) I agree that the payment instruction may be debited against my account on the **following business day**;

or

The date of the payment instruction falls on a non-processing day (weekend or public holiday) I agree that the payment instruction may be debited against my account on the **business day prior to the non-processing day**.

To allow for tracking of dates to match with flow of Credit at no additional cost to myself.

I authorise the originator to make use of the tracking facility as provided for in the EDO system at no additional cost to myself.

(Please indicate)

Subsequent payment instructions will continue to be delivered in terms of this authority until the obligations in terms of the Agreement have been paid or until this authority is cancelled by me/us by giving you notice in writing of not less than the interval (as indicated in the previous clause) and sent by prepaid registered post or delivered to your address indicated above.





**B. MANDATE**

I / we acknowledge that all payment instructions issued by you will be treated by my / our abovementioned bank as if the instructions had been issued by me / us personally.

**C. CANCELLATION**

I / we agree that although this authority and mandate may be cancelled by me/us, such cancellation will not cancel the Agreement. I / we also understand that I/we cannot reclaim amounts, which have been withdrawn from my/our account (paid) in terms of this authority and mandate if such amounts were legally owing to you.

**D. ASSIGNMENT:**

I / We acknowledge that this authority may be ceded or assigned to a third party if the Agreement is also ceded or assigned to that third party.

Signed ..... on this ..... day of .....

SIGNATURE AS USED FOR OPERATING ON THE ACCOUNT

.....

ASSISTED BY CAPACITY

FOR OFFICE USE

**E. CONTRACT / AGREEMENT REFERENCE NUMBER**

THE CONTRACT / AGREEMENT REFERENCE NUMBER IS .....

**For Electronic Debit Order Mandates Only:-**

Click her to accept the authority to debt the account as indicated in this mandate

- Confirmation via Email  
This field is for validation purposes and should be left unchanged.



## B3 – NAEDO Mandate/Authority specimen: Voice recorded

Consultant:

Good morning, my name is ..... and I am calling from .....

Before I continue, I need to inform you that all calls are recorded for quality control purposes.

The reason for my call is:

- Mr/Mrs, The purpose of the call.....
- Can I take you through how it works? I need a few minutes of your time to explain.

Client:                      Yes / No

Consultant: explain the product or service you are selling

If Client agree, confirm their personal details, and ensure that they agree to the declaration below:

Contact details .....  
Name and Surname .....  
Branch number.....  
Account Number.....  
ID No.....  
Address.....  
Confirm the Abbreviated name.....  
(name must appear on your client's statement)  
Action date.....  
Contract / Agreement number.....

Declaration:

Do you authorise .....to issue and deliver payment instructions to your banker for collection against your bank account on condition that the sum of such payment instruction will never exceed your obligations as agreed to in your contract / agreement.

This method will commence effective <date> and will continue monthly/weekly thereafter until this Authority and Mandate is terminated by yourself by giving us notice of not less than one month.



In the event that the payment day falls on a Saturday, Sunday or recognised South African public holiday, the payment day will automatically be the very next ordinary business day.

This Authority and Mandate may be ceded or assigned to a third party if the Agreement is also ceded or assigned to the third party.

Mr / Mrs ..... do you understand and accept what I have read to you? (Yes / No)  
 If you have any questions or complaints, please contact .....on .....

Thank you  
 Goodbye

## B4 - Standard for Voice Recorded Mandate/Authority

DESCRIPTION	MEANING
Abbreviated Name on bank statement	The inscription used on the bank statement of the payer must be stated.
Beneficiary name	The name of the collecting party.
Call Centre name	The name of the call centre obtaining the Mandate of which the VR authorisation forms a part.
Confirmation	Confirm that Payer identified by the surname, initials and identity number in this section has authorised a deduction for [describe the underlying commercial agreement for instance insurance premiums] for an amount specified from his/her bank account stating such bank account particulars as from the deduction start date confirming the inscription [User Abbreviated Name] which will be used on the Payer' bank account.
Contact Telephone Number	The number used to contact the Payer must be recorded including confirmation whether such number relates to his /her cellular, work or home number.
Contract/Agreement Reference Number	The unique identifier that relates to the underlying business transaction.
Current date	The day on which the conversation took place.
Deduction	It must be clearly stated that a deduction is to be made against the Payer's bank account.
Deduction dates	The first and subsequent dates from which the deduction on the bank account must be made.
Payer Bank particulars	The name of the bank, account number, branch code and type of account against which the deduction must be made.



Surname and Initial	The surname and initials of the Payer on whose account the deduction must be made.
Value amount	The deduction amount.



## B5 – Minimum Requirements for Confirmation to Payer

Name and Surname .....

Contract / Agreement number.....

Commencement / Action date .....

Amount .....

Abbreviated Name ..... (must appear on your client's statement)

User Contact Details.....

Date of Confirmation.....

## B6 – Minimum Requirements for Notification of Cession/Assignment

Date.....



Name and Surname .....

Contract / Agreement number.....

Current User Abbreviated Short Name.....

New User Abbreviated Short Name.....

Commencement / Action date .....

Amount .....

Abbreviated Name ..... (must appear on the payer's statement)

User Contact Details.....

Email Address.....



# APPENDIX C - DEBICHECK

## 1 Glossary

The following abbreviations are used in this Appendix:

ABBREVIATION	CLARIFICATION
AC	Authenticated Collections
ABSN	Abbreviated Short Name
AEDO	Authenticated Early Debit Order
DR	Debit
CR	Credit
EDO	Early Debit Order
EFT	Electronic Funds Transfer
MAC	Message Authentication Code
NAEDO	Non Authenticated Early Debit Order
NPS	National Payment System
NPS Act	National Payment System Act 78 of 1998
PASA	Payments Association of South Africa
PCH	Payment Clearing House
PSO	PCH System Operator
SARB	South African Reserve Bank
SO	System Operator
TPPP	Third Party Payment Provider

## 2 Definitions

2.1 All of the listed terms will have the meanings assigned to them and similar expressions will have corresponding meanings. Unless otherwise indicated:

- Any one gender includes the other and are neutral;
- The singular includes the plural and vice versa;
- Capitalised words have a special meaning in lieu of their dictionary meaning. These terms are defined in this clause.
- Bold type is used for visual emphasis.
- Reference to other documents is in italics.



2.2 The following terms will have the meanings assigned to them and cognate expressions will have corresponding meanings, namely:

TERM	DEFINITION
<b>Abbreviated Short Name / ABSN</b>	A 10-character description of the Ultimate Creditor's name, which must be included in the Mandate, Mandate Register and in the Payment Instruction.
<b>AC Directive</b>	Directive 1 of 2017 (as amended) issued by the SARB: Directive for Conduct within the National Payment System in respect of the Collection of Payment Instructions for Authenticated Collections, including any further amendments and/or supplementary documentation.
<b>Action Date</b>	The date which is stated in the Payment Instruction as the date upon which the Payment Instruction is to be presented by the User for payment against the Payer's Bank Account.
<b>Adjustment Category</b>	Refers to the ability to adjust the Instalment Amount and Maximum Collection Amount.
<b>Adjustment Amount</b>	Amount that the Instalment Amount and Maximum Collection Amount can be adjusted based on the Adjustment Category. This value can be negative.
<b>Adjustment Rate</b>	The rate that the Instalment Amount and Maximum Collection Amount can be adjusted based on the Adjustment Category. This value can be negative.
<b>Alleged Fraud</b>	Any claim made with regards to a transaction or potential transaction allegedly intended to defraud or deceive the Banks, User or Payers.
<b>Authentication / Authenticating</b>	Authentication includes all of the following - <ul style="list-style-type: none"> <li>• User verification by the Sponsoring Bank;</li> <li>• Payer verification by the Paying Bank;</li> <li>• Payer account validation by the Paying Bank; and</li> <li>• Mandate Authorisation by the Payer.</li> </ul>
<b>Authentication Key</b>	The method used by the Paying Bank to validate/verify the Authorisation received (e.g. MAC).
<b>Authorise / Authorisation</b>	The consent given by the Payer to the Paying Bank for the processing of the Mandate.
<b>Bank</b>	A financial institution actively providing products and services commensurate with that of a 'Bank' as defined in the Banks Act, 1990. The term 'Bank' will also include any 'Designated Clearing System Banks' as defined by the NPS Act, 1998.
<b>Bank Account</b>	This means a bank account held at a Bank which can be debited or credited as a result of a Payment Instruction.
<b>Business Days</b>	Every day of the week, excluding Saturdays, Sundays, and Public Holidays.
<b>Calendar Days</b>	Every day of the week including Saturdays, Sundays, and Public Holidays.





<b>Collections</b>	This means a mandated Payment Instruction from the User to its Sponsoring Bank, presented in the form of an electronic record, to collect money from a Payer's Bank Account using the DebiCheck Payment Stream.
<b>Collection Day/Collection Date</b>	The day that is stated in the Mandate Information as the day upon which the Payer elected the Payment Instruction is to be presented for collection against her / his' Bank Account held at the Paying Bank.
<b>Contract</b>	The contractual arrangement (including, but not limited to, any loan or sales agreement) concluded between a Payer and an Ultimate Creditor.
<b>Contract Reference</b>	The unique reference used by the Ultimate Creditor and the Payer to identify the Contract/ concluded between them.
<b>Credit Tracking</b>	A process in terms of which a Payment Instruction that was not paid upon initial presentment is held over for presentment until either successful or the period for Credit Tracking is complete, whichever is the earlier.
<b>DebiCheck</b>	A debit order that is electronically confirmed by the Payer with the Paying Bank.
<b>Dispute Action</b>	A reversal of funds from the User to the Payer via the Sponsoring Bank and Paying Bank.
<b>Dispute Ratio</b>	The total monthly disputed Payment Instructions as a percentage of the total successful monthly input.
<b>Dispute Request</b>	A request by the Payer to dispute the validity of a successful Payment Instruction processed against the Payer's Bank Account.
<b>Early Window</b>	The period within which DebiCheck, Migrated NAEDO, NAEDO and Registered Mandate Payment Instructions are processed directly after bulk credits, and in accordance with the First Priority or Second Priority.
<b>First Collection</b>	If applicable, this is the first instalment of which – <ul style="list-style-type: none"> <li>• the value of the first instalment as stated in the Mandate Information, which can be greater, equal to or less than the Instalment Amount; and</li> <li>• the specific date that is stated in the Mandate Information and upon which the Payment Instruction is to be presented for collection against the Payer's Bank Account at the Paying Bank.</li> </ul>
<b>First Priority</b>	Randomisation of DebiCheck, AEDO, Migrated AEDO and Migrated NAEDO Payment Instructions which are processed directly after bulk credits, in the Early Window.
<b>Fraud</b>	Deliberate deception to unlawfully gain access or potential access to money in a Bank Account of a Bank, User or Payer (a proven outcome after an investigation into alleged fraud has been conducted).
<b>Fraudulent Transaction</b>	This means any alleged fraudulent transaction intended to defraud or



	deceive the Bank, User or Payers.														
<b>Frequency</b>	<p>The regularity of the Payment Instruction, namely:</p> <ul style="list-style-type: none"> <li>• Weekly</li> <li>• Fortnightly</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Bi-annually</li> <li>• Annually</li> <li>• Monthly by Rule –</li> </ul> <table border="1" style="margin-left: 40px;"> <tr> <td>01 - Last Monday</td> <td>02 - Last Tuesday</td> </tr> <tr> <td>03 - Last Wednesday</td> <td>04 – Last Thursday</td> </tr> <tr> <td>05 - Last Friday</td> <td>06 - Last Saturday</td> </tr> <tr> <td>07 - First Monday</td> <td>08 - First Tuesday</td> </tr> <tr> <td>09 - First Wednesday</td> <td>10 – First Thursday</td> </tr> <tr> <td>11 - First Friday</td> <td>12 - First Saturday</td> </tr> <tr> <td>13 – 2<sup>nd</sup> Last Day</td> <td>14 - Last Day</td> </tr> </table>	01 - Last Monday	02 - Last Tuesday	03 - Last Wednesday	04 – Last Thursday	05 - Last Friday	06 - Last Saturday	07 - First Monday	08 - First Tuesday	09 - First Wednesday	10 – First Thursday	11 - First Friday	12 - First Saturday	13 – 2 <sup>nd</sup> Last Day	14 - Last Day
01 - Last Monday	02 - Last Tuesday														
03 - Last Wednesday	04 – Last Thursday														
05 - Last Friday	06 - Last Saturday														
07 - First Monday	08 - First Tuesday														
09 - First Wednesday	10 – First Thursday														
11 - First Friday	12 - First Saturday														
13 – 2 <sup>nd</sup> Last Day	14 - Last Day														
<b>Item limit</b>	The maximum monetary value of a single transaction that may be submitted by a User.														
<b>Instalment Amount</b>	The amount Authorised by the Payer as set out in the Mandate Information, excluding First Collection.														
<b>Late Recall</b>	Late Recall means a request by the User to withdraw a Payment Instruction where the PSO processing window is closed, and the request may not be processed as a Recall.														
<b>Mandate</b>	The written, verbal, or electronic authority given by the Payer to the Ultimate Creditor, allowing the Ultimate Creditor/User to debit the Payer's Bank Account or to initiate a payment instruction against the Payer's Bank Account.														
<b>Mandate Amendment Request</b>	A request to amend the Mandate Information.														
<b>Mandate Information</b>	Information referred to in <b>C7</b> .														
<b>Mandate Reference Number</b>	A unique number allocated, by the Paying Bank, to the Mandate Information held on the Mandate Register.														
<b>Mandate Register</b>	A register held and managed by the Paying Bank containing, as a minimum, the Mandate Information.														
<b>Migration / Migrated</b>	The process in terms of which AEDO and NAEDO Mandates are loaded and stored on the Mandate Register and collected against the Payer's Bank Account as a Migrated DebiCheck Mandate in accordance with the AC Directive and as set out in <b>C1</b> .														
<b>Migration Period</b>	The period for Migration prescribed in accordance with the AC Directive														



	issued by the SARB.
<b>Maximum Collection Amount</b>	The maximum amount per Payment Instruction that the User is allowed to collect as mandated by the Payer.
<b>Nominated Account</b>	Means a current account in the User's name held by the Sponsoring Bank for the specific (but not necessarily exclusive) purpose of transacting/posting entries connected with Collection services.
<b>Notification</b>	A message by the Paying Bank to the Payer of an update to the Mandate Information, not requiring Authorisation or the registration of Registered Mandate Information.
<b>Once-Off Mandate</b>	A Mandate that meets the criteria of a Fixed Mandate and is used for a single Payment Instruction; or an irregular Payment Instruction.
<b>Payer</b>	A natural person who holds a Bank Account at the Paying Bank.
<b>Paying Bank</b>	The Bank with whom the Payer holds a Bank Account.
<b>Payment Instruction / Transaction / Item</b>	An instruction to a Bank to transfer funds (make a payment) (CR Payment Instruction) or to collect funds (collect a payment) (DR Payment Instruction).
<b>Payment System</b>	A system that enables: the transfer of Mandate Information; payments to be affected; the circulation of money; and includes any instruments such as notes and coins, paper and electronic Payment Instructions, and procedures that relate to the system.
<b>PCH System Operator (PSO)</b>	A person(s) appointed by each Bank to provide payment clearing processing services on behalf of such Bank in the PCH, which appointment is subject to the authorisation of PASA.
<b>Payment Stream</b>	A Payment Stream refers to the types of service available to the User (e.g. DebiCheck) to process Collections as defined by its own characteristics and terms.
<b>Payment Clearing House (PCH)</b>	An arrangement between two or more clearing system participants and SARB settlement system participants, excluding a designated settlement system operator, governing the clearing, or netting, of Payment Instructions between those clearing system participants and SARB settlement system participants;
<b>Processing Days</b>	Means Monday to Saturday (excluding Public Holidays) for 6-day processing Banks; and Monday to Sunday (including Public Holidays) for 7-day processing Banks.
<b>Processing Day Rule</b>	The Processing Day Rule only applies to the processing of Payment Instructions. Payment Instructions will be processed every day of the week (including Sundays and Public Holidays) for 7-day processing Banks. Payment Instructions will be processed Mondays to Saturdays, excluding Sundays and Public Holidays for 6-day processing Banks.
<b>Public Holidays</b>	A Public Holiday as determined by the Public Holidays Act 36 of 1994. This means non-Business Days which are not valid Action Dates.



<b>Randomisation</b>	Means the random combination of all Payment Instructions by the Paying Bank.
<b>Recall</b>	A Recall means a request by a User to its Sponsoring Bank to withdraw a Payment Instruction not yet posted to the Bank Account of the Payer.
<b>Reversal</b>	A Reversal means a request by the User to its Sponsoring Bank to withdraw a Payment Instruction which has been processed to the Bank Account of the Payer.
<b>Registered Mandate</b>	Registration of Mandate Information at the Paying Bank that has not been Authorised by the Payer, and which is therefore not registered as DebiCheck, due to no response being received from the Payer and collected against the Payer's Bank Account as a Registered Mandate as set out in <b>C2</b> .
<b>Second Priority</b>	Randomisation of NAEDO and Registered Mandate Payment Instructions which are processed directly after the First Priority, in the Early Window.
<b>Sponsoring Bank</b>	The Bank that sponsors the User.
<b>Mandate Suspension</b>	An instruction by the Payer to the Paying Bank to stop future Payment Instructions from being processed on the Payer's Bank Account.
<b>System Error</b>	The processing of a Payment Instruction which has been introduced Payment System erroneously, by either a Bank or a Bank's User.
<b>System Error Correction</b>	The automated process of correcting a System Error.
<b>TPPP (Third Party Payment Provider)</b>	A Third Party Payment Provider as contemplated in section 7(c) of the NPS Act, who collects payments on behalf of the Ultimate Creditor.
<b>Ultimate Creditor</b>	The person to whom the Payer has given the Mandate.
<b>User</b>	The person (Ultimate Creditor or TPPP collecting on behalf of the Ultimate Creditor) sponsored by FRB, as the Sponsoring Bank, including an Ultimate Creditor that may or may not have a direct relationship with FRB.

### 3 Qualifying Criteria

In order for a prospective User to be sponsored into the National Payment System by FRB, FRB must be satisfied regarding the following:

- 3.1 The User must not introduce any risk into the National Payment System. This risk includes but is not limited to, reputational, legal and/or financial risk.
- 3.2 The User must submit Payment Instructions as per the technical specifications provided to them by FRB.
- 3.3 The User must comply with FRB's pre-onboarding vetting which includes (without limitation) producing a sample of their Mandate for vetting to ensure compliance with the minimum requirements as set out in this Terms of Use;



## 4 Payment Instructions eligible for processing

- 4.1 Can only be submitted as per the Mandate Information registered in the Mandate Register;
- 4.2 Can only be submitted to FRB in its capacity as the Sponsoring Bank;
- 4.3 Can only be submitted after the Mandate Information has been Authorised;
- 4.4 Must conform to and contain the required information as per the relevant FRB channel specifications utilised by the User;
- 4.5 Before the Payment Instruction can be presented against the Payer's Bank Account, it must be successfully validated by the Paying Bank. Whether the Payment Instruction is successfully validated or not, a response will be sent to FRB by the Paying Bank;
- 4.6 The User must ensure that the Collection Amount must always be less than or equal to:
  - 4.6.1.1.1 the Maximum Collection Amount in respect of usage based and variable Mandates; or
  - 4.6.1.1.2 the Instalment Amount in respect of fixed and variable Mandates (where present);
  - 4.6.1.1.3 Once-off mandate – Collection Amount must be equal to the Instalment amount
  - 4.6.1.1.4 First Collection amount must be equal to the Initial / First Collection Amount;
- 4.7 The Maximum Collection Amount must always be known and Authenticated by the Payer;
- 4.8 For a Once-off Mandate the Instalment Amount and the Maximum Collection Amount must be equal to one another.

### Action Date and Date Adjustment

- 4.9 The User must ensure that Payment Instructions are submitted in accordance with the following:
  - 4.9.1.1.1 If the Date Adjustment Indicator is set to "No" the Collection Day will be on the same day as the Action Date or the next Processing Day to cater for non-processing days.
  - 4.9.1.1.2 If the Date Adjustment Indicator is set to "Yes" the Collection Day may not necessarily be on the same day as the Action Date.

### Contract Reference

- 4.10 The Contract Reference as contained in the Payment Instruction will reflect on the Payer's bank statement.
- 4.11 A Contract Reference may only be amended by the Ultimate Creditor provided that no Payment Instruction has been presented against the Payer's Bank Account.
- 4.12 Once a Payment Instruction has been presented against the Payer's Bank Account, a Contract Reference cannot be changed for the duration of the Contract.
- 4.13 A new Contract Reference may be issued only in respect of a new Mandate.

## 5 Mandate Initiation

- 5.1 The minimum Mandate Information which must appear in all Mandate types (i.e. fixed, variable or usage based) for voice, written or electronic (not incorporated into the contract document) or which is to appear in the contract document (in which the Mandate is also embedded), as set out in **C3**. With regards to the latter, the contract document would have to be disclosed in order to evidence the existence of the



information set out below.

- 5.2 The Sponsoring Bank can process a request to the Paying Bank to register Mandate Information in real time or batch.
- 5.3 After successful validation, the Paying Bank will request Authorisation from the Payer.
- 5.4 FRB will advise the User should the request to register Mandate Information be rejected by the Paying Bank due to failed validations.
- 5.5 The Paying Bank may only capture the Mandate Information in the Mandate Register and create a Mandate Reference Number per Mandate initiation request on successful Authorisation by the Payer.
- 5.6 Each Mandate Information, including Mandate Information for Once-off Mandates, must have a Mandate Reference Number.
- 5.7 Mandates will be verified by FRB prior to processing.
- 5.8 Once-off Mandate
  - 5.8.1.1.1 The User must request Authorisation in respect of a Once-off Mandate.
  - 5.8.1.1.2 A Once-off Mandate will have a unique Mandate Reference Number and where there is an existing underlying contract between the Payer and the Ultimate Creditor, the same Contract Reference must be used/retained.
- 5.9 DebiCheck Payment Instructions will be presented as First Priority.

## 6 Mandate Amendment

- 6.1 If a User amends the Mandate and in doing so changes the format from what is currently being used read with clause 5.1 above, the format must be approved by FRB prior to being used.
- 6.2 When amending a Mandate, the User must ensure that the applicable contractual and/or legislative obligations are met including but not limited to the Payer's authorisation.
- 6.3 Mandate Amendment Requests must originate from or on behalf of the Ultimate Creditor but may be delivered by the User/TPPP involved (where applicable).
- 6.4 Amendments to Mandate information can be processed in real time or batch.
- 6.5 Mandate Amendment Requests must contain the Mandate Information that must be amended and the Mandate Reference Number/s to enable the Paying Bank to identify the Mandate Information that it needs to amend.
- 6.6 The Paying Bank will determine if the Mandate Amendment Request requires Authorisation by the Payer or Notification to the Payer.
- 6.7 If the Paying Bank's validation fails, then the request must be rejected.
- 6.8 The Paying Bank must validate if the Mandate Amendment Request requires Authorisation from or Notification to the Payer or where no action by the Payer as per **C5**.
- 6.9 If the requested amendment requires Authorisation from the Payer, and:
- 6.10 Authorisation is obtained, the Paying Bank must update the Mandate Register with the new details.



- 6.11 If no Authorisation is obtained, then the Paying Bank cannot update the Mandate Register and therefore the existing Mandate Information will remain in effect.
- 6.12 If the requested amendment requires Notification, the Paying Bank must update the Mandate Register with the new details and notify the Payer that there has been an amendment.
- 6.13 FRB will submit the outcome of the Mandate Amendment Request to the User as received by the Paying Bank. The User will receive the outcome (i.e. where the Payer was notified or where the amendment was Authorised, not Authorised, or no response by the Payer) of the Mandate Amendment Request prior to submission of the next Payment Instruction.
- 6.14 If a User wishes to send a consecutive amendment of a Mandate, the User must only do so once the response of the initial amendment request is received.

## 7 Mandate Retention

- 7.1 In the event of Mandate Information being suspended or cancelled, the Mandate Information will be retained in the Mandate Register for a period of 13 (thirteen) months where after it may be archived.

## 8 Mandate Information

- 8.1 The User may request for Mandate Information from the Mandate Register.
- 8.2 The User must submit the request to FRB as its Sponsoring Bank.
- 8.3 Such request must contain the Mandate Reference Number and the Ultimate Creditor's Abbreviated Short Name.
- 8.4 Where there is a conflict between the Mandate Information contained in the Mandate Register and the information contained elsewhere, the Mandate Information in the Mandate Register will prevail.

## 9 Cancellation of Mandate Information

- 9.1 When a DebiCheck Payment Instruction is cancelled this means the cancellation of the Mandate Information in the Mandate Register which will stop all further processing of Payment Instructions in respect of the Mandate Information.
- 9.2 Cancellation of Mandate Information can be processed in real-time or batch.
- 9.3 The User has the discretion to cancel the Mandate information at any time with FRB, however the User must cancel Mandate Information with FRB when the Mandate between the Payer and the Ultimate Creditor is cancelled and/or terminated.

## 10 Credit Tracking

- 10.1 Where a User makes use of Credit Tracking the User must indicate (on the Mandate) that the Credit Tracking option will be used.
- 10.2 The User will only be afforded Credit Tracking for a maximum of 10 (ten) calendar days commencing on the Action Date.





## 11 Disputed Authority for Payment Instructions

- 11.1 The Payer has the right to make a Dispute Request against any successful Payment Instruction processed against his/her Bank Account at his/her Paying Bank provided that all the requirements for a Dispute Request are met namely:
- 11.2 The Paying Bank must verify the identity of the Payer;
- 11.3 the Payer must identify the successful Payment Instruction in dispute; and
- 11.4 the Payer must provide the reason for the dispute which must be one of the following:
  - 11.4.1.1 the amount of the Payment Instruction differs from the amount the Payer Authorised;
  - or
  - 11.4.1.2 the Payment Instruction was presented on a date not Authorised by the Payer.
- 11.5 A Dispute Request is allowed on all Mandate types and is initiated as a result of Payment Instruction being processed contrary with the terms of the Mandate (e.g. Instalment Amount or date field).
- 11.6 A Dispute Request will qualify as a Dispute Action if:
  - 11.6.1.1 the Dispute Request for the full amount of the Payment Instruction is made within 12 (twelve) months from date the Payment Instruction was successful; and
  - 11.6.1.2 the Action Date of the Payment Instruction does not match the Collection Day (except where the Processing Day Rule applies) irrespective of whether the Date Adjustment is set to “yes” or to “no”; or
  - 11.6.1.3 the amount collected in accordance with the Payment Instruction is greater than the Instalment Amount in the Mandate Register; or
  - 11.6.1.4 no Instalment Amount appears in the Mandate Register; or
  - 11.6.1.5 the Payment Instruction is a representation.
- 11.7 If the Dispute Request does not qualify as a Dispute Action, the Paying Bank will not get involved with the resolution of the dispute between the Payer and the Ultimate Creditor.
- 11.8 If the Dispute Request does qualify as a Dispute Action the Paying Bank must:
  - 11.8.1.1 credit the Payer’s Bank Account within 2 (two) Processing Days from the date the Dispute Request qualified as a Dispute Action; and
  - 11.8.1.2 send a message to FRB of the Dispute Action, which will result in the automatic reversal of the Payment Instruction by FRB, back to the Paying Bank.
- 11.9 The Sponsoring Bank will notify the User of a successful Dispute Action on reversal of funds.
- 11.10 No Dispute Action may be processed for any partial amounts.

## 12 Returned Payment Instructions

- 12.1 If for any reason a Payment Instruction cannot be processed as received by a User, FRB will return the Payment Instruction to the User due to either being unpaid or disputed, together with a reason as per the Unpaid Response and Dispute Reason Codes provided for in **C4**.
- 12.2 These Response and Reason Codes each have an action attached to them to which the User must





comply with.

## 13 Recalls

- 13.1 DebiCheck recall requests can only be actioned against Payment Instructions prior to collection or that are in Credit Tracking. This must be effective before the start of the next day's tracking requests. I.e. Any recall request submitted against Payment Instructions already in collection or not in tracking when the request must be actioned will be rejected.
- 13.2 The requests for and the responses to DebiCheck recalls must be processed in batch format.
- 13.3 The Mandate Reference Number for the original Payment Instruction must be included as part of the recall request failing which the request will be rejected.
- 13.4 The User may not submit a Recall request in order to recover part of the Payment Instruction value.
- 13.5 Successful and unsuccessful responses to the Recall request will be provided to the User.
- 13.6 Where FRB is unable to assist the User with a Late Recall request, FRB may process such request as a Reversal and/or System Error Correction.
- 13.7 Partial reversals/recoveries are not allowed.

## 14 System Errors

- 14.1 Where the User has successfully processed a DebiCheck Payment Instruction, which was invalid due to a System Error, for instance where a System Error has resulted in the duplication of a Payment Instruction, the User may request FRB to reverse the Payment Instruction.
- 14.2 In the event of a System Error Correction authorisation from the Payer will not be required.

## 15 Abbreviated Short Name

- 15.1 Abbreviated Short Names must be validated and approved by FRB prior to being included in any Payment Instructions.
- 15.2 Should an Abbreviated Short Name submitted by the User be similar to or already in use by another User (including Users sponsored by other banks), FRB will reject the Abbreviated Short Name submitted and the User will have to resubmit a different Abbreviated Short Name.
- 15.3 The Abbreviated Short Name as contained in the Payment Instruction will reflect on the Payer's bank statement.

## 16 Mandate Suspension

- 16.1 The Payer is entitled to request the suspension of the Mandate Information for the following reasons:
  - 16.1.1.1 the Contract has expired; or
  - 16.1.1.2 the Payer does not agree with the revised terms; or
  - 16.1.1.3 the Payer has cancelled the contract;
- 16.2 Mandate Information will also automatically be suspended:



- 16.2.1.1.1 after the 7th (seventh) consecutive unsuccessful Payment Instruction;
  - 16.2.1.1.2 when the Payment Instruction, indicated as final or relates to a Once-off Mandate, has been successfully collected;
  - 16.2.1.1.3 when a Payment Instruction is returned with the response “Account Closed”;
  - 16.2.1.1.4 when a Payment Instruction is returned with the response that the Payer’s Bank Account is unable to accept debits or is inoperable for whatever reason;
  - 16.2.1.1.5 upon receipt of the Payer’s request to suspend the Mandate Information;
- 16.3 The User will be notified of a Mandate Suspension and must ensure that the Ultimate Creditor is also notified thereof;
- 16.4 FRB will make available the details of the Mandate Suspension request to the User.
- 16.5 Mandate Suspension suspends the Mandate immediately and indefinitely.
- 16.6 Where a Payment Instruction is unsuccessful and returned due to a Mandate Suspension the User must not submit nor resubmit any future dated Payment Instruction(s).
- 16.7 A Mandate Suspension will also stop any Payment Instruction that is already in Credit Tracking while the Mandate Information is suspended.
- 16.8 The User may seek to resolve the issue with the Payer and may request that the Mandate be unsuspending.
- 16.9 The User can only unsuspend the Mandate Suspension by means of Mandate Amendment Request provided that Authorisation has been obtained from the Payer.
- 16.10 FRB will notify the User once the Mandate Information has been unsuspending. The User must ensure that the Ultimate Creditor is also notified thereof.
- 16.11 The User has 13 (thirteen) months to reinstate or cancel the Mandate from the Mandate Register, failing which the Mandate Information will be removed from the Mandate Register.

## 17 Presentment and Re-Presentment

- 17.1 Only 2 (two) presentments are allowed for the same Action Date, except for a Once-Off Mandate, where only a single presentment at a time is allowed per once-off collection authenticated initially.
- 17.2 A Payment Instruction can only be re-presented if such Payment Instruction was not successfully collected including a previously reversed Payment Instruction and meets the required payment type.
- 17.3 The User may re-present a Payment Instruction against a Once-Off Mandate, if unsuccessful.
- 17.4 For these payment types and the allowable presentment combinations refer to **C6**, provided they have been agreed to in the Mandate.
- 17.5 The User may not present Payment Instructions in contravention of the actions relating to the Unpaid Response Codes and the Dispute Reason Codes as outlined in **C4**.



## 18 Item Limit

- 18.1 The User may not circumvent the specified item limit by splitting Payment Instructions.
- 18.2 The DebiCheck debit Item limit is R 1 000 000 (One Million Rand).

## 19 Cession and/or Assignment

- 19.1 A User may not cede or assign any of its rights in terms of a Mandate held, to any third party unless:
  - 19.1.1.1 the Contract/Agreement is also ceded or assigned to that third party;
  - 19.1.1.2 such cession or assignment is communicated to the Payer prior to any Payment Instructions being processed against the Bank Account of the Payer in terms of the ceded or assigned Mandate; and
  - 19.1.1.3 the Payer is informed of the full name of the third party and its Abbreviated Short Name, should these details change due to the cession or assignment.
- 19.2 Once the User has notified FRB of the cession or assignment FRB is obligated to inform PASA and the Paying Bank of the cession or assignment.
- 19.3 The User will not be able to complete the cession or assignment until notified by FRB that the Paying Bank has updated the Mandate Register successfully.
- 19.4 Only the following fields can be updated without Authorisation by the Payer:
  - 19.4.1.1.1 Ultimate Creditor or TPPP Nominated Account number (whichever is applicable);
  - 19.4.1.1.2 Ultimate Creditor or TPPP Bank name and branch code (only applicable where the Sponsoring Bank changes)
  - 19.4.1.1.3 Ultimate Creditor and/or TPPP contact details (if TPPP applicable), i.e. telephone number and email address
  - 19.4.1.1.4 Ultimate Creditor and/or TPPP name (if TPPP applicable)
- 19.5 Mandates that have been cancelled or suspended cannot be re-instated through the cessions/assignment process.
- 19.6 The User who is a recipient of a Mandate and agreement of cession or assignment may only request Mandate Information using the existing Mandate Reference Number.
- 19.7 Any Dispute Actions raised against Payment Instructions which were successfully processed prior to the cession or assignment will be processed to the User on record with FRB prior to the cession or assignment. The User must allow for Dispute Actions and enquiries to the Nominated Account which is to be ceded or assigned for a minimum period of 12 (twelve) months.
- 19.8 Payment Instruction which are in Credit Tracking before the cession or assignment will remain in Credit Tracking until either successful or the period for Credit Tracking is complete, whichever occurs earlier.
- 19.9 Once a Payment Instruction has been presented against the Payer's Bank Account, a **Contract Reference** cannot be changed for the duration of the Contract even in the event of cession or assignment.



## 20 Change of Sponsoring Bank and/or TPPP

### Change of Sponsoring Bank only

- 20.1 Where a User intends to process its Payment Instructions through a new Sponsoring Bank it must notify FRB thereof.
- 20.2 Mandates that have been cancelled or suspended cannot be reinstated through the process of changing the Sponsoring Bank.
- 20.3 Dispute Actions raised against Payment Instructions that were successfully collected prior to the change in Sponsoring Bank will continue to be processed through the previous Sponsoring Bank;
- 20.4 Payment Instructions in Credit Tracking before the change in Sponsoring Bank must track against the User's Nominated Account at the previous Sponsoring Bank till either successful or the period for Credit Tracking is complete, whichever is the earlier.
- 20.5 FRB must notify the Paying Bank to initiate changes to the Mandate Information.
- 20.6 Only the following fields can be amended with the Paying Bank without Authorisation by the Payer:
  - 20.6.1.1.1 Ultimate Creditor Bank Account number;
  - 20.6.1.1.2 Ultimate Creditor Sponsoring Bank name and branch code;
  - 20.6.1.1.3 Ultimate Creditor contact details, e.g. telephone number and email address;
  - 20.6.1.1.4 Ultimate Creditor name;
  - 20.6.1.1.5 Ultimate Creditor ABSN (if required);
- 20.7 The User will not be able to effect the change in Sponsoring Bank until notified by FRB that the Paying Bank has updated the Mandate Register successfully.

### Change in Sponsoring Bank and/or TPPP

- 20.8 Where the User intends to process its Payment Instructions through a new TPPP or directly through FRB or a new Sponsoring Bank, FRB must be notified thereof.
- 20.9 Mandates that have been cancelled or suspended cannot be reinstated through the process of changing the Sponsoring Bank and/or TPPP.
- 20.10 Dispute Actions raised against Payment Instructions that were successfully collected prior to the change in Sponsoring Bank and/or TPPP will continue to be processed through FRB as the old Sponsoring Bank;
- 20.11 Payment Instructions in Credit Tracking before the change in Sponsoring Bank and/or TPPP must track against the User's Nominated Account with FRB as the old Sponsoring Bank till either successful or the period for Credit Tracking is complete, whichever is the earlier.
- 20.12 The previous Sponsoring Bank must notify the Paying Bank to initiate changes to the Mandate Information and where FRB is the previous Sponsoring Bank, it will do so.
- 20.13 Only the following fields can be amended with the Paying Bank without Authorisation by the Payer:
  - 20.13.1.1.1 Ultimate Creditor and/or TPPP Bank Account number;



20.13.1.1.2 Ultimate Creditor and/or TPPPs Sponsoring bank name and branch code;

20.13.1.1.3 Ultimate Creditor and/or TPPP contact details (if TPPP applicable), e.g. telephone number and email address;

20.13.1.1.4 Ultimate Creditor and/or TPPP name (if TPPP applicable);

20.13.1.1.5 Ultimate Creditor ABSN (if required);

20.14 The User will not be able to effect the change in Sponsoring Bank and/or TPPP until notified by FRB as the previous Sponsoring Bank, that the Paying Bank has updated the Mandate Register successfully.

## 21 Fraud

21.1 The Payer is entitled to report Alleged Fraud to its Paying Bank (e.g. the Payer did not Authenticate or Authorise the Mandate request, the contract has been paid up or the contract has been cancelled).

21.2 All complaints of alleged Fraudulent Transactions received by FRB will be reported to the relevant FRB Fraud team for investigation.

21.3 Where the Paying Bank is not FRB, it may engage with FRB in an attempt to recover a refund for the Payer which will also be reported to the relevant FRB Fraud team for further investigation.

21.4 Where Fraudulent Transactions are proven in respect of any User, FRB may suspend and/or terminate the sponsoring relationship with such User.



## C1 - MIGRATED NAEDO

**All DebiCheck terms will apply to Registered Mandates but for the terms contained in C1. In the event of a conflict between the DebiCheck terms and the Migrated NAEDO terms, or a deviation from the DebiCheck terms, the Migrated NAEDO terms in this document will prevail and apply.**

### 1 Mandate Initiation

- 1.1 A Migrated NAEDO Mandate can only be initiated and/or submitted during the Migration Period through FRB as the Sponsoring Bank.
- 1.2 The request for Migration does not require Authorisation by the Payer;
- 1.3 The request for Migration must be submitted in accordance with the DebiCheck Mandate types. i.e. fixed, variable or usage.
- 1.4 Neither the Instalment Amount nor the Maximum Collection Amount for any Migration request must exceed the Item Limit.
- 1.5 FRB will inform the User of the outcome of a Migration request;
- 1.6 Migration (whether successful or not) will not impact on the ability to collect with the existing Mandate in a different Payment System transaction type provided the existing Mandate is a valid Mandate and conforms to the minimum requirements as per clause 5.1. above.
- 1.7 Migrated NAEDO Payment Instructions will be presented as First Priority.

### 2 Mandate Amendment

- 2.1 The Migrated NAEDO Mandate can be converted to a DebiCheck Mandate by means of a Mandate Amendment Request which must be Authorised by the Payer;
- 2.2 Should Authorisation not be obtained by the Payer the Mandate will remain a Migrated NAEDO Mandate.
- 2.3 Where a Migrated NAEDO Mandate requires Notification, the Mandate will remain a Migrated NAEDO Mandate.

### 3 Disputed Authority for Payment Instruction

- 3.1 Payment Instructions in respect of Migrated NAEDOs are disputable and reversable.
- 3.2 A Dispute Request for a Migrated NAEDO will result in a Dispute Action for the following reasons:
  - 3.2.1.1.1 Amount not allowed;
  - 3.2.1.1.2 Date invalid;
  - 3.2.1.1.3 Not what the Payer agreed to;

### 4 Item Limit

- 4.1 The Migrated NAEDO Debit Item Limit is R30 000 (Thirty Thousand Rand).



## C2 - REGISTERED MANDATE SERVICE

All DebiCheck terms will apply to Registered Mandates but for the terms contained in C2.

### 1. Mandate Initiation

- 4.2 The User may only request a Registered Mandate after the Payer has failed to respond to the DebiCheck Mandate initiation request, resulting in a no response code ('NRSP') being received by the User.
- 4.3 The User may only initiate the Registered Mandate within 10 (ten) Calendar Days from receipt of the NRSP.
- 4.4 The Mandate Information in the Registered Mandate must not differ from the Mandate Information in the related DebiCheck Mandate except for:
  - 4.4.1.1.1 First Collection Amount (if not present);
  - 4.4.1.1.2 First Collection Date (if not present);
  - 4.4.1.1.3 Authentication Type;
- 4.5 After the Registered Mandate has been successfully validated by the Paying Bank, the Paying Bank will notify the Payer.
- 4.6 Registered Mandate Payment Instructions will be presented as Second Priority.

### 2. Mandate Amendment

- 4.7 The Registered Mandate can be converted to a DebiCheck Mandate by means of a Mandate Amendment Request which must be Authorised by the Payer.
- 4.8 Should Authorisation not be obtained by the Payer the Mandate will remain a Registered Mandate.
- 4.9 Where a Registered Mandate requires Notification, the Mandate will remain a Registered Mandate.
- 4.10 If a User amends the Mandate and in doing so changes the format from what is currently being used, the format must be approved by FRB prior to being used.
- 4.11 When amending a Mandate, the User must ensure that the applicable contractual and/or legislative obligations are met including but not limited to the Payer's authorisation.

### 3. Disputed Authority for Payment Instruction

- 4.12 Payment Instructions in respect of Registered Mandates are disputable and reversible.
- 4.13 A Dispute Request for a Registered Mandate will result in a Dispute Action for the following reasons:
  - 4.13.1.1.1 Amount not allowed;
  - 4.13.1.1.2 Date invalid;
  - 4.13.1.1.3 Not what the Payer agreed to;

### 4. Losses

- 4.14 Where a User is found to have initiated a Registered Mandate when the related DebiCheck Mandate



initiation request was declined by the Payer, or if, due to the unsuspension or amendment of a Registered Mandate, the Mandate from the Payer is converted to DebiCheck which is disputed by the Payer, the User is responsible for any Losses raised against FRB as a result, read with clause 7.2.1 (Third Party Claims) under General Application of this Terms of Use;





## C3 – Mandate Information

1. The minimum information which must appear in all Mandate types (i.e. fixed, variable or usage based) for voice, written or electronic (not incorporated into the contract document) or which is to appear in the contract document (in which the Mandate is also embedded), is set out in point 3. below.
2. With regards to the latter, the contract document would then have to be disclosed in order to evidence the existence of the information set out below (if not all set out in the Mandate embedded in the contract)<sup>3</sup>.
3. The minimum requirements to be contained in the Mandate / contract are the following:-
  - 3.1 Full name of Ultimate Creditor (registered name, including trading name);
  - 3.2 ABSN (to enable a Payer to identify who debited their account, i.e. same included on the Banks statement of the Payer);
  - 3.3 Contract Reference number;
  - 3.4 First Collection date if required;
  - 3.5 Collection Day (i.e. if salary date is stated, an indicative date as to when the amount may be deducted from the Payer's account is to be provided<sup>4</sup>);
  - 3.6 Frequency of the Payment Instruction (weekly, fortnightly, monthly, quarterly, annually, biannually, and monthly by rule (an example of the latter is, 3rd Friday of every month).
  - 3.7 Date adjustment rule – is a field used to indicate that the Collection Day may or may not change and is intended to be used for either indicating (i) a fixed Collection Day [i.e. the date adjustment rule indicator is 'no'] or (ii) a Collection Day that may change [i.e. the date adjustment rule indicator is 'yes'];
  - 3.8 Payer's details – must contain:
    - 3.8.1 Surname, full name or initial of Payer;
    - 3.8.2 Identity, passport number or temporary residence ID;
    - 3.8.3 their bank (as Paying Bank);
    - 3.8.4 account number;
    - 3.8.5 disclosure to the Payer (as opposed to consent) for Credit Tracking;

---

<sup>3</sup> The mandate must include all the crucial criteria – if all the elements are available in the contract, then they need not appear in the mandate as long as it is referenced correctly. If it is to be a single or separate documents will depend on the Ultimate Creditor. Mandate only comes into completeness when accepted by the Payer.

<sup>4</sup> Please note that while the mandate may allow for the insertion of the words 'salary date', however from a technical perspective this is catered for is by answering yes to date adjustment rule indicator and the provision of an indicative date.



3.8.6 Explicit Authority by the Payer to debit their account (I hereby Authorise the Bank to debit my account);

3.8.7 Consent / Authorisation of the Payer (a wet signature; biometric record, a legally acceptable “electronic signature” and / or voice recorded verbal consent) and the date upon which such consent / Authorisation was granted.

3.9 Cession and/or Assignment whereby the Payer acknowledges that the Mandate may be ceded or assigned to a third party if the Contract is also ceded or assigned to that third party.

3.10 The further information which is to appear over and above the information stated above, is set out in respect of each mandate type:

Fixed Mandate	Variable Mandate	Usage Based Mandate
Initial Amount (i.e. an amount that is not the same as the Instalment Amount, insert in mandate, if applicable)	Initial Amount (i.e. an amount that is not the same as the Instalment Amount, insert in mandate, if applicable)	Initial Amount (i.e. an amount that is not the same as the Instalment Amount, insert in mandate, if applicable)
Instalment Amount: the amount is a fixed recurring amount.	Instalment Amount the amount is a predetermined recurring amount (subject to the adjustment category changes).	Instalment Amount: if available, is presented.
Maximum amount: can be up to 1.5 times greater than the Instalment Amount	Maximum Amount: can be up to 1.5 times greater than the Instalment Amount (subject to the adjustment category changes).	Maximum amount: must always appear
Adjustment Category –  Not required to be presented - refers to the ability of the Creditor (user) to adjust the Instalment Amount and / or maximum amount: this must be defaulted to never.	Adjustment Category –  Refers to the ability of the Creditor (user) to adjust the Instalment Amount and / or maximum amount: this may be never, quarterly, biannually, annually, when the repo rates changes. Other than when ‘repo rate’ or ‘never’ is elected, one of the following must appear– Adjustment amount (an amount that the Instalment and / or Maximum Collection Amount may be adjusted based on adjustment category) OR Adjustment rate (a rate that the instalment and / or maximum). Collection Amount may be adjusted based on adjustment category).	Adjustment Category –  Refers to the ability of the Creditor (user) to adjust the Instalment Amount and / or maximum amount: this must be never, quarterly, biannually, annually, when the repo changes. Other than when ‘repo rate’ or ‘never’ is elected, one of the following must appear– Adjustment amount (an amount that the Instalment and / or Maximum Collection Amount may be adjusted based on adjustment category) OR Adjustment rate (a rate that the instalment and / or maximum). Collection Amount may be adjusted based on adjustment category).



## C4 – Dispute Return Reason Codes

UNPAID RESPONSE CODES		
Refer to the technical specifications provided by FRB.		
DISPUTE RETURN REASON CODES		
Code	Description	Action to be Taken
<b>AM02</b> Not allowed amount	The Payer is disputing the Payment Instruction based on the fact that the amount differs from what is agreed to in the Mandate.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 5; 6; <b>Error! Reference source not found.</b> and 15.
<b>DT01</b> Invalid date	The Payer is disputing the Payment Instruction based on the fact that the date differs from what is agreed to in the Mandate.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 5; 6; <b>Error! Reference source not found.</b> and 15.
<b>NWIA</b> Not what I agreed to	The Payer is disputing the Payment Instruction based on the fact that the Payment Instruction differs from what is agreed to in the Mandate.	The current Payment Instruction, as well as all future Payment Instructions, must be removed from processing. The User must obtain a new Mandate from the Payer prior to submitting any new Payment Instructions in terms of Sections 5; 6; <b>Error! Reference source not found.</b> and 15.



## C5 - Mandate Amendment Requirements

Data Element	Notification or Re-Authorise with Payer if Amended	Validate Debit Payment Instruction against Mandate
Initial Amount	Re-authenticate	Yes (if provided & different to Instalment Amount)
Adjustment Amount	Re-authenticate	No
Adjustment Rate	Re-authenticate	No
First Collection Date	Re-authenticate	Yes
Collection Day	Re-authenticate	Yes
Date Adjustment Rule Indicator	Re-authenticate	Yes
User/ Ultimate Creditor Abbreviated Short Name	Re-authenticate	Yes
Maximum Collection Amount	Notification	Yes
Adjustment Category	Notification	No
Payer Account Type	Notification	No
Tracking Indicator	Notification	Yes
Payer Identification	Notification	No
Frequency	New Mandate required	Yes
Contract Reference Number	New Mandate required	N/A
Paying/Paying Bank	New Mandate required	Yes
Debit Value Type	New Mandate required	No
Mandate reference	New Mandate required	Yes
User/Ultimate Creditor Name	Dependent - Mandate amendment must be sent by User/Ultimate Creditor and User/Ultimate Creditor needs to notify Payer	No
Payer Account Number	Dependent - Notification if in same Bank else New Mandate Required	Yes
Instalment Amount	Dependent - Re-authenticate if outside adjustment rules	Yes
Sponsoring Bank	N/A - Mandate amendments will be done in bulk by the new Sponsoring Bank	No
Mandate Initiation Date	N/A - not a changeable field	No
Mandate Authentication Date	N/A - not a changeable field	No
Message authentication code	N/A - not a changeable field	No
Authentication indicator	N/A - not a changeable field	No
Authentication channel	N/A - not a changeable field	No
Payer Name	N/A - User can send an amendment request for the Mandate Database and Mandate Register to be in sync.	No



## C6 - Allowable Presentment Combinations

<b>PRESENTMENTS per COLLECTION</b>		
<p>Only 2 (two) presentments are allowed for the same Action Date. The types of presentments allowed are:</p> <ul style="list-style-type: none"> <li>• First – FRST</li> <li>• Recurring – RCUR</li> <li>• Represented (arrears) – RPRE</li> <li>• Final (last) – FNAL</li> </ul> <p>Please note that there is no order determination between the first and second presentment, but it is the combination that must be correct.</p>		
<b>First or Second Presentment</b>		<b>Action</b>
FRST	FRST	Reject
FRST	RCUR	Process
FRST	FNAL	Reject
FRST	RPRE	Reject
RCUR	FRST	Process
RCUR	RCUR	Reject
RCUR	FNAL	Process
RCUR	RPRE	Process
RPRE	FRST	Reject
RPRE	RCUR	Process
RPRE	FNAL	Process
RPRE	RPRE	Process
FNAL	FRST	Reject
FNAL	RCUR	Process
FNAL	FNAL	Reject
FNAL	RPRE	Process
<b>PRESENTMENTS per ONCE-OFF COLLECTION</b>		
<p>Only a single presentment at a time is allowed per Once-off collection authenticated initially. Types of presentments allowed are:</p> <ul style="list-style-type: none"> <li>• Once-off – OOFF</li> <li>• Represented – RPRE (cater for unpaid once off amount)</li> </ul>		
		<b>Action</b>
OOFF		Process
RPRE		Process
OOFF	FRST	Reject
OOFF	RCUR	Reject
OOFF	OOFF	Reject
OOFF	FNAL	Reject
OOFF	RPRE	Reject



## C7 – Mandate Information

For purposes of this annexure: Collection Amount is synonymous with Instalment Amount;  
This table provides the minimum Mandate Information to be held in the Mandate Register.

Message Element Name	Description / Comments
Adjustment Category	This field may contain "N"-Never, "Q"-Quarterly, "A"-Annually, "B"-Bi-annually or "R"-Repo
Authentication Channel	Paying Bank authorisation channel to Payer (e.g. ATM Internet Banking, mobile and Card )
Authentication Type	This field may contain - "REAL TIME" or "BATCH" or "PREAUTH"
Authorisation (MAC)	Used for Card Present (CP) Authentication for TT3.
Collection Amount	Amount of this Payment Instruction - Amount due and payable by Payer
Collection Day	Contains a number for the day of Collection as per Frequency selected
Contract Reference	The number issued by the User/Ultimate Creditor to the Payer when a contract is concluded between both parties. This will appear on the statement and will be referenced in Mandate Suspension, etc.
Creation date and time	The format as captured YYYY-MM-DDThh:mm:ss
Ultimate Creditor Account Number	This is the Ultimate Creditor's Bank Account number.
Sponsoring Bank (Branch Number)	The 6-digit branch sort code as required to identify the Bank.
Ultimate Creditor Details	Ultimate Creditor Name, Ultimate Creditor Telephone Contact Details, Ultimate Creditor Email Contact Details, Ultimate Creditor Account Number, Ultimate Creditor Bank (Branch Number), Ultimate Creditor Name (Ultimate Creditor Identifier), Ultimate Creditor Abbreviated Short Name
Ultimate Creditor Name	35 character field to capture Ultimate Creditor Name
Date Adjustment Rule	Used to indicate that Collection Day could change ("Y" = Yes or "N" = No)
Debit Sequence Type	Allows for First, Once-off, Recurring, Re-presented or Final
Debit Value Type	Indicator to describe the mandate type - Fixed, Variable OR Usage-based
Payer Account Number	This is the Payer's Bank Account number.
Payer Account Type	Current, Savings or Transmission
Payer Details	Payer Name, Payer Identification, Payer Telephone Contact Details, Payer Email Contact Details, Payer Account Number, Payer Account Type, Paying Bank (Payer Branch Number), Ultimate Payer Name



<b>Message Element Name</b>	<b>Description / Comments</b>
Payer Name	Individuals who is responsible for the mandate Authorisation and payment of the Collection
First Collection Date	Earliest date in which the first Collection can occur
Frequency	Frequency of Collections - weekly, monthly, quarterly, annually, bi-annually, fortnightly, monthly by rule
From Date (Mandate Initiation Date)	Date on which the mandate is first submitted to the Payer for Authorisation.
Initiating Party	The name of the Ultimate Creditor.
Mandate Reference Number	Paying Bank provides this unique mandate identification in the response if the Mandate Information is Authorised. the mandate. This number must be unique in the industry for lifetime of the Mandate Information and consists of 4 character Bank Number, 8 Numeric Mandate Creation Date and 10 character of Free format.
Mandate Status	This will reflect the status of the mandate – Active, Suspended or Cancelled
Maximum Collection Amount	Maximum amount of that can be collected
Message Identifier	Unique Message Identifier constructed of several elements including date and file number
Remittance Information	The first 10 characters of statement lines will contain the short name; the next 14 digits are the agreement number, and then a 6 digit date indicating the Collection Date. The remaining 110 characters are to be used for bill presentment.