

# NBM Visa Smart Debit/Credit Card Acquiring

POS Acquiring Operating Conditions and Rules for Transactions for  
Visa Smart Debit/Credit Cards



NATIONAL BANK OF MALAWI PLC

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## POS Acquiring Operating Conditions and Rules for Transactions for Visa Smart Debit/Credit Cards

### Merchant Operating Conditions

#### 1. Acceptance of Cards

- 1.1. All Visa cards will be accepted by means of swiping or inserting the card onto/into the electronic point of sale (POS) device provided by the bank for the purpose
- 1.2. In offering payment options to customers, you may elect any one of the following options:
  - 1.2.1. Accept all types of Visa Cards including consumer credit and debit cards.
  - 1.2.2. Accept only Visa credit cards. Those merchants choosing this option will accept all consumer credit cards (but not consumer debit cards) and all commercial card products including business debit/check cards.
  - 1.2.3. Accept only Visa debit cards. Those merchants choosing this option will accept all consumer debit card products (but not business debit cards) and will not accept any kind of credit cards (consumer or business).
- 1.3. Acceptance options above apply only to domestic transactions and as such do not apply to Visa Cards issued by banks outside Malawi provided you confirm the identity of the cardholder.
- 1.4. If you choose to limit the types of Cards you accept, make sure that you display appropriate signage to indicate acceptance of the limited acceptance category you have selected.

#### 2. Authorisation/Approval Codes

- 2.1. All sales require an authorisation/approval code. This code will be printed on the receipt produced after the transaction is electronically authorised. Make sure that the code is properly printed and can easily be identified.
- 2.2. An authorisation/approval code indicates the availability of credit on the card/account at the time of authorisation. It is not a promise or guarantee that you will receive payment for the related transaction. It does not warrant that the person presenting the card is the rightful Cardholder.

#### 3. Refunds/Credits

- 3.1. You shall complete a credit for the total amount of the refund and identify the merchandise being returned and any shipping and handling charges being returned.
- 3.2. You shall not process a Credit without having completed a previous purchase transaction with the same cardholder.

#### **4. Processing of Sales and Credit Transactions**

- 4.1. You shall not present for processing any transaction that was not originated as a result of an act directly between the Cardholder and you. You shall not present for processing any transaction you know or should have known to be (i) fraudulent or (ii) not authorised by the Cardholder. You shall be responsible for the actions of your employees while acting in your employ.
- 4.2. The collection and payment of all statutory taxes is your responsibility. Taxes collected shall be included in the total transaction amount and not collected separately as cash.

#### **5. Chargebacks**

The term “Chargeback” refers to the debiting of the Settlement Account or withholding of settlement funds for all or part of the amount of a particular sale.

#### **6. Disputing Chargebacks**

If you have reason to dispute or respond to a chargeback, then you must do so by the date provided by us on our report to you. We are not required to investigate, reverse or make any adjustment to any chargeback when thirty (30) calendar days have elapsed from the date of the chargeback.

#### **7. Settlement**

- 7.1. You are required to transmit your Payment Transactions (daily batches) each business day on the day that such transaction data is originated.
- 7.2. Unless provided for by this Agreement, you will solely be responsible for all communication expenses required to facilitate the Transaction Data.
- 7.3. In order to receive funds from NBM for your acquired Transaction Data, you are required to maintain a Settlement Account with NBM to which you are solely liable for all fees, costs, and expenses associated with your bank account. You authorise NBM to initiate electronic credit and debit entries and adjustments to your bank account at any time without regard to the source of any monies in the Settlement Account. This authority shall remain in full force and effect until during the period of this agreement. We will not be liable for any of your losses or expenses whatsoever resulting from delays in receipt of funds or errors in Settlement account entries caused by third parties, including, without limitation, delays or errors by the Visa Payment system.
- 7.4. Promptly after we receive credit for such Transaction Data, we will provide provisional credit to the Settlement Account for the proceeds. The proceeds payable to you shall be equal to the amounts received by us in respect of your Transaction Data minus the following: all fees, charges, and discounts as set forth in this Agreement, all adjustments and Chargebacks, all customer refunds, returns and any fees, charges, fines, penalties, or other liabilities that may be imposed on us from time to time by Visa Payment System and all related costs and expenses incurred by us. You agree that all such fees, charges, discounts, adjustments, and all other amounts are due and payable by you at the time the related services are rendered to you. In the event we do not deduct such amounts from the proceeds payable to you, you agree to pay all such amounts to us. Alternatively we may debit the Settlement Account for such amounts.
- 7.5. We will supply a detailed statement reflecting the activity for your merchant account(s) by online access (or otherwise if we agree). We will not be responsible for any error that you do not bring to our attention within 45 days from the date of such settlement.

## 8. Retrieval Requests

- 8.1. Retrieval Request is when the cardholder's bank request retrieval of information. This is done in order to substantiate a chargeback claim made by a customer.
- 8.2. You agree to store original documentation of each transaction for at least one year from the date of such transaction, and to retain copies of all transaction data for at least eighteen months from the date of such transaction. You may not charge a fee to your customers for the creation or storage of such copies.
- 8.3. Response to Retrieval Requests: we will send you any Retrieval Request that we cannot satisfy with the information we have concerning any transaction. In response, you must provide us in writing by certified or overnight mail or confirmed fax (or by other means agreed to by NBM) the resolution of your investigation of such Retrieval Request and include legible copies of any documentation required by the Retrieval Request within seven business days after we send it to you (or such shorter time as Visa payment rules may require). You acknowledge that your failure to fulfil a Retrieval Request in accordance with Visa payment rules may result in an irreversible Chargeback.

## 9. POS Device

- 9.1. The POS terminal(s) shall remain the property of the Bank and nothing contained in this Agreement shall confer or be deemed to confer any interest in the POS terminal(s) to the Merchant and upon termination of this agreement, the Merchant shall return the terminal(s) to the Bank. The Merchant acknowledges that he has a duty of care to the bank in respect of the terminal(s) and undertakes to compensate the bank in the event of damage caused to the terminal(s) due to negligence and/or willful conduct on the part of the Merchant and/or his servants/agents.
- 9.2. The Merchant shall ensure that the POS terminal including the markings thereon and/or its associated software are not altered, adjusted, modified or otherwise interfered or tampered with unless the same has been approved by the Bank.
- 9.3. Unless otherwise authorised by the Bank in writing, the Merchant shall keep the POS terminal(s) at all times in his possession and control and shall not remove the same from his premises nor shall the Merchant permit the POS terminal(s) to be so affixed to his premises so as to become fixtures. The Merchant shall notify the Bank of any changes in the Merchant's address.

## 10. Operation of POS Terminal

- 10.1. The Merchant undertakes to operate the POS terminal(s) in a proper, correct and efficient manner strictly in accordance with the Bank's operating instructions and any such other instructions as the Bank may give the Merchant from time to time.
- 10.2. Ensure that at all times during ordinary business hours, at least one member of the Merchant's staff who has been trained to operate the POS terminal(s) is available to operate it.
- 10.3. Ensure that the operation of the POS terminal(s) does not breach or contravene any laws, by laws, rules or other regulations relating to such operation.
- 10.4. Be fully responsible for any loss or damage to the POS terminal(s) in his premises whether

the same is caused by fire, theft, vandalism or otherwise.

- 10.5. Report any loss or damage, fault or suspected fault in the POS terminal(s) to the Bank immediately.
- 10.6. Ensure that every Card is properly verified prior to the completion of any transaction made with any customer of the Merchant.
- 10.7. Be free to accept the National Bank Visa Debit card through the POS terminal(s).
- 10.8. Be obliged to report to the bank any cases of fraud or attempted fraud by a cardholder.

## **11. Data Security and Privacy**

- 11.1. Visa rules provide that Cardholder information and transaction data is owned by the Association, the card issuer and the cardholder. NBM also asserts some ownership rights in the data to the extent it belongs to the Visa system.
- 11.2. You are responsible for securing Cardholder information. You will not use the Card or Cardholder information other than for the sole purpose of completing the transaction authorised by the customer for which the information was provided to you, or specifically allowed by the Association Rules, or required by law. NBM or Visa Association may inspect Merchant's premises and computers, and premises and computers of any company the Merchant has contracted with, for the purposes of verifying that Cardholder information is securely stored and processed, and is not used for any purpose other than processing the transaction to which it relates.

11.3.

## Rules for Retail Transactions

### 12. Presentation of Cards

- 12.1. You or your employee must examine each card presented to determine that the Card presented is valid and has not expired by the terms of its face. You must exercise reasonable diligence to determine that the authorised signature on the card corresponds to the Cardholder's signature on the transaction sales slip where a transaction is completed without entering of the PIN or where you opt to ask the Cardholder to sign even after entering correct PIN.
- 12.2. You must not honour expired, invalid, altered, counterfeit, or revoked Cards nor any Card presented by any person other than the proper Cardholder as evidenced by the use of the correct PIN or signature on the Card. WE IN OUR SOLE DISCRETION MAY DECLINE AT ANY TIME OR FROM TIME TO TIME TO PROCESS ANY SALES DATA THAT IS NOT PROPERLY AUTHENTICATED BY ENTERING OF PIN EVEN IF THE CARDHOLDER'S CONSENT OR INSTRUCTIONS HAVE BEEN OBTAINED BY TELEPHONE OR BY EMAIL.
- 12.3. You must always review positive identification as allowed by law or as accepted by your organisation, such as a passport or driver's licence.
- 12.4. In order to protect yourself, you must never complete a transaction if the customer does not present his or her Card or if you cannot obtain an electronic swipe record (this includes mail, telephone and internet orders). If you elect to do so, you will be deemed to warrant the identity of the purchaser as the authorised holder of the Card, and if the Cardholder later denies making the purchase, you will not be able to rebut the chargeback.

### 13. Completion of Sales Transaction

- 13.1. You must use an NBM certified electronic POS device for all transactions. All transactions must be verified by the Cardholder by entering of the PIN. You may also ask the Cardholder to sign the sales slip, in which case you must ensure that the signature at the back of the card corresponds to that on the sales slip.
- 13.2. Ensure that the Cardholder's sales slip printed from the electronic POS device contain no more than the last four digits of Cardholder's account number.
- 13.3. You shall not require the cardholder to provide any personal information as a condition of honouring Cards unless otherwise required by the Association rules. Personal information includes but is not limited to a home or business address, telephone number, or a photocopy of a driver's license.
- 13.4. You shall not retain or store magnetic-stripe data after the authorisation of a transaction, except as required to complete the transmission of such data to us.

#### **14. Authorisation/Approval Codes**

- 14.1. All authorisation codes will be obtained via electronic means after completing successfully the transaction on an electronic POS device.
- 14.2. If you are suspicious of the transaction for any reason at all, you should contact the Voice Authorisation Centre, state to the authorisation clerk “This is Code Ten” and await instructions.

#### **15. Forgeries/Counterfeit Cards**

You shall examine all notices received from us or from Visa to help you determine whether a card presented is counterfeit. You should use reasonable, peaceful efforts to recover any card if (i) the printed four digits above the embossed account number do not match the account number, if applicable, (ii) you are advised by us or authorisation centre to retain it, or (iii) you have reasonable grounds to believe such Card is counterfeit, fraudulent or stolen. You shall be solely responsible for your actions in recovering/retaining Cards.

#### **16. Limiting Refunds**

- 16.1. You may limit your acceptance of returned merchandise or establish a policy to make price adjustments for any transactions provided that disclosure is made and purchases goods or services are delivered to the Cardholder at the time the transaction takes place. Proper disclosure by you shall be determined to have been given at the time of the transaction if the following words or similar wording reflecting your policy is legibly printed on all copies of sales data in close proximity to the space for the Cardholder’s signature: “NO REFUND” or “EXCHANGE ONLY” or “IN-STORE CREDIT ONLY”.

### **Merchant Account**

#### **17. Retail Merchant Account**

- 17.1. A retail merchant account is required in order for a merchant to accept debit and credit card transactions at the point of sale. By signing this Agreement, the Merchant authorises NBM to open an associated account for the purpose of debit and credit card transactions.
- 17.2. If the Merchant so wishes that a different existing account be used, then the Merchant also authorises NBM to link all debit and credit card transactions to the account herein indicated as follows:

Account Nr \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Discount Rates & Transaction Fees**

18. NBM reserves the right to revise the rates below in line with Visa pricing and undertakes to give notice to the Merchant of two calendar months before changes can take effect.

19. Fees shall automatically be debited to the said merchant account

**20. Discount Rate**

20.1. The rate applicable for your operations shall be negotiated on volumes anticipated to be processed per month. Higher volumes will attract lower rates provided that you undertake to provide NBM with transaction data for the past three months.

**21. Transaction Fees**

21.1. Individual transaction fee shall not apply to any Cardholder.

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FOR MERCHANT AND INDIVIDUAL GUARANTORS – As the person signing below on behalf of the business designated, I certify that I am an owner, partner, or officer of the Merchant and have been duly authorised to sign this Merchant Application and Agreement on behalf of the Merchant. Merchant hereby authorises NBM to credit and debit Merchant’s designated bank account(s) in accordance with this Agreement. Merchant represents and warrants that all information on this Agreement is true, complete and not misleading.

**MERCHANT SIGNATURES:**

BUSINESS LEGAL NAME:

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Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Title/ Designation: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Title/ Designation: \_\_\_\_\_ Date: \_\_\_\_\_

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**APPROVED  
(NBM):**

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By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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