ELECTRONIC BANKING OPERATIONAL REGULATIONS

OPERATIONAL REGULATIONS

1 INTRODUCTION

1.1 RELATIONSHIP TO THE ELECTRONIC BANKING AGREEMENT

- These Operational Regulations (the **"Operational Regulations"**) govern the practical operation (the rules, processes and procedures) of the Services. These Operational Regulations constitute an integral part of the Agreement. Use of the Services by a Principal or a Participant signifies acceptance of all of the provisions of these Operational Regulations.
- Standard Bank Group may amend the terms and conditions contained in these Operational Regulations from time to time in its sole discretion, which amendments will be displayed from time to time on the System.
- Any amendments to these Operational Regulations will supersede and replace the previous version. A certificate signed by a Standard Bank administrator responsible for maintaining the Operational Regulations will be *prima facie* proof of the date of publication and content of the current version and all previous versions thereof. All users of the System will be bound by the latest version of the Operational Regulations.
- Special attention must be given to the parts of these Operational Regulations that are emboldened and are entitled **"General Note"** or **"Legal Note"** as they may place additional obligations and responsibilities on the Principal and/or Participant.

1.2 OBJECTIVES

- To provide the procedures, processes and regulations under which each Service operates;
- To provide a brief overview of the functionality of the Services; and
- To highlight the responsibilities of the Principal and/or Participant with regard to the use of each Service.

1.3 TERMINOLOGY

1.3.1 The following capitalised terms used within the text shall bear the following meanings (if a term is not capitalised, it bears its ordinary grammatical meaning in the context in which it is used):

- **"Account"** means any bank account(s) held with a Standard Bank Group Member and capable of being uploaded onto the System (which includes without limitation, business cheque accounts, vostro accounts, fixed deposit accounts, customer foreign currency accounts);
- **"Agent"** means an Entity that takes up Standard Bank's Third Party Fund Administration Service in terms of which it manages funds on behalf of third parties and/or on its own behalf;
- **"Agreement"** means the electronic banking agreement concluded between a Standard Bank Group Member on the one hand and a Principal and/or Participant on the other hand in terms of which the Services are provided via the System by the former to the latter;
- **"Authorised Signatory"** means an individual appointed by the Principal to act as an authorised signatory on the Principal's Profile and who is authorised to perform various functions as more fully set out in these Operational Regulations, including without limitation, the appointment and removal of **Designated Persons** on the Profile;
- **"Bankserv"** means South African Bankers Services Company Limited, the South African automated payments clearing house which enables payments interoperability for the financial services sector in South Africa;
- **"Client"** means any Entity who subscribes (or wishes to subscribe) for the Services either as Principal or Participant. For purposes of these Operational Regulations **"Client"** shall also include Sole Proprietors and individuals subscribing (or wishing to subscribe) for the Services in their personal capacity. The term **"Client"** is used interchangeably with the term **"Entity"** throughout these Operational Regulations;
- **"Custody"** means the range of product offerings relating to the safekeeping of financial instruments in a portfolio on behalf of the Client including any action to be taken as a result of corporate actions occurring while instruments are held by the custodian;
- **"Designated Person"** means an individual appointed by Authorised Signatory(ies) and authorised to use the Services on behalf of the Principal and/or a Participant as more fully set out in these Operational Regulations;
- **"Entity"** means a legal entity provided with a Profile through which the Services are provided. For purposes of these Operational Regulations, **"Entity"** shall also include Sole Proprietors and individuals subscribing (or wishing to subscribe) for the Service in their personal capacity. The term **"Client"** is used interchangeably with the term **"Entity"** throughout these Operational Regulations;
- **"IA"** means Integration Architecture, an area of CIB responsible for middle-ware solutions and forms a part of the Standard Bank Information Technology Division;
- **"IS"** means Investor Services, a division of CIB that handles the **"Custody and Settlement"** requirements for Clients;

- **"Operator"** means an individual appointed by Designated Person(s) to perform certain specified actions on the Services as more fully set out in these Operational Regulations;
- **"Participant"** means an Entity who has agreed to upload its Account(s) onto the Principal's Profile (signified by the Entity's execution of to the Participant Agreement) and thereby has voluntarily agreed, amongst other things, to relinquish certain rights in and to the uploaded Account(s);
- **"Principal"** means an Entity for whom a primary Profile is created in order for it to access and use the Services;
- **"Profile"** means a Principal's Profile through which the Services are accessed and operated by the relevant Principal;
- **"Securities Lending"** means the lending of shares or bonds from an investor's portfolio to meet the temporary needs of other parties, typically dealers who need securities to support their trading activity. Although there is a transfer of title, the lender retains the benefits of ownership which is secured with collateral and for which a fee is paid;
- **"Services"** means the various electronic banking transactional products and services provided via the System from time to time as described in these Operational Regulations and the term **"Service"** refers to any one of the Services;
- **"Settlement"** means the exchange of instrument holding against cash with a resultant change in portfolio position and takes place in whichever market environment is applicable to the instrument type;
- **"Standard Bank"** means The Standard Bank of South Africa Limited, a company incorporated in the Republic of South Africa under Registration Number: 1962/000738/06;
- **"Standard Bank Group"** means Standard Bank Group Limited, a company incorporated in the Republic of South Africa under Registration Number: 1969/017128/06 and together with every entity that it Controls or with which it is Under Common Control and for which purpose **"Control"** means the ability to directly or indirectly determine the strategic direction of an entity, whether by way of holding shares, having the power to appoint directors, through contractual rights or in any other way whatever and the term **"Under Common Control"** refers to 2 (two) or more entities that are all together under the direct or indirect Control of the same person or entity;
- **"Standard Bank Group Member"** means any entity forming part of the Standard Bank Group;
- **"STRATE"** means Share Transactions Totally Electronic, an acronym given to the Electronic settlement Exchange for Equities in South Africa;
- **"System"** means the electronic banking platform through which the Services may be accessed. For the avoidance of doubt, the System shall include all electronic channels through which the Services can be accessed, including without limitation, Business Online, Business Connect and Host to Host;
- **"TPFA Guarantees"** means the electronic property guarantees that can be issued and paid via the TPFA Service; and
- **"Website"** means any website on which the Services may be accessed.

1.3.2 The following abbreviations used within the text shall bear the following meanings:
- **"ACH"**   Automated Clearing House
- **"ADR"**   American Depository Receipts
- **"BEFTS"**   Bulk Electronic Funds Transfer Service
- **"BOP"**   Balance of Payments
- **"CDI"**   Company Deposit Identifier
- **"CDV"**   Check Digit Validation
- **"CFC"**   Customer Foreign Currency Account
- **"CIB"**   Corporate and Investment Banking
- **"EFTS"**   Electronic Funds Transfer Service
- **"FATF"**   Financial Action Task Force
- **"FIC"**   Financial Intelligence Centre
- **"FICA"**   Financial Intelligence Centre Act No. 38 of 2001
- **"FMO"**   Financial Market Operations
- **"KYC"**   Know-Your-Client
- **"NAEDO"**   Non-Authenticated Debit Order
- **"NDPS"**   Next Day Pay Service
- **"PASA"**   Payment Association of South Africa
- **"RTC"**   Real Time Clearing
- **"RTGS"**   Real Time Gross Settlement
- **"SDPS"**   Same Day Pay Service
- **"SSVS"**   Same Day Soonest Value Service
- **"SARB"**   South African Reserve Bank
- **"STP"**   Straight Through Processing
- **"SWIFT"**   Society for Worldwide Financial Telecommunications
- **"TPFA"**   Third Party Fund Administration
- **"TPP"**   Third Party Payments
- **"ZAR"**   South African Rands

Unless otherwise stated in these Operational Regulations:

- All references to days and times are determined with reference to Central African Time.
- All references to "Business Days" are to days that are not Saturdays, Sundays or public holidays within the Republic of South Africa.
- All references to words in the singular shall include the plural and *vice versa*.
- Where any value is stated in these Operational Regulations in ZAR and the relevant transaction is being carried out in another currency, then that reference will be read as referring to the ZAR equivalent in such other currency using Standard Bank's prevailing Spot Rate of Exchange.

1.4 GENERAL TERMS AND CONDITIONS

These Operational Regulations and the use of the Services are subject to the General Terms and Conditions set out in section 17 below along with the terms and conditions contained in the Agreement. In the event of an inconsistency between the General Terms and Conditions and the Agreement, the latter shall prevail to the extent of the inconsistency.

2 ACCOUNT MANAGEMENT
2.1 ACCOUNT MANAGEMENT: FEATURES AND BENEFITS

The Service affords a Principal and/or Participant(s) the ability to upload Accounts for transactional and other purposes. The table below lists the types of Accounts that can be uploaded onto the Service along with the features and benefits of using the Service to transact with these Accounts.

ACCOUNT TYPES	FEATURES AND BENEFITS
1 BUSINESS CURRENT ACCOUNTS	**KEY FEATURES**
	• Only Rand transactions can be processed on the Account type • More than 1 (one) Business AutoBank card can be issued on a single Account with its own defined PIN and daily/ monthly limits • Credit interest is not available whilst debit interest is applicable to overdrawn Accounts • Interest is calculated daily and payable monthly • Overdraft facilities are available and can be loaded onto the Account upon request and upon credit approval • Chequebooks are available upon request and statements can be sent at various frequencies
	BENEFITS
	• Access to funds 24hrs (twenty-four hours) through various Standard Bank channels • Multiple Accounts can be opened for various purposes for the same Entity • Ability to transact on the Account through various channels such as self service banking and branches
2 CUSTOMER FOREIGN CURRENCY ACCOUNTS	**KEY FEATURES**
	• Each Account will have a dedicated currency - therefore multi-currencies cannot be accommodated per Account • No chequebooks are available and statements can be sent at various frequencies • Both debit and credit interest is applicable • Currency loans can also be loaded on the Account upon request and approval from credit
	BENEFITS
	• About 54 (fifty-four) currencies are available to cater for various business needs • Funds are available immediately upon clearance from SARB

3	VOSTRO ACCOUNTS	KEY FEATURES
		• Opened for financial institutions and in certain limited instances corporate companies • All transactions are BOP reportable to SARB • Statements available via SWIFT at various frequencies • No chequebooks are available • All transactions are reported in ZAR currency after conversion • Interest is applicable to both debit and credit balances
		BENEFITS
		• Access to foreign or correspondent bank for the purpose of holding foreign currency and making/receiving international payments
4	NOTICE DEPOSIT ACCOUNTS	FEATURES
		• Minimum balance of R250-00 (two hundred and fifty rand) is required • No fixed period of investment is applicable • Availability of funds is 32 (thirty-two) days after notice has been given • Notice may be given on all or part of the funds (subject to the minimum transaction amount) • Additional deposits may be made to the Account (subject to the minimum transaction amount) • Interest is paid monthly and capitalized • Rates are variable and new rates are effective immediately when rates are changed (even on funds that are under notice) • Statements are available
		BENEFITS
		• Ability to earn interest on funds not required in a short term
5	FIXED DEPOSIT ACCOUNTS	FEATURES
		• Account can be opened via internet banking • Minimum investment required is R1 000-00 (one thousand rand) • No transactions are allowed as funds are fixed for the period of the investment • Period of investment ranges from 33 (thirty-three) days to 60 (sixty) months • Funds are available upon maturity • At maturity rates are available for fixed deposits of 6 (six) months and longer where interest is taken at maturity • Statements are available • Funds are fixed for a fixed period at a fixed rate of interest
		BENEFITS
		• Assurance that funds deposited for the investment period will yield consistent returns as the rate will be fixed irrespective of interest rate changes

6 CALL DEPOSIT ACCOUNTS	FEATURES
	• Minimum balance is R1 000-00 (one thousand rand) • No fixed period of investment is applicable • Different interest rates structures are available and are effective immediately when rates are changed • Interest is calculated on a daily balance and paid monthly • Transfer to and from this Account can be made and statements are available
	BENEFITS
	• Ability to move funds between the Accounts • Opportunity to earn interest on "lazy" balances • Funds are available on demand and notice period is not required

3 DOMESTIC ELECTRONIC PAYMENTS

3.1 INTRODUCTION
- Standard Bank offers different domestic electronic payment types to Clients commonly known as transfers and payments; and
- The various payment products offered by Standard Bank also cater for single, adhoc and/or bulk processing.
- Electronic Payments allow clients to move funds electronically from their Accounts into an Account held at Standard Bank or at another bank.

3.2 PAYMENT TYPES

3.2.1 INTER-ACCOUNT TRANSFERS
- Inter-Account Transfers allow a Principal to transfer funds between its Accounts.
- This includes funds transfers between:
  - the Principal's Accounts which are loaded on the Profile;
  - the Principal's Accounts and the Participant's Accounts loaded on the Principal's Profile;
  - the Participant's Accounts which are loaded in the Principal's Profile; and
  - all Accounts loaded on the Profile and the Principal and/or Participant's other Accounts held with Standard Bank.

3.2.2 ELECTRONIC FUNDS TRANSFERS
- The EFT Service enables the Principal to make third party payments to creditors and beneficiaries.
- Third party payments that can be effected through this Service include without limitation:
  - Salary Payments to Employees
  - Supplier Payments
  - Social grants and aid disbursements
  - Dividend Payments
  - Loan disbursements
  - Loan repayments
  - Tax Payments
  - Pension Payments
- Bank guaranteed cheques and credit transactions can be issued via this Service.
- In order to assist with the regular payment of beneficiaries and third parties via EFTS, the Service offers Principals the ability to load and store beneficiary details onto their Profile via the Service with the assistance of Standard Bank's Company Deposit Identifier feature.

EFT has the following features and options:	
Beneficiary Account	A third party account
Beneficiary Bank	Beneficiary bank may be Standard Bank or another bank
Value Date	Value date may be same day or future date
Bulk	Transmission of EFT instructions may be done through single instructions or batch transactions (bulk)
Timing of Debits and Credits	May require that all credits are effected at the same time or that both debits and are effected simultaneously
Urgency	Urgent EFTS would normally require real time or near real time credit to beneficiary and would be handled through RTGS or RTC
Value	Value of transaction may determine how the transfer is transmitted depending on interbank clearing rules
Interbank Transmission	Most EFT types are transmitted via the ACH interbank clearing file exchange but SWIFT is also used in the case of RTGS.

3.3 PAYMENTS PRODUCTS DESCRIPTIONS

The Payments Service allows for payments to be made to Standard Bank held Accounts and also to agent bank held accounts.

	PRODUCT	EXPLANATION

TRANSFERS	**INTER-ACCOUNT TRANSFERS/OWN ACCOUNT TRANS-FERS**	• Allows transfers between Accounts belonging to the same Client thereby facilitating the effective management by the Client of the funds available in their Accounts
		• Funds can be transferred from:
		  - one Account to another Account (from 1 to 1)
		  - one Account to multiple Accounts (from 1 to many)
		  - multiple accounts to one account (from many to 1)
		• Funds are transferred to cross fund Accounts or to invest excess funds to accrue a better interest rate, for example, transferring funds from a current Account to a Call Account or *vice versa*
		• Value and sight are normally immediate. If not immediate, then the same day

SAME DAY PAYMENTS	**SAME DAY SOONEST VALUE SERVICE**	• SSVS is a same day payment service which means that the Client's Account is debited and the beneficiary's account is credited the same day that the payment is processed
		• Sight is the same day for Standard Bank beneficiaries and the next day for agent bank beneficiaries
		• SSVS offers 2 (two) options for managing beneficiaries' account details:
		
		• **Pre Format (Stored / Pre Loaded)**
		  - The beneficiary's account details are stored on the Standard Bank mainframe and can be modified online or during imports by the Client
		  - This option is for storing the details of beneficiaries who receive recurring payments

		• **Free Format (Adhoc / Once-off)**
		  - The beneficiary's account details are entered as the transactions are captured online or imported by the Client
		  - This option is for once-off payments to a beneficiary
		
		General Note: The Client is responsible for managing the additional risk inherent in this option and the Bank requires that the Client verifies the correctness of the details contained on the Interim Audit Report, segregate Operator functions and/or arrange for dual release.
		• Validation is performed on ACCOUNT NUMBERS ONLY. A Standard Bank account number is checked to see if it is a valid account number.
		
		When an agent bank account number is captured, the standard Bankserv validations are performed to verify that the branch and account number are valid according to Bankserv CDV rules.

	SAME DAY PAY SERVICE	• SDPS uses the Standard Bank proprietary file layout
		• SDPS is a same day payment service which means that the Client's Account is debited and the beneficiaries' accounts are credited the same day that the payments are processed
		• Sight is the same day for Standard Bank beneficiaries and the next day for agent bank beneficiaries
		• The details of the beneficiaries are stored on the Client's ERP system and uploaded for loading on to the Standard Bank System.
		• Payments cannot be recalled as the System cannot carry out same day recalls.
		• If there are insufficient funds in the Account, no payment will be effected as the System verifies payment instructions against the available balance in an account before processing.
		• SDPS offers 3 (three) payment services, namely:
		  - Type F (Standard Bank accounts only) - sight and funds are available the same day
		  - Type G (All banks) - and value are available the same day for all transactions sight is next day
		  - Type J (All banks)-Standard Bank account holders - funds for Standard Bank are available for sight and value agent bank account holders - value is the same day and sight is the next day.

FUTURE DATED PAYMENTS	**OVERNIGHT**	• Overnight uses the Standard Bank proprietary and Bankserv file layouts. • Overnight batch processing is offered to Clients who process large volumes of transactions through same day service • Lower rates may apply as the transactions are processed overnight in off-peak times • All beneficiaries receive value on action date with sight the next day.
	BULK ELECTRONIC FUNDS TRANSFER SERVICE	• BEFT uses the Bankserv file layout. • The funds are paid to beneficiary accounts on the action date specified by the Client. • The action date is always a future date as there is a lead time for submitting the transactions for processing • Value occurs on action date with sight the action date • BEFT offers a 1 (one), a 2 (two) and day payment sevice

	ELECTRONIC FUNDS TRANSFER SERVICE	• EFTS uses the Standard Bank proprietary file layout • The funds are paid to beneficiary accounts on the action date specified by the Client • The action date is always a future date as there is a lead time for submitting the transactions for processing • Value occurs on action date with sight on action date • EFTS offers a 1 (one), a 2 (two) and next day payment service
REAL TIME CLEARING	**URGENT THIRD PARTY PAYMENTS**	• Urgent transfers to beneficiaries at other participating banks • Clients will register for RTC and the RTC payment messages are transmitted via Business Online and are delivered within 1 minute • RTC urgent payments can be used where the transaction value is below R5 million (five million Rand) up and to 16h00, from 16h01 to 19h00 the transaction value falls to R250,000.00 • RTC processes transactions individually
REAL TIME GROSS SETTLEMENT	**URGENT THIRD PARTY PAYMENTS**	• High value or urgent transfers to beneficiaries at other banks • Usually the local clearing rules or the Central Bank sets a transaction value limit above which all transfers must be sent via RTGS • All transactions greater than R5 million (five million Rand), being the value limit, destined for an agent bank account will be processed via RTGS and settled individually within 1 hour • RTGS transfer messages are transmitted via SWIFT payment and settlement between SBSA and agent banks effected near real time through their respective central bank accounts • Transfers can be delivered within minutes and are used by Clients for urgent payments even where the value is below the RTGS limit • The South African Reserve Bank (SARB) have set an item limit on electronic credit payments of R5 million (five million Rand) or more • All transactions greater than R5 million (five million Rand) destined for an agent bank account will be processed via RTGS and settled individually

3.4 LOADING AND STORAGE OF CREDITOR DETAILS

There are different ways in which creditor details can be loaded, stored and managed on the Service:

- **Pre-format "Bank Stored" Details:** Creditor Account details are stored by the Principal on the Service's mainframe and are accessed via the Principal's Profile. Creditor Account details stored in this manner can be modified by the Principal on or before 18:45 on Business Days. The Creditor Account details are captured during the "Create Creditor/Debtor details" process and can be imported too.

- **Free Format "Ad-Hoc Stored" Details:** Creditor Account details are captured by the Principal as and when a transaction is effected. The ad-hoc capturing of Creditor details on the Service poses an additional risk of error for the Principal and/or Participant(s). **It is the Principal and/or Participant's responsibility to ensure that they manage the additional risk inherent in selecting this option and that they ensure that they have implemented the necessary internal controls to verify creditor details and reduce all risks associated with this option.**

- **Legal Note:** **No Standard Bank Group Member shall be liable for any losses suffered by the Principal and/or Participant(s) (howsoever caused and whether direct or indirect) arising out of the Principal and/or Participant's selection of this Free Format option.**

- **General Note:** **To mitigate the risk of this option, it is recommended that the Principal and/or Participant(s):**
  - customize their Profile in such a manner as to allow for the pre-verification of the payee details via the issuance of an Interim Audit Report;
  - subscribe for Standard Bank's Account Verification Service; and/or
  - ensure the proper segregation of Operator functions in order to arrange for dual release.

3.5 SEGREGATION OF DUTIES

In effecting payments or transfers the following actions can be performed on the Service.

PROCESS	ACTIONS REQUIRED				
Creditor	Create/Import	Audit	Verify/Authorise change	Release	
Payments/Transfers	Create/Import	Audit	Verify/Authorise change	Release	Final audit

An explanation of each action follows:

ACTION	EXPLANATION
Create	Operator captures and validates new creditor/debtor details or transactions for making payments/collections/transfers (Validate – check for valid branch, account, date and creditor/debtor details information. **General Note:** **Standard Bank cannot validate account names against account numbers. All Services validate account numbers only.**
Import	Operator loads creditor/debtor details or transactional batches captured on offline software, and then imports into the online System.
Audit	Operator prints audit reports, which partially 'locks' creditor/debtor details or transactional batches, preventing modifications or deletions of transactions. **General Note:** **The printing of an Interim Audit Report is optional, but highly recommended.** Modifications can be made by allowing an **"authorised change"**.
Verify	Operators 'lock' creditor/debtor details or transactional batches, preventing modifications or deletions unless authorised to do so.
Authorise Change	Operators 'unlock' creditor/debtor details or transactional batches, permitting modifications or deletions to an audited or verified creditor/debtor or transactional batch.
Release	Operator authorises Standard Bank to process a transactional batch. Release levels and limits govern which and how many, Operators are required to send a transactional batch for processing to Standard Bank. By releasing, each Operator confirms that the details of the transactional batch have been personally checked and are correct. **General Note:** **The release level can be seen as an electronic signatory and should be allocated appropriately.**
Release Only	The release only option is available to single Operator users, whereby the capture and release is required without having to audit and verify. **General Note:** **Extreme caution is advised when selecting this option as it allows any single Operator who has the "create" and "release" function to create and release payment batches <u>without the need to 'audit'</u> and/or 'verify' the payments in advance (although a Final Audit Report must still be printed).**
Release Levels for creditor/debtor	Releasing enables an Operator to successfully create a creditor/debtor and each Operator confirms that the details of the creditor/debtor have been personally checked and are correct. Release levels govern which and how many, operators are required to create or modify a creditor/debtor.
Final Audit Report	Operator downloads and prints the final audit report. This is essential as it is the only document of proof of payment and is used for the tracing of payments. The printing of a Final Audit Report is not mandatory, **but is highly recommended.**

General Note: The segregation of duties is a key component to effectively managing use of the System and its associated risks. It is recommended that each action set out above be allocated to a different person(s). The greater the segregation of duties, the less risk on the Profile. Segregation of duties can be selected by the allocation of various actions and duties to varying staff members within the Principal and/or Participant's organisation. Special consideration must be given to the individuals appointed as "Releasers" on the Profile.

3.6 REAL TIME CLEARING

3.6.1 INTRODUCTION

- Real time clearing ("RTC") is an online payment method that allows Clients to make immediate payments and enable beneficiaries at other financial institutions to have immediate access to the fundsreceived.
- RTC Payment instructions will only be processed in South Africa in Rand currency.
- RTC allows a Client the convenience of single transaction processing as opposed to end of day batch processing.

3.6.2 PARTICIPATING BANKS
The following banks are participating in RTC:

• ABSA	Issuing and acquiring transactions
• African Bank	Issuing transactions only
• Bidvest	Acquiring transactions only
• Capitec Bank	Issuing and acquiring transactions
• Finbond	Issuing and acquiring transactions
• First National Bank	Issuing and acquiring transactions
• Investec Bank	Issuing and acquiring transactions
• Nedbank	Issuing and acquiring transactions
• SASFIN	Issuing and acquiring transactions
• Standard Bank	Issuing and acquiring transactions
• U Bank	Acquiring transactions only
• VBS Mutual	Issuing and acquiring transactions

3.6.3 TRANSACTION TYPES
ISSUING TRANSACTIONS
Clients may benefit as recipients of RTC payments. RTC payments into their Accounts will be available within seconds regardless of whether the recipient is a user of the Service.

ACQUIRING TRANSACTIONS
This RTC payments feature is currently only available to eligible Clients in South Africa. Please contact your Transactional Banker to assess your eligibility.

3.6.4 STATEMENT CODES
The codes that will appear on Client statements if they have RTC activity on their Accounts are the following:
- **Issuing RTC Statement Code:**
Issuing Statement Code: 1581 Real time transfer from [financial institution name inserted here]
- **Acquiring RTC Statement Code:**
Comm - 00050900072 electronic banking payment to pay DN
Corp   - 00052000072 CATS third party payment to pay DN
RETL   - 00050900072 electronic banking payment to pay DN

3.6.5 TRACE
All RTC related queries must be directed to the Customer Contact Centre on **0860 123 000**
All Client queries will be logged on behalf of the Client and feedback to the Client will be provided in approximately 2 (two) Business Days.

3.6.6 FEES
Issuing RTC transactions:
No charge will be levied for RTC deposits received.
Acquiring RTC transactions:
Clients will be charged a fee for this facility as detailed in the standard pricing schedule documentation provided to the Client.

Table 1	Overall Item Limit Description	Timeframe For Applicable Overall Item	Overall Item Limit Value
Business days (Weekdays – Monday through Friday) excluding public holidays	Daytime Period Overall Item Limit	00h01 to 16h00	**R5 000 000.00** (five million Rand)
	Overnight Period Overall Item Limit	16h00 to 19h00	**R250 000.00** (two hundred and fifty thousand Rand)

Table 2	Overall Item Limit Description	Timeframe For Applicable Overall Item	Overall Item Limit Value
Saturdays	Daytime Period Overall Item Limit	00h01 to 09h45	**R5 000 000.00** (five million Rand)
	Overnight Period Overall Item Limit	09h45 to 19h00	**R250 000.00** (two hundred and fifty thousand Rand)

3.6.7 SETTLEMENT AND PROCESSING TIMES

RTC payment instructions should ideally be cleared within 60 (sixty) seconds dependent on volumes as per the prescribed processing windows detailed below.
RTC message processing times are:

General Note: RTC is not available on Sundays and public holidays.

Legal Note: Please be advised that RTC payments cannot be recalled once received as the payment is processed in real time and will reflect within 60 seconds into the beneficiary's bank account.

3.7 RECALLS

A recall is a request to SBSA to stop a transaction / batch from being processed.

Recalls can be performed under the following conditions:
- Recalls only apply to Date One Day, Two Day and Next Day payments and therefore there is no recall facility for the Same Day Service.
- Recalls must be communicated, in writing, to SBSA no later than 09h00 on the business day prior to the Action Date.
- Recalls are not guaranteed by SBSA. SBSA will endeavour to carry out the instruction but is not liable if the request is unsuccessful.

General note: If a credit run is duplicated, SBSA will not allow the processing of a debit run to correct the duplication as no mandate for authority to debit is held.

3.8 REVERSALS

- It is not legally possible to reverse electronic credit transactions without the authorisation of the account holder whose account was credited.
- The Client must indemnify SBSA against any loss incurred as a result of having successfully processed a reversal.
- Reversals are not guaranteed by SBSA. SBSA will endeavour to carry out the instruction, but is not liable if the request is unsuccessful.
- In the event that the Reversal cannot be successfully processed, the Client must deal directly with the applicable account holder to rectify the situation and SBSA is not party to such negation.

3.9 VALIDATION OF BENEFICIARY ACCOUNT DETAILS

Standard Bank only performs the following validation on creditor details (whether stored via the Pre-Format or Free-Format option):

- When the beneficiary account numbers of a Standard Bank account are captured, the account number is checked to see if it is a valid account number at any Standard Bank branch; and
- When the beneficiary account numbers of a non-Standard Bank account are captured, the normal Bankserv validations are performed to verify that the branch numbers and account numbers are valid according to industry rules.

3.10 SPLITTING TRANSACTIONS

General Note: In terms of PASA Regulations, Clients are not allowed to split transactions in an attempt to circumvent the prescribed maximum item limits.

Payment instructions that exceed R5 000 000-00 (five million rands) (in respect of the same underlying commercial transaction) cannot be split by a Client and must be processed via RTGS.

3.11 DATA ACCURACY

- All data provided to Standard Bank for purposes of the Services must be valid and correct.
- Incorrect data may result in rejections, which could delay the completion of a transaction.

General Note: It is important that the Principal and/or Participant(s) recognise that neither Bankserv nor any Standard Bank Group Member validates:

- account numbers against account names; or

- that account numbers are consistent with branch numbers.

It is the responsibility of the Principal and/or Participants to ensure that the correct beneficiary details are used to effect payments.

Legal Note: No Standard Bank Group Member shall be held liable for any losses suffered by the Principal and/or Participant(s) (howsoever caused and whether direct or indirect) arising out of the Principal and/or Participant's use, storage or loading of incorrect/incomplete creditor/debtor details.

Any negotiation process (or legal claim) with/against the erroneous beneficiary shall as be between the relevant Principal and/or Participant(s) and the relevant beneficiary. Standard Bank Group shall have no involvement in such processes or claims. Furthermore, Standard Bank Group shall not be obliged to disclose any Client account information other than by legal compulsion.

3.12 PAYMENTS CUT-OFF TIMES
GENERAL PAYMENT CUT-OFF TIMES

Transaction	Banks Affected	Cut-Off Time		Example			
		Week Day	Saturday	Transaction Date	Value Date/ Action Date	Sight Date	
						Standard Bank	Agent Banks
Same Day Soonest Value (Value & Sight)	Standard Bank Group only	24 hour processing Value cut-off 18h45	24 hour processing Value cut-off 18h45	Monday	Monday	Monday	None
Same Day Soonest Value	All other Banks excluding Standard Bank Group but including Standard Bank Namibia	16h00	09h45	Monday	Monday	Monday	Tuesday
Same Day Soonest Value Overnight Processing	All Banks	18h00	18h00	Monday	Tuesday	Wednesday	Wednesday
Same Day Pay Service SDPS 'F' (please see note)	Standard Bank Group only	18h45	18h45	Monday	Monday	Monday	None
Same Day Pay Service SDPS 'F'	Standard Bank Namibia only	16h00	09h45	Monday	Monday	Monday	None
Same Day Pay Service SDPS 'G' (Please see note)	All Banks	16h00	09h30	Monday	Monday	Tuesday	Tuesday
Same Day Pay Service SDPS 'J' (Please see note)	All Banks	16h00	09h45	Monday	Monday	Monday	Tuesday
Dated – One Day Service	All Banks	18h00	09h30	Monday	Wednesday	Wednesday	Wednesday
Dated – Two Day Service	All Banks	18h00	24 hour processing	Monday	Thursday	Thursday	Thursday
Next Day Pay Service	All Banks	16h00	Value cut-off 18h45	Monday	Tuesday	Tuesday	Tuesday
Own Accounts	Standard Bank Only	24 hour processing Value cut-off 18h45	24 hour processing Value cut-off 18h45	Monday	Monday	Monday	None
Domestic Treasury Funds Transfer	Standard Bank Only	15h30	11h00	Monday	Monday	Monday	None
BEFT 1 day	All Banks	16h00	10h15	Monday	Tuesday	Tuesday	Tuesday
BEFT 2 day	All Banks	14h30	09h00	Monday	Wednesday	Wednesday	Wednesday

General Note: The Principal and/or Participant(s) are responsible for ensuring that transaction batches are released and successfully processed prior to the above specified cut-off times.

General Note: 'High Volume' batches greater than 3000 need to be processed by 15:00. Processing after 15:00 might result in partial processing of batches or unsuccessful processing.

General Note: For payments to Namibia, please note that daylight savings times will apply.

- Physical cut-off times are later than official cut-off times to allow Standard Bank Group to complete processing for payments lodged prior to the official cut-off times. This additional time should not be relied upon by clients when submitting payments, and no commitments are offered by Standard Bank Group for payments lodged after official cut-off times.
- Host-to-Host (Overnight Service): Cut-off time is 18h00 due to large volume processing.

4 DOMESTIC ELECTRONIC COLLECTIONS

4.1 INTRODUCTION
- Standard Bank offers Clients the ability to electronically collect payments due from debtors via direct debits (debit orders).
- Electronic collections (whether effected from a Standard Bank Account or an account held at another bank), are processed to ensure that all account holders are debited.
- The Appendices at the end of these Operational Regulations provide the various collections templates and requirements as set out in the PASA clearing rules. Please ensure you comply with the requirements set out when signing up clients from debit order mandates.

4.2 DIRECT DEBITS (DEBIT ORDERS)
- A direct debit is an agreement between the Entity (as the "collecting party") and its client (as the "debtor"). The Entity is required to obtain written or oral direct debit authorisation from its debtor, authorising the collecting party to debit the debtor's bank account.
- **General Note: Each Entity effecting collections with Standard Bank must ensure that it has concluded the necessary legal agreements with its debtors or obtained a mandate which facilitates the electronic collection of funds in line with PASA minimum standards.**
- **Legal Note: PASA Regulations relating to electronic processing require that the collecting party (i.e. the relevant Entity) must hold an authority to debit a third-party bank account (also referred to as a "mandate"). It is the responsibility of the Entity to ensure that such mandates have been obtained from its debtors. Standard Bank reserves the right to request sight of such mandates from time to time.**
- **General Note: Collecting parties must ensure that the account number provided to Standard Bank is correct and accurate as Standard Bank processing is based on account numbers and not the account name or other reference information.**
- **Legal Note: Standard Bank will accept any direct debits put through the System in good faith and cannot be held responsible for the validity and/or correctness of the direct debits.**
- **General Note: In order to comply with PASA requirements, the Debit Order maximum item limit is R1 000 000-00 (one million Rand).**

4.2.1 MANDATES FOR EFT, NAEDO AND AEDO
- A copy of the signed mandate must be provided to the account holder before any direct debits can be processed. **Appendix B** of these Operational Regulations provides you with a template mandate detailing the minimum prescribed information PASA requires to be contained in a mandate. Please ensure that you comply with the contents of **Appendix B**.
- In the case of Online Electronic Debit Order mandates only, the Client must ensure that **Appendix B** is completed in full and that there is a radio button to accept the authority to debit the account as indicated in the mandate in **Appendix B**. Thereafter, please ensure that a confirmation of the mandate is submitted via email to the underlying client.
- In the case of a voice recorded mandate, the accountholder must be informed in writing within 30 days of the mandate being recorded before any direct debits can be processed to their account. This notice must conform to the requirements as specified by PASA. The requirements for voice recorded mandates are set out in **Appendix C** of these Operational Regulations.
- The collecting party may not amend the debit payment amount, in order to collect arrears, unless the mandate signed by the payer specifically allows for this.
- The collecting party may not submit a collection instruction with a different account belonging to the payer, if the payer has not authorised this.
- The collecting party must retain all Naedo mandates for a minimum of 7 (seven) years after the date of the last payment instruction processed in terms of the mandate.
- The collecting party must retain all EFT debits mandates for a minimum of 7 (seven) years from when payments cease.
- Upon request by Standard Bank at any given time, the collecting party is required to produce, at its own cost, a valid auditor's certificate confirming the existence and validity of the mandates it holds The inability of the collecting party to produce a valid mandate or authority shall be deemed evidence that no valid mandate or authority existed or exists
- **Legal Note:** The collecting party may not, without the consent of the account holder, cede or assign any of its rights in terms of a Naedo mandate to any third party unless:
- The agreement is also ceded or assigned to that third party;
- If required contractually, such a cession is communicated to the accountholder prior to any debit payment instructions being processed to the account of the accountholder in terms of the ceded or assigned mandate; and
- the communication of cession or assignment conforms to the format specified by PASA.
- **The Debit Order Abuse Rules for EFT and NAEDO products and services are set out in Annexure G.**

4.2.2 SPLITTING TRANSACTIONS
General Note: **In terms of PASA Regulations, Clients are not allowed to split transactions in an attempt to circumvent the prescribed maximum item limits. Instructions that exceed the maximum item limits (in respect of the same underlying commercial transaction) cannot be split by a Client and the Client must make arrangements with the affected debtor to credit its account directly.**

4.2.3 ABBREVIATED NAMES
- On signing up for direct debit collections, the collecting party must advise Standard Bank of its preferred abbreviated name per account from which the collecting party is collecting.
- The collecting party's abbreviated name must be used, together with the agreement reference to populate the payer's statement reference. Both the abbreviated name and the agreement reference must remain the same for the duration of the contract between the collecting party and the payer.
- In the event of a assignment/cession occurring the **"User's Abbreviated Name"** and/or agreement reference may be changed. Users must provide one month's notice of the changed details prior to the processing of any future debit payment instructions to the account holder. The notice must reflect the user's new abbreviated name or agreement reference and must be kept as an addendum to the mandate.

4.3 DISPUTES OF DEBITS
- Account holders are entitled to dispute a debit that has been deducted from their account.
- Where the debit is less than 40 (forty) calendar days old, the account holder's bank will reverse the debit immediately and advise the collecting party. The debit dispute form that must be completed by an account holder is found at **Appendix A** of these Operational Regulations.
- In the case of a written mandate, where the debit is older than 40 (forty) calendar days, the account holder's bank will advise the collecting party that the debit has been disputed and proof of mandate may be requested prior to taking action. Proof must be provided within 30 (thirty) calendar days. Where the collecting participant fails to respond as above within 30 (thirty) calendar days the refund of the disputed payment instruction will be automatically processed to the account of the paying participant.
- In the case of an electronic or voice-recorded mandate, where the debit is older than 40 (forty) days, the paying participant must refund the collecting participant within 30 (thirty) calendar days and recover the funds from the user. The paying participant will not become involved with any process to prove the existence of an electronic or voice-recorded mandate to its customer for the purpose of dispute resolution. Standard Bank will not become involved in a dispute between the collecting party and the account holder to prove the validity of the electronic or voice-recorded mandate.
- When a direct debit is disputed, the following reasons may apply:

DISPUTED TRANSACTION		
No authority to debit	30	The collecting party must check their records to determine whether the item was processed against the incorrect account. If necessary, they must contact the debtor's branch to confirm correct account number. If the account number is correct, the collecting party must contact the debtor directly as soon as possible
Debit in contravention of payer's authority	32	
Authorisation cancelled	34	
Previously stopped via stop payment advice	36	The collecting party must check their records to determine whether the item was previously stopped

- **General Note:** Where an account holder stops a collection via a stop payment, Standard Bank will return all future debit instructions in accordance with the signed stop payment instruction.

- **BREACH /FRAUDULENT TRANSACTIONS**
  Legal Note: In the event of a breach or risk being introduced, Standard bank reserves the right to suspend access to the collection system immediately. Standard Bank reserves the right to suspend the collection service to a collecting party if proven fraudulent payment instructions are received from the collecting party.

4.4 COLLECTIONS PRODUCTS DESCRIPTIONS
The Collection Service processes collections from Standard Bank held Accounts and also from agent bank held accounts.

	PRODUCT	EXPLANATION

DIRECT DEBITS	**SAME DAY SOONEST VALUE SERVICE**	• SSVS is a same day collection service which means that the Client's Account is credited and the debtors' accounts are debited on the same day that the collections are processed
		• Sight is the next day for all account holders (collecting party and debtors)
		• SSVS offers 2 (two) options for managing debtors' account details:
		
		• **Pre Format (Stored / Pre Loaded)**
		  - The debtor's account details are stored on the Standard Bank mainframe and can be modified online or during imports by the Client
		  - This option is for storing the details of debtors from whom recurring premiums are collected
		
		• **Free Format (Adhoc / Once-off)**
		  - The debtor's account details are entered as the transactions are captured online or imported by the Client
		  - This option is for once-off collections
		
		General Note: The Client is responsible for managing the additional risk inherent in this option. It is recommended that the Client verify the correctness of details on the Interim Audit Report, segregate Operator functions and/or arrange for dual release.
		
		• Validation is performed on the branch and account numbers of the debtors. A Standard Bank Account number is checked to see if it is a valid account number. When an agent bank account number is captured, the standard Bankserv validations are performed to verify that the branch and account number are valid according to Bankserv rules

	OVERNIGHT	• Overnight uses the Standard Bank proprietary and Bankserv file layouts • Overnight batch processing is offered to Clients who process large volumes of transactions through SSVS • All debtors are debited on action date with sight the next day
	BULK ELECTRONIC FUNDS TRANSFER	• BEFT uses the Bankserv file layout • The funds are collected from the debtors' accounts on the action date specified by the Client • The action date is always a future date as there is a lead time for submitting the transactions for processing • Value occurs on action date with sight the next day • Currently BEFT offers a 1 (one) and 2 (two) day collection service
	ELECTRONIC FUNDS TRANSFER SERVICE	• EFTS uses the Standard Bank proprietary file layout • The funds are collected from the debtors' accounts on the action date specified by the Client • The action date is always a future date as there is a lead time for submitting the transactions for processing • Value occurs on action date with sight the next day • EFTS offers a 1 (one) and 2 (two) day collection service
EARLY DEBIT ORDER	**NON AUTHENTICATED EARLY DEBIT ORDER**	• NAEDO offers the Client a fair opportunity to recover payments due from debtors, especially those at the lower end of the market • The transactions are processed after the bulk salary credit run in the morning to attempt to debit the account holders prior to the funds being withdrawn

4.5 UNPAIDS AND RETURNS

In instances where a direct debit cannot be honoured by the account holder's bank, a reason will be supplied. In some instances, transactions may be redirected to a different account held by the debtor. The collecting party will be advised on the new account details if this happens.

The table below lists the reason codes for unpaids and returns:

REASON	CODE	ACTION REQUIRED
Not provided for	**02**	If an item is returned "Not Provided For" on 2 (two) consecutive occasions, the collecting party should remove the debtor from the Service, unless the collecting party has received a new undertaking from the debtor to meet future payments
Debits not allowed to this account	**03**	Certain types of accounts may not be debited, for example, investment accounts, book-based savings accounts and some credit cards
Payment stopped (by account holder)	**04**	This indicates that the account holder has revoked the authority to debit the account. The collecting party must ensure that no further transactions are made to this account and must contact the debtor directly for justification
Account frozen (as in divorce, etc)	**06**	The collecting party must contact the debtor to make alternative arrangements
Payment stopped (by account holder)	**08**	
Account in liquidation (company)	**10**	
Account closed (with no forwarding details)	**12**	This indicates that the debtor's account has been transferred to another bank. The collecting party must contact the debtor to obtain the correct details. The collecting party may not submit "Account Closed" items again
Account transferred (to another banking group)	**16**	The collecting party must contact the debtor to obtain the correct details
Account holder deceased	**18**	The collecting party must contact the manager at the branch where the account is held
Account effects not cleared	**22**	This indicates that funds are available in the account but are not yet cleared. The collecting party should resubmit the transaction allowing for sufficient clearing time
No such account	**26**	The collecting party must check their records to ensure that the account and branch numbers were correctly captured. If correct, they should contact their debtor's bank branch and request assistance. If the account number is invalid then the collecting party must contact the debtor to make alternative arrangements
USER WITHDRAWAL REQUEST CODE		
Recall/Withdrawal	**28**	
REDIRECTED TRANSACTIONS CODE		
Account transferred (within Standard Bank)	**14**	An "Account Transferred" (within Standard Bank) code indicates that the transaction has been processed and is returned with the redirected account details. The collecting party must amend their records immediately as Standard Bank will only redirect items for a limited period, after which the entry will be returned as "Account Closed"

DIRECT DEBITS: CUT-OFF TIMES

PRODUCT	AFFECTED BANKS	CUSTOMER CUT-OFF TIMES	
		Weekdays	**Saturdays**
SSVS	All	16:00	09:45
Overnight	All	18:00	18:00
EFTS-1 Day	All	18:00	09:15
EFTS-2 Day	All	18:00	09:15
BEFT-1 Day	All	16:00	10:15
BEFT-2 Day	All	14:30	09:00

When cut-off times are missed, Clients will be informed via a screen message that they have missed the cut-off time and there are instructions on how to proceed. The type of service in use (same day or dated) and the method of capture (online or batch import) will determine the way in which the transactions will be processed.

MANAGEMENT OF UNPAIDS
General Note:
• In terms of PASA Regulations, Standard Bank is required to monitor Client unpaids and to provide PASA with monthly reports detailing unpaids statistics for those Clients that process unpaids in excess of 10% of their total collections ratio.
• Clients who are found to have processed unpaids in excess of the maximum unpaids ratio will be required to produce and submit an Action Plan Report to the Bank detailing the planned steps to be taken by the Client in order to reduce its unpaids ratio to below the maximum 10% threshold.

4.6 EARLY DEBIT ORDERS
• Early debit orders are processed before other debit orders and immediately after the credit transactions, giving the account holder less time to withdraw funds.
• Early debit orders ensure that a collection instruction is not processed against an account if there are insufficient funds in the account.
• In order to submit an early debit instruction, a mandate must be in place for each contract. The mandates may allow for moving action dates. This means that payment instructions need not be submitted at the same date each month, but could be submitted at an earlier date, during those months when account holders tend to receive their salaries earlier, e.g. December, the maximum limit for any Early Debit Order is R30,000.00.
• **General Note: In order to comply with PASA Requirements, the maximum limit for any Early Debit Order is R30,000.00. NAEDO and AEDO transactions are combined and presented for payment in random order. No preferences are allocated to any party.**
• AEDO transactions cannot be disputed as a result of authentication at the time of mandating the transaction whereas with NAEDO the transactions can be disputed as there is no authentication at the time of mandate.

4.6.1 AUTHENTICATED EARLY DEBIT ORDER SYSTEM ("AEDO")
• AEDO is currently not offered by Standard Bank Group.

4.6.2 NON AUTHENTICATED EARLY DEBIT ORDER SYSTEM
• NAEDO is processed before EFT debit orders.

Legal Note: The Principal and/or Participant(s) must ensure that it concludes a specific NAEDO DEBIT ORDER MANDATE with its debtor in order to take up this Service.

General Note: Standard Bank can only offer NAEDO and AEDO to Clients that are members of an association affiliated to the Payment System Stakeholder Forum ("PSSF"). For guidelines on membership please visit www.pssf.org.za.

4.6.2.1 General Note: NAEDO and AEDO settles on successful transactions. The settlement windows are 10h00 and 18h00.

4.6.2.2 FEATURES AND FACILITIES
- NAEDO is fully automated (no manual intervention) and all activities are tracked with the use of audit trails.
- The audit reports are available prior to action date and for a period of 45 (forty-five) calendar days.
- Clients can elect to track their debtors' accounts for a maximum of 32 (thirty-two) calendar days if the debit orders are unsuccessful on action date.

Legal Note: **Where a debit instruction is unsuccessful at the end of the tracking period, the Client MAY NOT add this amount to the following period collection amount UNLESS EXPRESSLY PERMITTED BY THE DEBTOR IN TERMS OF THE MANDATE.** After 4 (four) consecutive unsuccessful attempts to debit a debtor for a single payment (excluding tracking), the Client must cease to present the debit instruction.

MANAGEMENT OF DISPUTES
General Note:
- In terms of PASA Regulations, Standard Bank is required to monitor NAEDO disputes raised against Client and to provide PASA with quarterly reports detailing disputes statistics for those Clients that attract disputes in excess of 0.5% of their total collections ratio.
- Clients who are found to have attracted disputes in excess of the maximum ratio will be required to produce and submit an Action Plan Report to the Bank detailing the planned steps to be taken by the Client in order to reduce the dispute ratio to below the maximum 0.5% threshold.

STOP PAYMENTS
General Note: **When a stop payment message is received by the Client it must ensure that no further EDO payment instructions are presented unless a new mandate has been obtained.**

4.6.2.3 RECALLS
- Recalls can only be done for transactions in tracking on the hold file. A single transaction or a batch can be recalled.
- The Client is required to upload the recall file and will receive a recall response file the next day.

General Note: **Standard Bank only settles on Business Days- No settlement occurs on Sundays and official public holidays. All settlements falling outside of Business Days will take place on the next Business Day.**

4.6.2.4 NAEDO REPORTS AND STATEMENTS
The following reports are produced during the processing of NAEDO transactions:

REPORT NAME	EXPLANATION
Interim Audit Report	Contains only errors
VET Report	Confirmation that the file has been processed by the clearing house. It details all errors that were detected. Contains Bankserv rejected transactions
Response File	Contains successful and unsuccessful transactions
Dispute Report	Contains branch disputed transactions. There are no unpaids, only disputes. If there are no disputes, the report will have only the header and the trailer
Recall Response File	Contains accepted and rejected recalls

4.6.2.5 NAEDO DISPUTES
General Note: **Once a NAEDO debit has been paid it cannot be unpaid unless the account holder disputes the transaction, the account holder has 40 (forty) days to raise such a dispute. Should a debtor dispute a NAEDO transaction, Standard Bank is required in terms of PASA Requirements to reverse the payment made to the Entity.**

Legal Note: **In terms of PASA Regulations, an account holder may dispute debits made via a NAEDO instruction in writing if:**
- **there was fraud; and/or**
- **there was a transgression of the authority given by the account holder to the NAEDO system user/collecting party; and/or**
- **the account holder had previously stopped the debit order.**

4.6.2.6 NAEDO: CUT-OFF TIMES

PRODUCT	All BANKS	CUSTOMER CUT-OFF TIMES	
		Weekdays	**Saturdays**
NAEDO	Standard Bank	16:00	09:45
NAEDO: Recalls	Standard Bank	16:00	07:45

5   ACCOUNT VERIFICATION SERVICE
5.1   OVERVIEW

The Account Verification Service (**"AVS"**) ensures that accounts are verified before financial transactions are processed, thus saving Clients time and effort instead of paying into incorrect bank accounts. An enhanced version of AVS is available in the form of Real-time Account Verification (**"AVSR"**).

Both AVS and AVSR have the following features and benefits:
- enables Clients to send a account information to be verified;
- account numbers can be Standard Bank or Agent bank account numbers;
- participating agent banks verify account numbers on behalf of Standard Bank;
- upon sending a request to Standard Bank, Clients will immediately receive an Interim Audit Report (not applicable to AVSR), which serves to confirm receipt of the request and will later (approximately 90 (ninety) minutes later) receive a **"Verified Results File"** containing the verification results;
- for AVSR a response will be received within 60 (sixty) seconds.

AVS and AVSR will verify the following account fields and information:
- account holder's name;
- ID/company registration number;
- bank account number;
- bank branch code;
- account status (open or closed);
- length of time the account has been open;
- the type of account it is;
- whether the account accepts debits or credits;
- cellphone number; and
- e mail address.

General Note: Although Standard Bank will make every effort to ensure that it provides a reliable and accurate verification service, Standard Bank provides no warranties or guarantees either that the verification service is error-free or that that verification service is not susceptible to malfunctions and possible distortions.

Legal Note: In the event of an error, distortion or inconsistency (whether material or not) contained in the account verification information provided by Standard Bank to the Client in pursuance to an instruction and for whatsoever reason (whether occasioned by a Standard Bank system or third party system), the Client hereby waives any rights, claims, actions it may have (now and in the future) against Standard Bank, whether in law or otherwise and indemnifies Standard Bank against any losses, claims, actions, damages that may arise as a result of or in connection with the erroneous, distorted or inconsistent account verification information provided by the verification service.

5.2   LEAD TIMES

The timing of receipt of AVS responses will be in accordance with the following criteria:

Please note that all turn-around times are subject to third party bank up times.

TYPE OF ACCOUNTS	CUT-OFF TIME	ESTIMATED TURN-AROUND TIMES
Standard Bank Accounts only	24 (twenty-four) hours a day, 7 (seven) days a week	15 (fifteen) minutes
Agent bank accounts only (or Mixed batches)	• An AVS Input File may be sent between 03:00 and 16:00, GMT+2, Monday to Friday. • An AVS Input File may **not** be sent outside of Business Days (i.e. cannot be sent on Saturdays, Sundays and Public Holidays)	60 (sixty) minutes
AVS-R	Available 22 (twenty two) hours a day, 7 (seven) days a week and is not available from 00-000 to 02h00 each day	

5.3   USER IDENTIFIERS

An AVS or AVSR User Identifier has to be supplied in the header record of an AVS/AVRS Input File. This User ID is linked to a nominated Standard Bank account that will be billed for the usage of the AVS service.

The User ID will be supplied by Standard Bank, post completion of AVS/AVSR take-on documentation by the Client.

General Note: **It is the responsibility of the Client to ensure that they keep their User ID private and confidential.**

5.4   SEQUENCE NUMBERS

Each AVS Input File contains a "**Sequence Number**" field used to identify and differentiate between different AVS Input files. After receipt of a successful AVS Interim Audit Report, the sequence number will be incremented and the next Input File may be sent with a sequence number that is one more than the previous sequence number.

6   COMPANY DEPOSIT IDENTIFIER
6.1   INTRODUCTION

CDI allows Clients to identify and reconcile deposits made into their Accounts by their debtors. The service allows for the upfront validation of debtor/depositor references in order to ensure that only valid deposits are received into the Account. For application, for the CDI service, please contact your Relationship Manager or Account Executive.

6.2   FEATURES
1   **Choice of Settlement Options:** Clients have the choice between consolidated settlement or single entry settlement.

Single entry settlement - allows funds to be settled at end of day and reflects each individual deposit

Consolidated settlement - allows funds to be settled at end of day reflecting only one consolidated deposit. Clients will receive an end of day report which will provide details of the transactions included in the consolidated deposit.

2   **Choice of settlement account:** The CDI service provides Clients with a choice of settling funds into a Standard Bank nominated account or an agent bank nominated account.

3   **Report Incoming CDI Deposits:** A daily report of all incoming CDI deposits is provided to assist with reconciliation.

6.3   BENEFITS
1   **Deposit references are properly validated and enforced:** Depositors cannot make payments without inserting a correct and valid reference. This reduces invalid references for Clients and assists with internal reconciliation for Clients thereby increasing accuracy in payment allocation.

2   **Non Disclosure of Account Details:** Depositors will never have visibility of the Client's Account number thereby reducing the risk of fraud and unallocated deposits.

3   **Deposits can be made via various electronic channels:** Depositors can create and pay Clients using the CDI service via various channels such as Business Online, Internet Banking, ATM's and Cellphone Banking.

4   **Collections Improved:** Depositors voluntarily effect payments directly into the Client's Account thereby eliminating disputes and possible reversals.

7 PAY ALERTS
7.1 INTRODUCTION
Pay Alert is a messaging service that enables a Client to send electronic payment notifications by way of fax, e-mail or SMS to beneficiaries as proof of initiation of a payment. This eliminates the need for Clients to notify beneficiaries telephonically or otherwise.

General Note: Pay Alert is only available for the SSVS Service. However, SDPS batches can be modified online in order to add a once-off Pay Alert notification to specific payments. Please note that the Pay Alert notification in this instance is once-off and only applicable to that specific payment batch submitted. Clients wishing to make subsequent Pay Alert notifications to beneficiaries, when using the SDPS service, must ensure that they manually activate the Pay Alert functionality for every payment made to beneficiaries.

Legal Note: A Pay Alert or Pay Alert Resend notification sent or received does not constitute confirmation or proof that a payment has been successfully processed. It is merely a notification that a payment has been initiated. Standard Bank makes no representations as to the accuracy or timeous delivery of the Pay Alert or Pay Alert Resend and shall not be held liable for your reliance on the functionality. Due to its reliance with third party systems and services providers, Standard Bank does not warrant or guarantee the timeous or accurate delivery of Pay Alert or Pay Alert Resend notifications and shall not be held liable for any delays, errors or failures therein.

7.2 BENEFITS
Pay Alert has the following benefits:
- It saves time and labour as the beneficiaries are notified electronically at the time that the payment is initiated.
- The Client is able to choose the method of notification.

7.3 PAY ALERT RESEND
Pay Alert Resend is available to Clients for all payments sent in the past 35 (thirty-five) days. Once resent the details of the resend Pay Alert will be available for viewing on the Profile for a period of 7 (seven) days. Clients will be charged a fee for each Pay Alert Resend message sent and only one of the alert types (fax, e-mail or SMS) is allowed per beneficiary.

7.4 FEATURES AND FACILITIES-PAY ALERT AND PAY ALERT RESEND
Both Pay Alert and Pay Alert Resend are available on a Client's Profile. Standard Bank may, from time to time, request that Clients complete and submit an additional take-on document before the Service is activated.

General Note: It is the Client's responsibility to set up and load Client's for whom it wishes to send Pay Alert and/or Pay Alert Resend Message. Please note that once the Pay Alert message is activated for a Client that Client will continue to receive a Pay Alert Message each time a payment transaction is processed in their favour. Where a Client has imported a batch of beneficiaries, they will be able to modify these beneficiaries' profiles and add Pay Alert details for these profiles.
Beneficiaries receive a single message for each payment where a Pay Alert has been requested. For example, if 10 payments are made to the beneficiary and Pay Alert has been requested for all 10 payments, the beneficiary will receive 10 separate notifications as opposed to a single notification listing the details of all 10 payments.
Clients will be charged a fee for each Pay Alert Resend message sent and only one of the alert types (fax, e-mail or SMS) is allowed per beneficiary.
The Pay Alert functionality is controlled modularly which means that it can be switched on/off for both SSVS and SDPS respectively.
A message will generally be delivered within one hour of it being sent (with a maximum retry time frame of 2 days). No SMS messages will be sent between 19h00 and 07h00; they will be queued and sent in bulk the following day after 07h00.
When Pay Alert fails, the necessary "message batches" will be re-submitted. However, if the "message batches" cannot be sent for a period longer than 2 days (for example), they will not be resubmitted.

7.5 REPORTS
The Interim and Final Audit Reports indicate whether or not Pay Alert was used. The actual Pay Alert details will not be displayed on the reports.
The following reports include Pay Alert information:
- User Portfolio Report
- Report 1109

8 INTERNATIONAL BANKING
8.1 INTRODUCTION
International Banking provides an online payment and management system offering local and cross border payment capabilities and access to Account information for the Principal and/or Participant(s).

8.2 INTERNATIONAL BANKING ACCOUNT MANAGEMENT OVERVIEW
8.2.1 ZAR AND FOREIGN CURRENCY ACCOUNT MANAGEMENT
- Opening of Resident and\or Non-Resident ZAR Accounts (collectively **"ZAR Accounts"**)
- Opening of Customer Foreign Currency Accounts (**"CFC Accounts"**)
- Viewing of real-time and end-of-day balances and exposures for ZAR Accounts and CFC Accounts
- 6 (six) months-to-current statement history available to print, export or view
- ZAR Account Statements are available to Clients via the System for a period of 180 (one hundred and eighty) days.

8.2.2 MULTI-STANDARD BANK ACCOUNT MANAGEMENT
- Accounts held at SWIFT compliant international banks with which SBSA has bilateral agreement
- Viewing of real-time and end-of-day balances and exposures for ZAR Accounts and CFC Accounts
- 6 (six) months-to-current statement history available to print , export or view

8.3 INTERNATIONAL BANKING FUNDS TRANSFER
8.3.1 GENERAL OVERVIEW
- Make payments from ZAR Accounts and/or CFC Accounts to pre-loaded beneficiaries domestically or cross border;
- Foreign Currency payments;
- Make payments from an multi bank account to pre-loaded beneficiaries domestically or cross border; and/or
- Inter account transfers between own CFC Accounts and/or from CFC Accounts to ZAR Accounts.

8.4 FOREIGN CURRENCY
8.4.1 GENERAL OVERVIEW
- Capture, submit and conclude new spot, forward and swap deals;
- Capture and submit order for stoploss, linked and profit take (and others);
- Deal Management-allows for the surrender, extension and/or early delivery of existing transactions; and
- Make enquiries on current day's unsettled and historical deals (provided the original maturity date was within the previous 3 (three) months).

8.4.2 PURCHASE AND SALE OF FOREIGN CURRENCY
Legal Note: An offer to purchase and/or sell foreign currency via the Service constitutes a binding agreement between the relevant Standard Bank Group Member and the Principal and/or Participant(s). The agreement is concluded and becomes binding once the deal is "completed" in other words, once the deal it has been logged on the System and the System has generated an electronic deal transaction number. The Principal and/or Participant(s) are therefore bound by all data submitted in respect of each offer to purchase or sell foreign currency via the Service.

An electronic confirmation of the transaction number(s) will be sent to the Principal and/or Participant(s) after each deal is completed. Other means of confirming the completed deal are:
- **Fax:** confirming the details of the transaction concluded which are subject to the conditions stipulated in the "General Conditions Applicable to Foreign Exchange Contracts Document"; OR
- **Letter:** sent via the branch confirming the details of the transaction concluded which are subject to the conditions stipulated in the "General Conditions Applicable to Foreign Exchange Contracts Document".

Legal Note: The Principal and/or Participant(s) warrant that the information submitted to the Standard Bank Group Member is correct and that the foreign currency applied for will only be used for the purpose for which it was indicated. No foreign credit will directly or indirectly accrue to the Principal and/or Participant(s) or to any other resident of the Common Monetary Area, without the required disclosure to the Exchange Control Authorities.

The Principal and/or Participant(s) acknowledge that they will not be able to revoke or countermand any 'released' application to purchase foreign currency, without the prior written consent of the relevant Standard Bank Group Member.

A **"pre-accepted"** deal is considered **"accepted"** when the Principal and/or Participant(s) submits the deal to the relevant Standard Bank Group Member, whilst a **"quoted deal"** is considered **"accepted"** when the Principal and/or Participant accepts it.

General Note: It is the responsibility of the Principal and/or Participant(s) to ensure that it complies with the relevant Exchange Control Regulations and discloses all balances of foreign currency owing and/or due to it.

Legal Note: The Principal and/or Participant(s) undertake not to withhold any foreign currency balances in respect of the underlying transaction in contravention with Exchange Control Regulations.

General Note: Principals and/or Participant(s) are not entitled to duplicate any application to purchase or sell foreign currency.

8.4.3 RECEIPT AND CONFIRMATION OF DEALS

The Principal and/or Participant(s) will be afforded 1 (one) Business Day from the time of deal completion (the **"Period"**) to confirm the accuracy of and/or request the correction of the confirmation provided to it. The Principal and/or Participant(s) must advise the relevant Standard Bank Group Member how it believes the terms of such confirmation should be correctly stated and such other terms which should be added to or deleted from such confirmation in order to make it correct.

General Note: If the Principal and/or Participant(s) fail to notify the relevant Standard Bank Group Member within the aforementioned Period, the particulars recorded in the confirmation shall be binding, deemed to be correct and accepted by all parties.

8.5 SEGREGATION OF DUTIES

In order to make an International Banking payment or transfer the following actions are required:

PROCESS	ACTIONS REQUIRED			
Beneficiary Details	Create	Audit	Verify/Authorise change	
Payments/Transfers	Create	Audit	Verify/Authorise change	Release
Beneficiary Details	As above			
Third Party Details	Create	Amend		
Payments/Transfers	As above			

An explanation of each action follows:

ACTION	EXPLANATION
Create	Operator captures and validates new beneficiary details or transactions for making payments/transfers (Validate - check for valid branch, account, date and beneficiary details)
Audit	Operator prints audit reports and partially 'locks' beneficiary or payment details, preventing modifications or deletions of transactions, unless authorised to do so. **General Note: It is essential to print the Final Audit Report as it is the only document of proof for tracing payments. The "Customer Advice" (available only for ZAR Accounts) enables the Principal and/or Participant(s) to see the transaction number and should be retained as proof of payment**
Verify	Operator 'locks' beneficiary/payment details, preventing modifications or deletions unless authorised to do so
Authorise change	Operator 'unlocks' beneficiary/payment details, permitting modifications or deletions to an audited or verified beneficiary or payment
Release	Operator authorises Standard Bank to process a transactional batch. Release levels and limits govern which and how many, Operators are required to send a transactional batch for processing to Standard Bank Group. By releasing, each Operator confirms that the details of the transactional batch have been personally checked and are correct. **General Note: The release levels can be seen as electronic signatories and should be allocated cautiously and appropriately.**

Audit Reports: Interim Audit Reports will be displayed upon auditing of a batch of transactions once they have been successfully saved. Final Audit Reports will be displayed only once the transaction has been successfully processed and has reached the **"final audit to be downloaded"** status.

General Note: The segregation of duties is a key component to effectively managing use of the Service and its associated risks. It is recommended that each action set out above be allocated to a different person(s). The greater the segregation of duties, the less risk on the Profile. Segregation of duties can be selected by the allocation of various actions and duties to varying staff members within the Principal and/or Participant's organisation. Special consideration must be given to the individuals appointed as "Releasers" on the Profile.

The following procedures apply to Foreign Exchange payments:

TRADE RELATED PAYMENTS (IMPORTS/EXPORT) - NO IMPORT/EXPORT LETTER OF UNDERTAKING IN PLACE	
CFC	**RAND/ZAR**
1 Capture payment(s) as per normal (at least 2 (two) Business Days before value date) 1.1 Select FTS frontline office where documentation will be presented; and 1.2 Only trade related BOP categories can be selected **Payment status = Validated Addition** 2 Print Interim Audit Report(s) on same day and attach to supporting Exchange Control documentation, e.g. original invoice, bill of lading and bill of entry. **Payment Status = Audit Addition** 3 Payment(s) can now be verified and released **Payment Status = Awaiting Document Sighting** 4 **Submit documents** FTS frontline office selected in 1.1 above 5 The agent will stamp the documentation "exchange provided" and update the payment status **Payment Status = Busy Processing** 6 Print Final Audit Report. **Payment Status = Final audit to be downloaded**	1 Capture payment(s) as per normal (at least 2 (two) Business Days before value date) 1.1 Select FTS frontline where documentation will be presented **Payment Status = Validated Addition** 2 Print Interim Audit Report(s) on same day and attach to supporting Exchange Control documentation, e.g. original invoice, bill of lading and bill of entry. **Payment Status = Audit Addition** 3 Payment(s) can now be verified and released **Payment Status = Awaiting Document Sighting** 4 Submit documents to the FTS frontline selected in 1.1 above 5 The agent will stamp the documentation "exchange provided" and update the payment status. **Payment Status = Busy Processing** 6 Print Final Audit Report **Payment Status = Final audit to be downloaded**
General Note: Payments will not be processed until the relevant exchange control documentation has been submitted to the FTS	
General Note: Please note that it will be necessary to extend cover if documentation has not been sighted before currency cut-off time on value date	

TRADE RELATED PAYMENTS (IMPORTS/EXPORT) - SARB IMPORT/EXPORT LETTER OF UNDERTAKING IN PLACE	
CFC	**RAND/ZAR**
1 **Customer profile must be setup to indicate that client has a Letter of Undertaking in place** Capture and release payments as per normal (at least 2 (two) Business Days before value date) 1.1 Only trade related BOP categories can be selected 2 Print Final Audit Report and attach to supporting Exchange Control documentation (e.g. original invoice, bill of lading and bill of entry). **Payment Status = final audit to be downloaded** 3 <u>**File documentation as per SARB letter of undertaking for audit purposes**</u>	1 **Customer profile must be setup to indicate that client has a Letter of Undertaking in place** Capture and release payments as per normal (at least 2 (two) Business Days before value date) 1.1 Only trade related BOP categories can be selected 2 Print Final Audit Report and attach to supporting Exchange Control documentation (e.g. original invoice, bill of lading and bill of entry). **Payment Status = final audit to be downloaded** 3 <u>**File documentation as per SARB letter of undertaking for audit purposes**</u>

NON-TRADE RELATED PAYMENTS – RAND / ZAR ACCOUNT	
ACCORDING TO SA EXCHANGE CONTROL RULINGS	**ACCORDING TO SARB EXCHANGE CONTROL APPROVAL**
1 Capture payment(s) as per normal (at least 2 (two) Business Days before value date). Select FTS branch where documentation will be presented. **Payment Status = Validated Addition**	1 Capture payment(s) as per normal (at least 2 (two) Business Days before value date) 1.1 Select FTS branch where documentation will be presented 1.2 Quote SARB approval number on payment **Payment Status = Validated Addition**
2 Print Interim Audit Report(s) on same day and attach to supporting Exchange Control documentation, e.g. original invoice	2 Print Interim Audit Report(s) on same day and if required, attach to supporting Exchange Control documentation (e.g. original invoice)
3 Payment(s) can now be verified and released. **Payment Status = Awaiting Document Sighting**	3 Payment(s) can now be verified and released **Payment Status = Awaiting Document Sighting**
4 Submit documents to FTS branch selected in 1.1 above	4 Submit documents to the FTS branch selected in 1.1 above
5 FTS will stamp documentation "exchange provided" and update payment status **Payment Status = Busy Processing**	5 FTS will stamp "exchange provided" documentation and update payment status **Payment Status = Busy Processing**
6 Print final audit report. **Payment Status = Final audit to be downloaded**	6 Print final audit report. **Payment Status = Final Audit to be downloaded**

General Note: Exchange Control Regulations require that all clients making cross border payments accept a Section J Declaration confirming that the transaction information furnished is complete and correct.

Exchange control details for Outgoing Payments:
In respect of all outward payments in terms of the Exchange Control Rulings, the applicable approval must be annotated where approval has been obtained from Financial Surveillance Department, Reporting Entity or any other authority granted by an independent regulatory body.

8.6   BENEFICIARY DETAILS
8.6.1   The beneficiary creation process is managed by client and verified by the Standard Bank. The Principal and/or Participant(s) are responsible for providing the beneficiary banking details and contact information. The client will then submit the beneficiary to Standard Bank to be verified. Standard Bank will verify the beneficiary information within a period of approximately 2 (two) Business Days.

General Note: Submitted beneficiary details will not be accessible for use by the Principal and/or Participant(s) until verified by the Standard Bank.

Legal Note: Standard Bank Group shall not be liable for any losses suffered as a result of a delay in the verification of beneficiary information for whatsoever reason. It is the responsibility of the Principal and/or Participant(s) to ensure that it submits beneficiary details for verification as early as is reasonably possible.

8.6.2   All beneficiary Account details are stored on Standard Bank's System mainframe and can be modified - by the Principal and/or Participant. On exception, the Standard Bank's Support Area agree to capture beneficiary details upon request from the Principal and/or Participant for which the Standard Bank will charge the relevant Principal and/or Participant a fee per beneficiary captured.

Legal Note: Standard Bank Group shall not be held liable for any losses suffered by as a result of an erroneous and/or incomplete capturing of beneficiary details. The Principal and/or Participant(s) subscribe to this Service entirely at their own risk.

General Note: SWIFT addresses are modifiable by STANDARD BANK ONLY in order to ensure that STP Rules have been adhered to.

8.7   Third Party Details
The Principle and/or Participant can create Third Party profiles. Third party payments are payments done on behalf of another individual or entity. A third party is a party indirectly involved in a transaction.

Transactions requiring "third party" details include:
- **Travel related transactions** - where a travel agent pays for travel on behalf of the traveller.
- **Foreign investment by South African residents** - (MP1423) transactions where an entity does the investment on behalf of multiple individuals.

8.8 AFRICAN TRANSACTIONAL GATEWAY
Save for certain exceptions, this Service is currently no longer available to Principals and/or Participant(s) via Business Online. For further information on this Service, please contact your Transactional Banker and/or the Service Help Desk.

General Note: Where a Principal and/or Participant uses the ATG Service, it is their responsibility to ensure that they request all information relating to the Service and all applicable cut-off times from their Transactional Banker and/or the Service Help Desk.

Legal Note: Standard Bank Group shall not be liable for any losses suffered by the Principal and/or Participant(s) as a result of their failure to abide by the Standard Bank's processes and cut-off times relating to the ATG Service.

8.9 PROCESSING TIMES
Processing times for the International Banking Service are from **08h00 to 16h30** on **Business Days**.

8.10 CUT-OFF TIMES
Transactions on the International Banking Service are subject to the relevant currency cut-off times. The table below must be used as a guide only and is subject to change.

Australia	03h00
Austria	11h00
Belgium	11h00
Canada	15h30
Denmark	03h00
Euro	11h00
Finland	11h00
France	11h00
Germany	11h00
Hong Kong	03h00
Ireland	11h00
Italy	11h00
Japan	03h00
Malaysia	12h30*
Netherlands	11h00
New Zealand	03h00
Portugal	11h00
Norway	03h00
Singapore	03h00
Spain	11h00
Sweden	03h00
Switzerland	03h00
United Kingdom	11h00
USA	15h30

*Previous day

General Note: It is responsibility of the Principal and/or Participant(s) to ensure that it makes every effort to submit transactions within the specified cut-off times for making payments. In addition the Principal and/or Participant must ensure that they meet the currency cut-off times set out above. Transactions submitted after the stipulated cut-off times will not be processed by the Standard Bank. The relevant transaction must be resubmitted on the next Business Day. There will be no retrospective back-dating of transactions (where a cut-off time has been missed on a transaction).This Service is available on Business Days only.

Transactions will be processed on the specified "Value Date" provided that the cut-off times are adhered to and are on Business Days.

Where a cut-off time has been missed the Service will generate a screen message indicating this.

8.11 SYSTEM UNAVAILABILITY
In the event of System unavailability, the Principal and/or Participant(s) are urged to contact the Foreign Trade Service office in order to capture the deal manually. Standard Bank may, at its sole discretion, elect to extend cut-off times in such instances.

Legal Note: No Standard Bank Group Member will be liable for any losses or damages (including without limitation interest claims) suffered by the Principal and/or Participant(s) as a result of (without limitation):
- **the Principal and/or Participant's use of the System;**
- **the Principal and/or Participant(s) failing to meet Standard Bank's cut-off times for the relevant Service;**

- **any System failure and/or unavailability of the System; and/or**
- **any unavailability of any of the Services.**

The Principal and/or Participant(s) jointly and severally indemnify and hold harmless each Standard Bank Group Member against any claims, actions, losses, damages or costs that may be brought against it by third parties as a result of:
- Standard Bank providing the Services;
- any unavailability of any of the Services;
- the Principal and/or Participant's use of the System;
- the Principal and/or Participant(s) failing to meet Standard Bank's cut-off times for the relevant Service;
- any System failure and/or unavailability of Service;
- Standard Bank acting on the instructions of the Principal and/or Participant's authorised persons on the Service; and/or
- any fraud, theft or misappropriation of funds occasioned by the use of the Services.

8.12 **EXCHANGE CONTROL REQUIREMENTS: ZAR ACCOUNTS (SA RESIDENTS)**
General Note: SA Resident ZAR Account holders must note the following:
The current Exchange Control Regulations require that certain outgoing cross-border payments be supported by certain documentary evidence. In terms of the Exchange Control Regulations, it is the responsibility of Standard Bank (as an "Authorised Dealer") to request, view and endorse such documentary evidence from the relevant Principal and/or Participant(s) prior to processing an affected outward payment.

Legal Note: No Standard Bank Group Member shall be held liable for any losses suffered as a result of any delays occasioned by Standard Bank Group's compliance with any Exchange Control Regulations howsoever caused.
Exception: Where a Principal and/or Participant(s) hold an Import Letter of Undertaking with the SARB they may not be required to submit documentation in respect of trade and trade-related payments.

General Note: It is imperative that the relevant supporting documentation reaches the Client's preferred Foreign Trade Service Frontline office in good time (i.e. as soon as possible once payments have been released). This applies to both CFC Accounts and ZAR Account settled payments.

8.13 **LIMITS**
A Principal and/or Participant(s) will only be allowed to transact such an amount as is available within their limit as agreed with Standard Bank. The Principal and/or Participant(s) will be responsible for allocating Operator limits.

General Note: Extreme caution should be exercised in allocating payment limits to Operators as the limits set constitute the maximum amount (in United States Dollars) that an allocated Operator can deal in a single transaction.

8.14 **ANTI-MONEY LAUNDERING AND PREVENTION OF TERRORIST FINANCING NOTE**
South Africa is a member of the Financial Action Task Force (**"FATF"**). The FATF is an inter-governmental body whose purpose is the development and promotion of policies (both at national and international levels) in an effort to combat money laundering and terrorist financing.
Consequently, South Africa developed and implemented the Financial Intelligence Centre Act No. 38 of 2001 (**"FICA"**). South African banks must comply with certain provisions of the FICA. These provisions include, but are not limited to, the know-your-client (**"KYC"**), suspicious transaction reporting (**"STR"**), cash threshold reporting (**"CTR"**) and reporting of property associated with terrorist and related parties (**"TPR"**) requirements and imposes penalties for non-compliance. FICA makes it mandatory to report STRs, CTRs and TPRs to the Financial Intelligence Centre (**"FIC"**) for possible further action.
Standard Bank Group Money Laundering Control Office has set out the minimum standards for Client acceptance and KYC requirements. A client has to be "KYC-ed" prior to entering into a business relationship or conducting a single transaction with the Standard Bank and the record must be reviewed on a regular basis thereafter (including all foreign correspondent banks). KYC documents have to be retained for 5 (five) years after termination of the business relationship or the conclusion of the single transaction. A risk rating framework has been implemented, which sets out the enhanced due diligence measures to be carried out for various risk categories within which clients fall.

From an anti-terrorist funding perspective, Standard Bank Group monitors all SWIFT payment messages as well as other SWIFT message types (both inward and outward) which are routed through our SafeWatch software, checking against numerous external and internal watch lists.
Examples of the watch lists are OFAC, Standard Bank of England, United Nations, European Union and the Hong Kong Monetary Authority. In total, we monitor against approximately 30 (thirty) watch lists.

Legal Note: In this context the relevant Standard Bank Group Member reserves the right to reject payment instructions (and return funds less the standard processing fees) that do not contain complete remitter information and/or or fail sanctions screening. No Standard Bank Group Member shall be liable for any losses occasioned as a result of the aforementioned payment rejections and/or funds returns made by it.

Legal Note: Furthermore the Principal and/or Participant(s) agree that Standard Bank shall not be held liable for the non-receipt of the funds by the recipient, the recipient's bank and/or agent where sovereign rules and regulations affect the transmission of the funds.

8.15 CONFIDENTIAL INFORMATION

The Principal and/or Participant(s) agree that confidential information in Standard Bank's possession may be used, retained and/or transmitted to third parties by Standard Bank in order for it to comply with local and international legislation and/or standards. Any disclosure by the Standard Bank of such information to a third party if necessary for the purpose of compliance with the above shall not constitute a breach by the Standard Bank of its obligations under these Services.

9 BUSINESS ONLINE SELF-ADMINISTRATION ("BOL Self-Admin")

General Note: Online Take On of BOL Self-Admin functionality is only available to persons appointed as Designated Persons with their own valid Operator ID **("Admin Operator")**.

BOL Self-Admin enables clients via its Admin Operator to conduct the following activities on its Profile:
- Operator maintenance
- Subscription to certain additional Services
- Adjustment of account and limit maintenance
- Resetting of passwords
- Requesting of new tokens
- Select Host to Host options

9.1 Operator Maintenance

Operators, who perform transactions using Business Online, require regular maintenance to authorise Profiles based on changes to roles and business rules. Operator profiles are created or amended by Client via the Standard Bank Client Services or through BOL Self- Admin which enables clients Admin Operators' to view Operators and their associated authorisations, add or amend Operator details and authorisations, copy an Operator status, view history reports, and delete Operators.

Legal Note: The client is responsible for advising Standard Bank where there are changes made to its Designated Persons and the client is responsible for removing the rights and access of Designated Persons to BOL Self Admin. The Standard Bank Group shall not be held liable for any losses suffered by the Principal and/or Participant (s) (howsoever caused and whether direct or indirect) arising out of the Principal and/or Participant(s) failing to carry out regular maintenance of its Designated Persons or Operators.

9.2 Password/Token Maintenance

Business Online has stringent security protocols to protect clients from fraudulent activities. Forgotten passwords or lost tokens can often result in costly delays. Through BOL Self-Admin, clients are able to request new passwords and tokens, view audit and history reports, track delivery status reports and cancel passwords and token reset requests.

General note: A token has a lifespan of +-36 months whereafter a Client will be required to replace the token at its cost.

9.3 Account and Limit Maintenance

BOL Self-Admin provides clients with the ability to maintain accounts and limits without assistance from Standard Bank client services. The person appointed as Admin Operator will be able to add accounts and adjust limits for BEFT, NAEDO, SSVS and OWN, as well as ICM.

9.4 Service Subscriptions

Currently, Service subscriptions are facilitated by sales and client services. A request by the appointed Admin Operator may be submitted for the certain Services.

9.5 Host to Host Options

Host to Host options are available to Clients who transact using this Host to Host Service. The following Self-Admin functions can be utilised by the Admin Operator:
9.5.1 Reset a file sequence number
9.5.2 Request a resend of an output file

10 INTERNATIONAL TRADE
10.1 IMPORT DOCUMENTARY CREDITS

- Electronic submission of applications forms, request for amendments, request for cancellations, authority to pay and acceptance of discrepancies and/or documents
- Electronic advices directly from Standard Bank e.g. establishment, amendment, cancellation, drawing and payment advices
- Sending and receiving messages directly to and from Standard Bank regarding a transaction e.g. to query receipt of documents or to query whether a payment has been effected
- Notifications from Standard Bank to action pending transactions either by facsimile, email or SMS
- Creating own templates to store details of regular beneficiaries and application forms

10.2 BINDING AGREEMENT

Each application to transact constitutes a binding agreement between Standard Bank and the Principal and/or Participant(s). Consideration to this application will only be given provided that all relevant indemnities have been obtained.

General Note: For transactions requiring insurance, Standard Bank's interest should be duly noted.

10.3 PROCESSING TIMES

Normal Processing times are from **08:00 – 15h30** on **Business Days** provided that the necessary credit facilities are in place. Any transactions received thereafter will be processed the following Business Day.

10.4 LIMITS

The Principal and/or Participant(s) will be responsible for allocating Operator limits. This limit is the maximum amount in Rands to which a given Operator can transact in a single transaction.

10.5 SECURE MESSAGING

Secure messaging allows for online communication in a secure environment between Operators in the PC and front end users in respect of specific transaction. Instructions received from Clients through this medium will be considered valid and binding.

10.6 DATA ACCURACY

The Principal and/or Participant(s) will only provide valid and correct data, and will disclose all information, as required for the processing of their transactions.

10.7 SYSTEM AVAILABILITY

The Service is available 24hrs (twenty-four hours) however processing is subject to the times stipulated above. The Business Online and i-trade help desk is available from **07:00 to 17:30** on **Business Days** for both technical and product specific help.

10.8 STATUS CODES AND DESCRIPTIONS

The table below lists the various status codes which will be encountered on the International Trade system as well as a brief explanation of each code.

STATUS CODE	STATUS DESCRIPTION	STATUS MEANING	MESSAGES/TRNS/BOTH
VA	Validated Addition	Reflects when a transaction or message has been created.	Both
VC	Validated Change	Reflects when a transaction/ message has been unlocked (Authorise Change)	Both
VC	Validated Change	Reflects when a transaction/ message has been unlocked (Authorise Change)	Both
L1	Part Locked	Reflects when a draft swift message has been created for a transaction. Accepting the draft swift will place the transaction in a locked (LO) status.	Transactions
LO	Verified/Locked	Reflects when a transaction/ message has been locked. In order to modify, it will have to be unlocked (Authorise Change)	Both
PR	Part Released	Transaction /message has been released and is awaiting another Operator to release	Both
RL	Released	Reflects when a transaction/ message which has been released and awaiting processing at the bank	Both
RS	Released and Stripped	Transaction is being processed at the bank	Transactions
ER	Error Encountered	Transaction has been rejected by the bank. Requires modification and re-submission	Transactions

C4	Final Audit to be Downloaded	Transaction has been released by the bank.	Transactions
CF	Final Audit Downloaded	Transaction has been processed successfully and the audit report has been printed.	Transactions
CA	Transaction booked off	Transaction is completed and has been closed	Transactions
RR	Released message attended to	Reflects when a released message has been attended to by the bank and does not require a reply from the Client.	Messages
RA	Released message reply required	Reflects when a message requires a reply from the Client.	Messages

10.9 SWIFT

SWIFT accepts certain characters when processing applications. In the event of an unacceptable SWIFT character being used, the International Trade System will provide you with a warning. The application can only be completed once the character has been deleted.

<u>General Note:</u> **All letters or the alphabet as well as numbers are accepted. The table below lists the punctuation marks which are acceptable as well.**

CHARACTER	EXPLANATION
/	Forward Slash
:	Colon
'	Apostrophe
-	Hyphen/Dash
+	Plus sign
(	Open bracket
)	Close bracket
.	Full Stop
,	Comma
?	Question mark

11 INVESTOR SERVICES ONLINE ("**IS Online**")

11.1 FUNCTIONALITY

OVERVIEW OF IS ONLINE

The purpose of IS Online is to provide Standard Bank's IS Clients with internet access to their Custody and Settlement business. Through this facility, Clients will be able to provide Instructions electronically to effect settlement of their trades and/or to cancel previously sent Instructions.

Clients will be able to view the status of their trades from the point of creation, point of submission as well as the point of settlement.This information will include a comprehensive history of the trades concerned. In addition, Clients can also access a "Holdings" balance.

IS Online also provides Clients with a "Corporate Actions" module that enables Clients to view corporate actions and proxy voting notifications, entitlements and payments. This module also provides the ability to provide Instructions in respect of both corporate actions and proxy voting. It should be noted that IS Online provides an online real time reflection of the Client's Custody activities as reflected in Standard Bank's Custody system, namely "**BaNCS**". This implies that holdings, transaction statuses and corporate action information will be available on an online real time basis.

11.2 GLOSSARY OF TERMS

The IS Online Client Visibility Application ("**CVA**") Client Reference Guide ("**Client Reference Guide**") is to be referred to for a glossary of terms used in IS Online.

11.3 USER ACCESS AND SEGREGATION OF DUTIES

User Access to IS Online is created upon receipt of an instruction from a Client, which instruction must be accompanied by the requisite forms, which forms must be completed in full. IS Online user access is created within 24 hours of receipt of an instruction to do so provided that the Client's Profile has been created and that Custody Accounts have been opened. Please note that IS Online applies a limitation on the use of special characters in the creation of a password.

The following special characters may be employed when selecting a password at the time of subscribing to IS Online:

CHARACTER	EXPLANATION
%	Percentage
@	At the rate
'	Single quote
-	Hyphen
_	Underscore
.	Dot
!	Exclamation
`	Back-quote or grave-accent
(	Open brackets
)	Close brackets
\	Back slash

The segregation of duties is a key component to managing the Services and the associated risks. Each action in the process should be allocated to different authorized users. The greater the segregation of duties, the greater the security. IS Online caters for both a 2 eye principle as well as a 4 eye principle in respect of user functions and access. The key user functions include an enquiry/view function, the function to create or cancel a transaction/corporate action response as well as the ability to authorize a transaction/corporate action response. These functions can be applied to all roles or restricted to certain roles, i.e. Clients can provide users with access to certain functions for both settlements and corporate actions or provide them with access to certain functions in either settlements or corporate actions.

While Standard Bank recommends the adoption of a 4 eye principle, the manner in which segregation and other controls are implemented is subject to the Client's preference.

11.4 INSTRUCTION TIMELINES

Standard Bank concludes a Safe Custody Agreement with each of its Clients who subscribe for such services. Included in the contractual arrangement is a Service Level Agreement ("**SLA**") which, amongst other things, provides for the timelines within which Instructions must be provided to Standard Bank. The use of IS Online is at all times subject to the contents of the Safe Custody Agreement as well as the associated SLA. Please reference individual SLA's for timelines applicable for various Instructions (Client and Market).

11.5 AVAILABILITY OF IS ONLINE

Please note that IS Online will not be available during the day end and month end batch runs of BaNCS.

The day end batch run generally starts at 21h00 GMT+2 and ends at 24h00 GMT+2.

Month end batch runs generally start at 21h00 GMT+2 and end at 02h00 the following day. For the avoidance of doubt, "month end" is the last business day of the month concerned.

In addition to the above, please note that changes to the Electronic Banking System may result in downtime of IS Online. 48 hours' notice will generally be provided to Clients in this regard via email communication.

11.6 RESPONSIBILITY GUIDELINES FOR ELECTRONIC INSTRUCTIONS
Clients

All Instructions for settlements or corporate actions that are submitted via IS Online must have all the requisite information and all mandatory fields completed prior to the submission of such Instruction. Mandatory fields are denoted by an asterisk (*).

An Instruction containing the correct and complete information will be accepted into BaNCS and will reflect a "submitted" status, pending further processing. Clients will not be allowed to create or submit incomplete Instructions, i.e. Instructions without all the necessary mandatory fields having been completed Although rigorous validations and checks and controls are in place, it is possible for incorrect or incomplete Instructions to be submitted into IS Online. Depending on the nature of the incorrect or omitted information, the Instruction may be accepted or rejected by BaNCS. The preceding points apply to both individual trade captures, responses for corporate actions and bulk file uploads. **Standard Bank will accept no liability for any damages and/or losses arising as a result of Standard Bank acting, or failing to act, on Instructions which contain incorrect information or where mandatory information has been omitted, irrespective of whether such Instructions have been rejected or accepted by the System.**

Standard Bank will also not be responsible for any delays which may be caused by the processing of Client Instructions which do not contain all mandatory information or contain information which is found to be incorrect. Notwithstanding the above, Standard Bank will endeavor to identify such Instructions and will engage the Client for the necessary corrections on a best efforts basis.

Please be advised that IS Online allows Clients to provide their Instructions in respect of debt instrument transactions without a published numbering scheme, i.e. without an ISIN/Securities identifier as applied by the local exchange/market. Any such Instructions will fall into a "repair queue" in BaNCS. Standard Bank will apply a naming convention for such securities that is internal to Standard Bank. The naming convention standard applied by Standard Bank will be as follows:

Issuer /Instrument Type/Interest type/Maturity/Rate (if available), eg: SB/FD/FL/20160302/20.2

Instructions relating to new issues of listed equities can also be submitted via IS Online without the inclusion of an ISIN/Securities Identifier. Such Instructions will also go into the repair queue in the System. The relevant securities identifier will be updated by Standard Bank upon publication of such securities identifier in the market and the transaction will thereafter move to a "to be authorized"/"authorized" status.

Please be advised that Instructions submitted to Standard Bank via IS Online are deemed to be submitted to Standard Bank as per the date and time stamp reflected on IS Online for the submitted/cancellation submitted status. All transactions that are successfully transmitted from IS Online to BaNCS and thereby accepted by Standard Bank, will reflect a status of "to be authorized" or "authorized". The status of the transaction will change as further processing takes place.

11.7 RISK MANAGEMENT

Please note that it is the responsibility of the Client to determine how user access is applied to users in its organization. Standard Bank will act upon the Client's instructions in this regard. Standard Bank will provide Clients with the required information on existing Profiles for their organization upon request and it will remain the Client's responsibility to manage the Profiles as applicable to the organization.

In the event that the IS Online is not available for any reason, it is the Client's obligation to ensure that it provides instructions within the relevant timelines. In the event of such unavailability, alternative methods of communication include fax and/or email as would have been agreed in the individual Safe Custody Agreement and Fax/Email Indemnity in place for the Client. Standard Bank will also require that an appropriate list of authorized signatories be in place. The instruction templates, levels of service and contact details as applicable in a fax and/or email mode of communication will be covered in the Client's individual SLA with Standard Bank.

12 THIRD PARTY FUND ADMINISTRATION SERVICE

12.1 INTRODUCTION

Third Party Fund Administration (**"TPFA"**) is a fund management and administration product offered by the Bank to a Client who manages and/or invests funds on behalf of others (in terms of a written mandate) or manages and/or invests funds for their own Entity (collectively referred to as the **"Agent"**).
Where the Agent manages and/or invests funds on behalf of a third party, such third party shall, for purposes of these Operational Regulations, be referred to as the **"Investor Principal".**

12.2 FEATURES OF THE TPFA SERVICE

The TPFA Service consists of the following features and capabilities:
- Electronic funds transfers service;
- inter-account transfers service;
- opening and closing of Investor Principal Accounts;
- origination of Investor Principal Accounts loaded on the Service;
- viewing of electronic balances and statements for loaded Accounts for up to a 12 (twelve) month period;
- regular month-end statements issued;
- closure of Investor Principal accounts; and
- issuing and payment of electronic property guarantees (**"Guarantees"**) - see section 10.4 below.

12.3 SEGREGATION OF DUTIES

In the management of TPFA Accounts, the following actions can be performed on the Service:

PROCESS	ACTIONS ON SERVICE			
Account opening	Create/Open		Acceptance of Service Disclaimer	
Account closure	Close	Delete	Release	
Transfers (Inter-Account or EFTS)	Create/Open	Audit	Verify/Authorise change	Release/Release only

12.4 TPFA GUARANTEES

The TPFA Guarantees product allows the Agent to set up electronic property guarantees on behalf of its Investor Principal upon obtaining a written mandate to do so. The product allows the Agent to electronically create guarantees and then to instruct Standard Bank to issue, pay or cancel guarantees.

The following actions can be performed on the TPFA Guarantees product:

PROCESS	ACTIONS ON SERVICE		
Create Guarantee	Draft	Modify	Delete
Request Guarantee	Request	Approve	
Pay Guarantee	Request	Release	
Cancellation of Guarantee	Please contact the TPFA Service Desk for assistance		
Generate Guarantee Reports	Print Guarantee	Print Summary	

PROCESS	ACTIONS ON SERVICE			
Account opening	Create/Open		Acceptance of Service Disclaimer	
Account closure	Close	Delete	Release	
Transfers (Inter-Account or EFTS)	Create/Open	Audit	Verify/Authorise change	Release/Release only

General Note: The Service is available on Business Days only. It is responsibility of the Agent to ensure that it makes every effort to submit transactions within the time frames set out above. Where a cut-off time has been missed, the Service will generate a screen message indicating this

General Note: The Agent is responsible for ensuring that transactions are released and successfully processed prior to the specified cut-off times for opening, transfer and closing of Accounts. Transactions submitted after the stipulated cut-off times will not be processed by the Standard Bank. The relevant transaction must be resubmitted on the next Business Day. There will be no retrospective back-dating of transactions where a cut-off time has been missed on a transaction.

Legal Note: No Standard Bank Group Member will be liable for any losses or damages (including without limitation interest claims) suffered by the Agent and/or Investor Principal as a result of any one of the following:
- **the Agent's use of the System;**
- **the Agent failing to meet the Bank's cut-off times; and**
- **any System failure or unavailability of Service.**

The Agent indemnifies and holds harmless each Standard Bank Group Member against any claims, actions, losses, damages or costs that may be brought against it by third parties (including without limitation the Investor Principal) as a result of, without limitation:
- **Standard Bank providing the Service;**
- **the Agent's use of the Service;**
- **Standard Bank acting on the instructions of the Agent's authorised persons on the Service; and/or**
- **any fraud, theft or misappropriation of funds arising from use of the Service the failure to meet the Service cut-off times.**

12.5 CONTINGENCY PLAN
Should the TPFA Service be unavailable, please contact the TPFA Service Desk for assistance at:
(011) 631-2015
(011) 636-3867
(011) 631-5393

13 AUTOSAFE CASH UPLOAD

ACCOUNTS
The Client is advised to have a valid bank account for Cash Upload.

SUPPORT TIMES
Client Care will be available 7.00am to 5.30pm (GMT plus 2) Monday to Friday. Client Care will be available on Saturdays from 8.00am to 1.00pm (GMT plus 2). Telephone number for Client Care is 002711 0860 105 410.

AFTER HOURS SUPPORT
The Client can contact Client Care via e-mail after 5.30PM (GMT plus 2) on a Business Day at **businessonline@standardbank.co.za.** Standard Bank- Client Care agents will provide the Client with a resolution to the problem or query the next Business Day to the extent possible.

TRAINING AND KNOWLEGE MANAGEMENT
Updates to Cash Upload will be communicated to the Client prior to going live. Reasonable training will be provided to the Client for new enhancements to Cash Upload.

CONTINGENCY PROCESS
Whilst every effort will be made to adhere to these above service times, Standard Bank accepts no liability for the unavailability of the Service for whatever reason. Where the Client is unable to capture information on Cash Upload for any reason, the Client will not receive same day value for the batches.

REPORTS
Clients must print a copy of the processing report, which is available after the money has been captured and released on Cash Upload, but before the final audit report is available. This report will advise on what has been initially posted to the Client Account.
It is mandatory that the Client print the final audit report as this report will advise on the final posting to the Client Account and any adjustments that may have been made.

REVERSALS
The System will post all reversals to the Client Account and the Client consents thereto.

RESPONSIBILITY FOR THE USE OF USER ID'S AND PASSWORDS
Legal Note: The Client acknowledges that it will be liable for all the actions of any person accessing and using Cash Upload utilising the Clients User ID's and Passwords, regardless of whether the Client has authorised them to access and use Cash Upload, unless such unlawful access has been caused solely and by the gross negligence or fraud of Standard Bank.

14 ZAR BROWSER
14.1 INTRODUCTION
ZAR Browser is a web-based enquiry system providing Clients who are financial institutions with real-time balances, current and historic statements as well as interest information on Rand Accounts.
This service is currently only available to restricted Clients.

14.2 FEATURES AND BENEFITS
ZAR Browser offers:
- up to date statement information on all accounts;
- historical information (for up to 6 (six months) plus the current month of request);
- real-time balance enquiries;
- interest statement details;
- direct messaging facilities; and
- Underlying payment instruction details.

The benefits of ZAR Browser include:
- improved account management;
- the opportunity to create reduced overdraft interest charges as cash management decisions can be made on real-time balances;
- convenience because of the ability launch queries directly without the need for separate SWIFT messages;
- guaranteed security and confidentiality;
- 24 hour availability 7 days a week; and
- One point of contact for assistance with access, functionality and information queries.

14.3 HARDWARE AND SOFTWARE REQUIREMENTS
This service may require the Client to install and/or upgrade its computer system hardware and software.

The Clients agrees to effect all changes to its computer system at its own cost. Any further amendments, additions or upgrades required as a result of any changes to the ZAR Browser services shall be for the sole account of the Client. Standard Bank, may at its sole discretion, suspend, discontinue, amend, limit or supplement the scope and functionality of the ZAR Browser either in full or in part.

15 BUSINESS ONLINE ACCESS CONTROL
OVERVIEW
Business Online Access Control offers an optional security feature that enables the Client's appointed Designated Persons to block log-on access to their Profile during certain times (for example after business hours, during weekends or public holidays).

This feature aims to provide the Client with access control peace of mind over activities on the Profile particularly outside of normal business hours.

Clients are able to request pre-defined lockout periods on their Profile thus preventing Operators and Designated Persons from logging onto the Profile.

The feature can be activated upon the Client's request and upon completion of the applicable Standard Bank form.

General Note: When subscribing for this feature it is imperative that you carefully consider your business operational hours as the Profile will be deactivated during periods specified as "Lock-Out" periods by you. All lock-pout periods will apply to all users with access o the Profile.

Please note that access control periods selected by the Client will remain fixed and unchanged unless the Client provides otherwise and regardless of whether or not Standard Bank temporarily or permanently extends its cut-off times (either now or in the future).

Note further that this feature restricts log-on access onto the Profile ONLY. In other words, pre-selected transactions requiring processing in accordance with Standard bank's cut-off times will NOT be affected.

Clients are able to make changes to the access control selections made on their Profile by contacting Client Services directly at: **0860 123 007.**

16 SYSTEM AVAILABILTY
16.1 THE SYSTEM
Whilst every effort will be made to adhere to the above Service times set out in these Operational Regulations, Standard Bank Group accepts no liability for the unavailability, failure or downtime of the System howsoever caused.

Unless otherwise notified, all changes to the System, will be implemented as follows:

SITUATION	DETAILS
Backups & Maintenance	Service unavailable between 00h00 to 07h00 on Sundays
Emergency changes	A message will be broadcast on the message banner, on the web site to notify unavailability of the system.

16.2 THE SUPPORT
Standard Bank provides call centre support to all Clients. The hours of support are from 08h00 to 16h30 on **Business Days** and on **Saturdays** from **08h00** to **13h00.**

All calls are recorded to allow continuous improvement and assessment of the service provided by the call centre.

17   DORMANT PROFILE

An electronic banking profile will be classified by SBSA as dormant if there is no usage in a 180 day period.

After the 180 day period, SBSA will send a communication to the Client to confirm whether the electronic banking profile is required. Where a Client does not provide feedback within 30 days of notification by SBSA, SBSA will be entitled to close the electronic banking profile.

18   RECORD MAINTENANCE

It is the responsibility of the Client to ensure that it regularly updates its information on the System and where applicable, provides Standard Bank with updated records and information for all the products and services it takes up including:

- Accounts
- Creditor/ Debtor details
- Authorised Signatories, Designated Persons and Operators
- Passwords
- Limits
- Access
- Segregation of duties and release levels

Record maintenance information can be found under the administration module function on the System under Business Online Domestic Banking.

Legal Note: No Standard Bank Group Member shall be liable for any losses or damages suffered by the Client as a result of its failure to update its information and records with Standard Bank and/or via the System.

19   RISK AND SECURITY MANAGEMENT
OVERVIEW

Due to the nature of the transactions for which the System is utilised, risk reduction procedures need to be implemented and managed by the Principal and/or Participant(s). These include, without limitation:

19.1   USER ID'S

After installation of the System, the Principal and/or Participant(s) will be assigned a User ID. The User ID is the Principal's and/or Participant(s)' unique reference and must be quoted in all correspondence with Standard Bank Group.

19.2   OPERATOR ID'S

Each Operator will be assigned an Operator ID. The Operator ID is the Operator's unique reference for logging onto the System and must not be shared by anyone. The expiry period for passwords is 30 (thirty) days.

General Note: It is the responsibility of the Principal and/or Participant(s)'s Designated Persons to ensure that Standard Bank is notified of any changes in and to its appointed Operators. All such changes must be provided in accordance with Standard Bank's internal operational processing requirements.

Legal Note: No Standard Bank Group Member shall be liable for any losses or damages suffered by the Principal and/or Participant(s) as a result of:

- **the Principal and/or Participant's failure to timeously notify Standard Bank of any changes in and to its Operators; and/or**

- **any delays or errors in the notification process occasioned by the Principal and/or Participant's failure to fully comply with Standard Bank's internal operational processing requirements.**

19.3   PASSWORDS

A successful combination of an OPERATOR ID and DAILY PASSWORD will be authenticated and the Operator will be allowed access to the System.

An **Operator Reset Key** needs to be loaded by every Operator and must be used in order to be authenticated in the case of a daily password reset or first time log-on.

19.4   TWO FACTOR AUTHENTICATION TOKEN LOGIN

The purpose of this added authentication feature is to enhance the System's security features in order to mitigate fraud related activities. Each Operator will be assigned a token device, which will be linked to the relevant Operator ID exclusively. The token device will be used to generate a unique one-time passwords (which will be numerical in form) and which must be used together with the current logon credentials (i.e. both the Operator ID along with the daily passwords will be required in order to successfully log into the System).

Once a token has been received by an Operator, the Operator will be required to logon to the System and register their token within a specified number of days by following the respective instructions on the logon screens of the System. The registration will include entering in the reset key, token serial number and one time password and then the entry of an another one-time password 30 (thirty) seconds later.
General Note: It is the Designated Person's responsibility to advise Standard Bank of any changes with regards to Operators (resignations, transfers, etc.) and also with regards to the re-ordering of additional and/or replacement token devices.

Legal Note: It is the responsibility of each Operator to protect their logon credentials and token device as no Standard Bank Group Member will be held liable for any losses, damages or claims suffered by the Principal and/or Participant(s) as a result of any fraud committed due to the negligence or wilful misconduct of an Operator, Designated Person, Authorised Signatory or Client.

Legal Note: It is the responsibility of the Principal and/or the Participant(s) to advise Standard Bank immediately upon an Operator ceasing to be employed and/or authorised to transact on its behalf on the System. The Principal and/or Participant(s) jointly and severally indemnify each Standard Bank Group Member from any losses, claims and/or damages suffered as a result of the failure of the Principal and/or Participant(s) to advise Standard Bank as aforesaid.

19.5 GUIDELINES FOR SETTING PASSWORDS

- **SELECTION**
  General Note: Passwords must be non-trivial and not predictable. Trivial passwords are obvious words that may be easily associated with the Operator or Entity. Predictable passwords are logical sequences or time related words.

- **MEMORISATION**
  Passwords must be memorised and never physically recorded on media viewable by other Operators.

- **CHANGE**
  Passwords must be changed:
  - upon expiry;
  - once reset has been effected; and/or
  - where there is any likelihood that the password has been inadvertently or deliberately compromised.

- **ACCOUNTABILITY**
  General Note: Operator passwords and Operator reset keys are confidential and must not be divulged or given to anyone. Any breach of security through the unlawful use of a password/ Operator reset keys will be the responsibility of the holder of the Operator ID.

- **PASSWORD EXPIRY**
  - Daily Password: These passwords will expire after 30 (thirty) days.
  - Operator Reset Key: Have an indefinite duration

- **SUSPENSION**
  Daily Password
  - When attempting to sign-on, an Operator ID will be suspended after 5 (five) incorrect passwords having been entered.
  - **General Note: Operator ID passwords that remain unchanged for a period of 45 (forty-five) days will be made INACTIVE.**

- **OPERATOR RESET KEY**
  - When attempting to sign-on, an Operator ID will be suspended after 3 (three) incorrect attempts.

- **RESET**
  - If there is a problem with the daily password, Standard Bank will, upon instruction, reset the daily password to the Operator Reset Key, and a fee will be levied as specified on the pricing brochure.
  - If there is a problem with the Operator Reset Key, Standard Bank will, upon instruction, reset the Operator Reset Key to allow the Operator to select a new Operator Reset Key and a fee will be levied as specified on the pricing brochure.

- **CRITERIA**
  Daily Password

  In creating your daily passwords, please adhere to the following guidelines. The password:
  - must a combination of letters of the alphabet and numbers;
  - must be at least 6 (six) characters and a maximum of 8 (eight) characters long;
  - must not be months of the year or days of the week (**General Note: if an attempted new password starts with the first 3 (three) letters of any month or day, it will be rejected e.g. APRicot, DECimal, MONkey);**
  - must not be a series of consecutive letters of the keyboard as this will be rejected, e.g. **123456, qwerty,** etc.;
  - must not exceed the maximum number of consecutive repetition of 2 (e.g. **"apples"** and **"workkk"** is not allowed but **apples and work88** is allowed);
  - must not be the same or similar to the previous 6 (six) passwords;
  - can be changed by the Operator relevant Operator only once a day;
  - which contains the Operator ID will not be allowed;
  - which contains the following strings will not be accepted:
    - **IBM TEST SYS LOG SIGN TSO PASS NEW VTAM NET APPL ROS BASIC**
    - **JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC XXX ASDF 1234**
    - **ZXC MNB LKJ POI 123 987 098 MON TUE WED THU FRI SAT SUN**
    - **CADAM VALID DEMO GAME QWE ASD FOCUS CICS**

- **OPERATOR RESET KEY**
  - MUST BE a minimum of 3 characters and a maximum of 8 characters.
  - MUST BE a word that has meaning to you, and is easy to remember without having to write it down.
  - MAY BE either alpha or numeric characters, or a combination of both.
  - MAY NOT contain 3 consecutive characters; e.g. 'apples' allowed but 'aaa' not.
  - MAY NOT be your Operator ID or user ID.

Legal Note: No Standard Bank Group Member shall be liable as a result of the Principal and/or Participant's failure to fully and/or properly adhere to the guidelines provided above regarding passwords.

ZERO RELEASE LEVELS-HOST-TO-HOST

The **Zero Release** option is only available for Host-to-Host Clients. These Clients do not log onto Standard Bank Business Online to release a payment/collection as the instructions are processed upon receipt by Standard Bank without any further authorisation from the client. Their mainframe application is automated to transmit the payment/collection files directly to Standard Bank by using one of the following secure protocols: SWIFTNet, Connect:Direct or SFTP.

General Note: The Principal and/or Participant(s) who select the Zero Release option must manage the additional risk by ensuring that adequate internal controls are in place to prevent unauthorised manipulation of the data prior to transmission to Standard Bank.

They are responsible for ensuring that their ICT environment, along with all associated business process interfaces, are secure.

PROCESSING OF TRANSACTIONS
HASH TOTAL

Hash Total is a value added facility that allows the Client to verify that a file submitted to Standard Bank has not been tampered with.

The file must be created offline in order for the Hash Total facility to be used.

The Hash Total will be calculated by the offline and online System as follows:
- Hash Total is the sum of all the transaction amounts multiplied by the individual account numbers in a file.
- The Operator will be forced to export the Hash Total for domestic banking which Standard Bank calculates. The Operator will then need to compare the Hash Total (displayed as a single number) against the offline System Hash Total.

FRAUDULENT TRANSACTIONS

Legal Note: No Standard Bank Group Member will be liable for losses suffered by the Principal and/or Participant(s) as a result of and fraud committed unless such fraud was committed solely and exclusively by the gross negligence and/or wilful misconduct of Standard Bank.

General Note: Where fraud is committed on the Principal and/or Participant's Profile, Standard Bank will take the appropriate internal measures to assist the Principal and/or Participant(s) in the recovery of the funds and the mitigation of the loss suffered due to the fraud, however Standard Bank does not guarantee the success of retrieving the respective funds.

General Note: Please note that Standard Bank will only be able to reverse such funds upon presentation to Standard Bank of the relevant subpoenas and court order instruction to reverse the said funds.

20 ROLES OF PERSONNEL AND SEGREGATION OF DUTIES

ROLE	RESPONSIBILITY	TASK(S)
AUTHORISED SIGNATORY	• Act on behalf of the Principal and/or Participant where applicable	• Conclude and sign the Agreement • Appoint Designated Person(s) to act on behalf of the Principal and/or Participant to perform any act or do anything required in relation to the Business Online Profile • Terminate the appointment of the Designated Person(s) • Generally perform any act or do anything required or prescribed by the Agreement

DESIGNATED PERSON	• Control the management, communication and associated risk of the Service within the Entity
	• Ensure that the user profile is reviewed for validity through the use of the user portfolio reports
		• Define, manage and authorise additions, amendments and deletions of:
		  – Accounts
		  – Creditor/Debtor details
		  – Operators
		  – Passwords
		  – Limit increases and decreases
		  – Access
		  – Release levels
		  – Operator maintenance
		• Request and confirm:
		  – Batch releases
		  – File conversions
		  – File uploads
		  – The lifting of fating
		  – Loading of Beneficiaries
		  – Loading of Creditors
		• Take on:
		  – BOL Self-Admin
		  – Any other functionality offered on Business Online
		• Ensure that the Service is not used by any person(s) other than those authorised
		• Ensure successful release and processing of all transfers, payments and collections
		• Ensure appropriate use of the Service within specified cut-off times
		• Receive all communication, passwords and IDs from the Bank
		• Provide all instructions to Standard Bank
		• Ensure that the transactional limits on Accounts are adequate and in line with business requirements

OPERATOR	• Access, operate and transact on the Service as specified by the Designated Person	• Use the Service within the parameters of the Operational Regulations • Ensure successful release and processing of all transfers, payments and collections by Standard Bank through proactively monitoring of the Service

Legal Note: The Principal and/or Participant(s) indemnify and hold harmless each Standard Bank Group Member against any claims, actions, losses, damages or costs that may be brought against any Standard Bank Group Member as a result of any Standard Bank Group Member acting on any instruction to increase limits and/or lift fating as requested by the Principal and/or a Participant.

21 COMMUNICATIONS

Unless indicated otherwise, all communication to Standard Bank Group must be:
• in writing;
• presented on the official letterhead of the relevant Principal and/or Participant(s);
• signed by the relevant authorised person(s);
• delivered, posted, emailed or faxed to the relevant Standard Bank Group Member concerned; and
• received within a reasonable time frame by Standard Bank Group Member concerned in order to undertake the required action.

All communication from Standard Bank to **Designated Persons** will be:
- Via email; and/or
- Via letter where applicable.

All communication from Standard Bank to Operators will be via the message alerts facility.

<u>General Note:</u> **Telephonic communication with any one of Standard Bank's call centre(s) is recorded and stored to facilitate accuracy and dispute resolution however telephonic communication should not be construed as a waiver of Standard Bank's communication requirements as set out above.**

22   GENERAL TERMS AND CONDITIONS

22.1   TERMINOLOGY

22.1.1 In this section 17:
- a reference to **"we"**, **"us"** and **"our"** is a reference to Standard Bank Group; and
- a reference to **"you"** and **"your"** is a reference to the Client, Principal and/or Participant(s) the case may be.

22.2   NATURE OF INFORMATION ON OUR WEBSITE

22.2.1 Information on our Website is only intended to provide you with general information about us, our products, services and objectives. Nothing on our Website should be treated as an offer but merely as an invitation to do business with us.

22.2.2 We may provide information from time to time on:
- projected revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items;
- the plans, objectives and/or projections of the bank for future operations, including those relating to the services of the bank; or
- future economic performance.

Such projections are only estimates. Actual events or results may differ.

22.2.3 All information is provided "as is" and should not be treated as professional or investment advice of any kind. You should consult your own professional advisors before relying on any information on this site.

22.3   INFORMATION FEEDS

22.3.1 We may use the services of other organisations to provide information on our Website. We have no control over this information and make no representations or warranties of any nature as to its accuracy, appropriateness or correctness. You agree that such information is provided "as is" and we will not be directly or indirectly liable for any damages that may arise from your reliance on it.

22.3.2 All quotes, news, market information or data shown on the site by way of live information feeds are delayed by at least 15 (fifteen) minutes unless otherwise stated. You should always select the "refresh" or similar page update function on your Internet browser to ensure that the information you are viewing is the most current.

22.4   LINKED THIRD PARTY SITES

22.4.1 Our Website may contain links to other websites with information and material produced by other parties. While we try to provide links only to reputable websites, we do not accept responsibility or liability for the information provided on other websites. A link from our site to any other website does not mean that we have scrutinised or endorsed the owners or administrators of the websites or their business or security practices and operations.

22.5   PERMISSION FOR HYPERLINKS, DEEP LINKING, CRAWLERS AND METATAGS

22.5.1 Nobody may establish a hyperlink, frame, metatag or similar reference, whether electronically or otherwise (collectively referred to as linking), to our Website or any subsidiary pages before receiving our prior written approval, which may be withheld or granted subject to the conditions we specify from time to time.

22.5.2 An application for linking must be submitted to **webmaster@sbic.co.za.** Once received we will do our best to respond and enter into further discussions with you. If you do not get a written response from us within five Business Days, consider your request as having been rejected.

22.6   OUR INTELLECTUAL PROPERTY

22.6.1 We retain all copyright and other intellectual property rights in all material, including logos and other graphics and multimedia works published on or via our Website. You are authorised to view and download one copy to a local hard drive or disk, print and make copies of such printouts, provided that:

- the material is used for considering use of the online services and for no other commercial purposes; and

- any reproduction of our proprietary material from this site or portion of it must include our copyright notice in its entirety.

22.6.2 The logos and trademarks shown on this site are our registered and unregistered trademarks or that of third parties. Nothing on this site should be construed as granting any license or right to use any trademark without our prior written permission and/or that of third parties, as the case may be. You may not, without our prior written permission, use our intellectual property or that of third parties for any other purposes.

22.6.3 An application to use our intellectual property must be submitted to **webmaster@sbic.co.za.** Upon receiving your application we will do our best to respond and enter into further discussions with you. If you do not get a written response from us within 5 (five) Business Days, consider your request as having been rejected.

22.6.4 Irrespective of the existence of copyright, you acknowledge that we are the proprietor of all material on the site, whether it constitutes confidential information or not, and that you have no right, title or interest in any such material.

22.7 SOFTWARE

22.7.1 You are required to use and maintain hardware and software of sufficient quality and performance capability and to use only the latest versions of Microsoft Internet Explorer and/or Netscape browsers as indicated. Your failure to use these browsers may result in a higher security risk and/or cause some or all of the functionality of the site not to operate properly or at all.

22.7.2 Users are advised to use only the Sun Java™ Runtime Environment distributed by us on the Business Online installation CD. Automatic and manual upgrades of the Java™ Runtime Environment may be performed once we have approved them for use with the current version of Business Online software. No support will be given to users that have unendorsed versions of the Java™ Runtime Environment.

22.7.3 Software, if any, made available for download on or via our site is governed by licence conditions that establish a legal relationship with the licensor. You indemnify us against any breach of these licence conditions. We give no warranty and make no representation, whether express or implied, as to the quality of fitness for purpose or the use of such software.

22.7.4 No warranty, whether express or implied, is given that any files, downloads or applications available via this site are free of viruses, trojans, bombs, time-locks or any other data or code which has the ability to corrupt or affect the operation of your computer, database, network or other information system.

22.8 TRANSMISSION OF INFORMATION

22.8.1 Information transmitted via an unsecured link over the Internet, including email, is susceptible to potential unlawful access, distortion or monitoring.
The measures we have taken to limit these risks are outlined in our privacy and security statement.

22.8.2 As we do not have the ability to prevent unlawful activities by unscrupulous persons, you accept that we cannot be held liable for any loss, harm or damage suffered by you as a result. To limit these risks, we may request independent verification of any information transmitted by you via the site or email from time to time.

22.9 TERMINATION, SUSPENSION AND LIMITATION

22.9.1 We may modify, suspend or discontinue the Business Online website, whether temporarily or permanently, without notice. We may also impose limits or conditions on the right to certain services, features or functions and we may restrict access to parts of or all of the Services on the website.

22.10 NO WARRANTIES OR REPRESENTATIONS

22.10.1 We do not warrant that the site or online services will be error-free or will meet any particular criteria of accuracy, completeness or reliability of information, performance or quality.

22.10.2 We expressly disclaim all implied warranties, including, without limitation, warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security and accuracy.

22.11 DISCLAIMER AND LIMITATION OF LIABILITY

22.11.1 **Although we have taken care to ensure that the content on our Website is accurate and that you suffer no loss or damage as a result of your use of our Website, our Website and the online services are provided "as is".**

22.11.2 **Use of our site and the online services is entirely at your own risk. You assume full responsibility for the risk or loss resulting from your use of our site and your reliance on the material and information contained on it.**

22.11.3 **We and our affiliates, shareholders, agents, consultants or employees are not liable for any damages whatsoever relating to your use of our site or the online services or the information contained on our site or your inability to use our site or the online services. This includes, without limitation, any direct, indirect, special, incidental, consequential or punitive damages, whether arising out of contract, statute, delict or otherwise and regardless of whether we were expressly advised of the possibility of such loss or damage.**

22.11.4 **Without derogating from the generality of the above, we will not be liable for:**
- **Any interruption, malfunction, downtime or other failure of the site or online services, our system, databases or any of its components, for whatever reason;**
- **Any loss or damage arising from your orders, investment decisions, purchases or disposal of goods and services, including financial instrument(s) or currency, from third parties, based on the information provided on this site;**
- **Any loss or damage with regard to Client data or other data directly or indirectly caused by malfunction of our system, third party systems, power failures, unlawful access to or theft of data, computer viruses or destructive code on our system or third party systems, programming defects, negligence on our part;**
- **Any interruption, malfunction, downtime or other failure of goods or services provided by third parties, including, without limitation, third party systems such as the public switched tele-communication service providers, internet service providers, electricity suppliers local authorities and certification authorities; and**
- **Any event over which we have no direct control.**

22.12 CERTIFICATE

A certificate signed by us will constitute *prima facie* proof of the operation or functionality of the Services or any part thereof and the contents of any information displayed on the site on a given date.

22.13 GENERAL PROVISIONS

22.13.1 **No failure or delay by us to exercise any of our rights will be construed as a waiver of any such right, whether this is done expressly or implied, nor will it affect the validity of any part these conditions or prejudice our right to take subsequent action against you.**

22.13.2 **If any of the provisions of these Operational Regulations are held to be invalid, unlawful or unenforceable; the term, condition or provision will be deleted from the remaining terms, conditions and provisions which will continue to be valid to the full extent permitted by law.**

22.13.3 **If you have any questions or do not understand anything in these conditions please send an email to webmaster@sbic.co.za and we will respond to you as soon as possible.**

23 PRIVACY AND SECURITY STATEMENT

23.1 Your right to privacy and security is very important to us. we treat personal information obtained through the use of our Website and our applications as private and confidential and are committed to providing you with secure access to our online Services.

23.2 **How we use the personal information we collect:** We need to collect personal, technical or other information if we are to meet our obligations to you, to follow your instructions, to inform you of new services and to ensure that our business is geared towards your needs. This is particularly necessary with respect to technical information concerning your hardware and software, such as operating system, memory, hard drive capacity, ISP, network settings etc. This latter information will not be used for marketing purposes, but is required to optimise capacity and performance of our services. By making use of the Services you consent to our collecting such personal, technical and other information.

23.3 **Use of technology to monitor your use of our website:** We gather and analyse information on our visitors' routine use of our website. We use this information to monitor which areas of the website are most frequently visited, to assist us to continue developing a value-added service. This information is pooled so individual personal information, behaviour or patterns cannot be identified. By making use of the Services you consent to our monitoring your use of our website.

23.4 **Cookies:** On some parts of our website we use so-called "cookie" technology. Cookie technology consists of small pieces of data or a small text file which is given to your browser by our Webserver when you visit our website. This data is stored on your browser. The cookie is sent back to our webserver each time you visit our website. Cookies are not computer programs and do not run on a computer like programs do. They cannot gather information or function on their own. Cookies enable us to provide a more valuable online experience to you. While you can set up your Internet browser to disable cookie technology, we do not recommend that you do this since some parts of this website and our online services may not function

properly, or at all. By making use of the Services, you consent to our webserver providing cookies to your browser.

23.5 **Technical Information and Diagnostics Tools:** With regard to the technical information referred to above, we need to gather and assess various information including, without limitation, the operating system, Internet browser, memory, hard drive capacity, central processing unit type and network settings used by you when accessing services provided by us. This information is needed to optimise capacity and performance of our services and to assess the introduction of new services and functionality. In addition, it may be used to assess compliance with the provisions of the Agreement (including but not limited to these Operational Regulations) relating to hardware and software quality and performance capability.

This technical information is gathered both on an ongoing and ad hoc basis and various tools are employed, including remote diagnostic tools located on the computer/s you use to access the Services. All information gathered will be retained in a secure environment, only used for the stated purpose and otherwise in accordance with this privacy and security statement. By making use of the Services, you consent to our gathering and assessing such information and uploading and using remote diagnostic tools on the computers you use to access the Services

23.6 **Mail, Email or SMS Promotions:** Provided that you have agreed to this, we may use your personal or other information to send you information on new services or products that may be of interest to you and from time to time will mail, email or SMS information to you about us, our products and services, or our partners and their products or services. If you do not wish to continue receiving this information - you may contact us and we will remove you from our mailing list.

23.7 **Third Parties:** Whenever we commission other organisations to provide support services to us, we will bind them to our privacy policies as far as they may be required to have access to our customers' personal information to perform such services. Our website may contain links to or from other sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the security or privacy practices employed by other sites. We recommend that you always read the privacy and security statements on such sites. When we will disclose personal Information without consent we will not disclose personal information to anyone outside the Standard Bank Group without your permission unless:
- we are compelled to do so by law or in terms of a court order;
- it is in the public interest to do so;
- it is necessary to protect our rights; or
- it is reasonably necessary for the performance of the Services.

23.8 **Storing personal information:** Personal information we collect via the Website is stored in a secure environment and is not available to any person outside of the Standard Bank Group.

23.9 **Our security practices:** We are committed to providing secure online services. As such, all interactions with our transactional sites are protected through encryption that complies with international standards. Encryption is used to protect the transmission of your personal information when completing online application forms. Our Internet servers are protected by firewalls and intrusion detection systems. Access to information on these servers is restricted to authorized personnel only. We have also employed the services of independent security experts to test and advise us on the security of our systems. To ensure that you benefit from our security you should read the security tips we post on our site from time to time.

23.10 **Privacy and security statements applying to specific online services:** Different online services and Standard Bank Group Members may have their own privacy and security policies because the nature of a specific service or product made available by them demands a deviation from our general policy. Such privacy and security policies of Standard Bank Group Members will apply to and exclusively govern your use of the particular online service provided by that Standard Bank Group Member.

23.11 **Right to amend this privacy and security statement:** We reserve the right to amend this privacy and security statement at any time. All amendments to this privacy and security statement will be posted on the website. Unless otherwise stated, the current version shall supersede and replace all previous versions of this privacy and security statement. If you have any questions about this privacy and security statements please email us on **webmaster@sbic.co.za.**

Annexure A Template: Disputing of Debit by Customer

Dispute statement

Given By: (Name Of Accountholder)

(Address)

Bank details

Bank name

Branch name and town

Branch number

Account number

Type Of Account: Current (Cheque)/Savings/Transmission)*
***(Delete Where Not Applicable)**

Date (YYYY-MM-DD)

I/We hereby inform you that the payment instruction indicated in Section A below should not have been effected by you because:

I have not authorised the person to issue the payment instruction; or
I have authorised the person to issue a payment instruction but the amount of the payment instruction differs from the amount agreed to have been collected; or

I have instructed the person on_____not to issue the payment instruction; or

I have instructed you as my banker on_____not to make the payment upon receipt; or

You effected the payment instruction on a date before the amount was due.

I/We therefore instruct you to refund the amount by crediting my/our account indicated above.

Confirmation and Acknowledgement

I/We hereby confirm that this statement is true and acknowledge that if proven otherwise, the person authorised to issue the payment instruction may institute legal action against me/us.

Authorisation

I/We hereby authorise you to provide a copy of this Statement to any person involved in an investigation regarding this dispute.

Signed   on this   day of

Signature as used for operating on the account

Assisted by

NOTE: The paying participant may add or, at its own risk, remove wording from this form.

Section A

For office use only

Name of user

Bank name of user

Refer to payment instruction received on

Annexure B Template: Minimum Requirements for Collections Mandate

Authority[1] and Mandate for Payment Instructions: Paper

A   Authority

Given By: (Name Of Accountholder)

(Address)

Bank details

Bank name

Branch name and town

Branch number

Account number

Type Of Account: Current (Cheque)/Savings/Transmission)*
*(Delete Where Not Applicable)

Date (YYYY-MM-DD)

To (name of Beneciary/Company)

Abbreviated short name as registered with the Acquiring bank

(Address)

---

[1]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.

Refer to our contract dated_____("the Agreement")

I/We hereby authorise_____ to issue and deliver payment instructions to your banker for collection against my/our abovementioned account at my/our abovementioned bank.

The individual payment instructions so authorised to be issued 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 debited 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 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 shall 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 can not 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

For office use only

E   Contract/Agreement reference number

The Contract/Agreement reference number is

For Online Electronic Debit Order Mandates Only:
Please ensure that there is a radio button to accept the authority to debit the account as indicated in this mandate. Thereafter, please ensure that a confirmation of the mandate is submitted via email to the underlying client.

Annexure C: Minimum Requirements for Voice Recordings Mandates

A   Introduction

1   Currently Acquiring participants decide on own account whether or not to allow Beneficiaries to whom they grant access to EDO and EFT the ability to use voice recordings as an acceptable Mandate.

2   This document is aimed to set a Standard to regulate the technical and procedural aspects of deductions authorised by means of voice recordings (VRs) and may in time be regarded to be supplementary to the respective Clearing Rules issued.

3   The rules suggested/stipulated are subject to changes and is submitted for comment and can be refined as the process evolves.

B   Rules
1   General
1.1   Acquirers will include reporting on the VR process in the current monthly report to PASA.

1.2   This facility will be available to all Beneficiaries that participate in NAEDO and EFT for discretionary deductions, who've applied and been granted permission for use of this facility by their Acquiring Bank/CSP's.

1.3   Application for permission to use this facility must be made in writing to the Acquiring Bank / CSP. The acquiring bank will scrutinize applications before allowing such permission. Such application must be supported by:

1.3.1   A profile of each call centre which will be used to interact with Payers to obtain VR Mandates including its User Abbreviated Name or description used on the Payer's bank statement. The profile of the call centre will describe the name of software and the technical solution deployed in the call centre;

1.3.2   A signed copy of the Beneficiary's undertaking to comply with this Standard as contained in paragraph 4 of this Standard must be submitted to the Acquiring Bank and CSP; and

1.3.3   An internal compliance certificate issued annually by the Beneficiary's company's official compliance officer confirming that the Beneficiary company meets all the requirements for the use of this facility, according to the Standard prescribed, further confirming that all specific industry and applicable legal requirements are met depending on the underlying business operations conducted by such Beneficiary Company.

1.3.4   If the VR which is requested for verification purposes by the Acquiring Bank / CSP is not in English, the required fields for verification purposes must be transcribed and supplied.

1.4   A VR can be as long as 15 minutes - it is required that the call be concluded with the following list of required fields for concise verification purposes. (These required fields must be extracted from the VR into the prescribed format for verification purposes once proof of the VR is requested:

1.4.1   **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.

1.4.2   **Deduction:** it must be clearly stated that a debit deduction is to be made against the Payer's bank account.

1.4.3   **Call Centre name:** the name of the call centre conducting the interview / obtaining the Mandate of which the VR authorisation forms a part.

1.4.4   **Beneficiary name:** the name of the collecting party.

1.4.5   **Abbreviated Name on bank statement:** the description used on the bank statement of the payer must be stated.

1.4.6   **Payer Bank particulars:** the name of the bank, account number and branch code, type of account against whose account the deduction must be made.

1.4.7   **Surname:** the surname of the Payer on whose account the deduction must be made.

1.4.8   **Initials:** the initials of the Payer on whose account the deduction must be made.

1.4.9   **ID number:** the ID number of the Payer on whose account the deduction must be made.

1.4.10   **Address:** relevant contact of payer must be disclosed.

1.4.11   **Current date:** the day on which the conversation took place.

1.4.12   **Deduction start date:** the date from which the deduction on the bank account must commence, which must be in accordance with the wording of signed Mandates approved by the Acquiring bank.

1.4.13   **Tracking:** For NAEDO, the functionalities of Tracking must be described to the Payer if the facility will be employed.

1.4.14   **Value amount:** the deduction amount [If the final value amount is not certain at the time of the interview, due to head office approval, a preliminary value amount must be specified and it must be stated that the final premium / repayment amount is subject to confirmation by the underwriter / head office for credit agreements. Should it be necessary to alter the specified premium / value amount subsequently, a follow up conversation must take place with the Payer during which the Payer must give a VR authorisation for the amended premium.]

1.4.15   **Cool off period:** account to the applicable legislation with respect to the underlying product the cool off period would apply.

1.4.16   **Contract Reference Number:** the unique identifier that relates to the underlying business transaction.

1.4.17   **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.

1.5   In the case where the Acquirer finds grounds it can insist on a verified full transcription of the VR authorisation.

2   Technical Rules for VR Storage

2.1   The voice recorded authorisations will be made available to the Acquirer/CSP and to the Issuer, the latter as and when required.

2.2   The Acquirer, CSP or Issuer will not store any .wav files - it will be the Beneficiary's responsibility to store information as required by law;

2.3   Requested VRs, transcription of required fields and corresponding data submitted will be stored by Acquirers/CSP for 12 months for reference purposes should queries arise from Issuers;

2.4   VRs must be made available to Acquirers/CSP's in a generic .wav format and files must be compressed (readable by Windows Media Player). Normally upgraded versions are backward compatible.

2.5   Beneficiaries will submit .wav files containing VRs according to a prescribed naming convention, namely:
Institution_UserAbbrName_ IdentityNumber_ ReferenceNo_ SampleDate
Where:
- Institution = Beneficiary ID as defined by Acquirer/CSP
- UserAbbrName = The User Abbreviated Name and description used on the Payer bank statement as defined by the Acquirer / CSP
- IdentityNumber = the Payer Identity number against whose bank account the deduction is made.
- Reference No = the underlying commercial contract reference number.
- Sample Date = Date the Sample was created to be sent to Acquirer/CSP in the format YYYYMMDD e.g. 20100722

2.6   The Acquirer must be able to distinguish between Signed Debit Order Mandates and VR Mandates in the interface supplied to the Beneficiaries. It is foreseen that in time to come, the Technical Interface Specifications between Acquirers and the appointed System Operator will be enhanced to indicate in the File Layouts such distinction.

2.7   Prior to transactions emanating from VR as proof of authorisation are submitted to other participants including the appointed System Operator, between the Beneficiary and Acquirer a verification process must have been concluded. Such process includes the verification of VR deductions indicators in the interface between the Acquirer and the Beneficiary, comparing .wav files with actual data submitted in the interface.

2.8   Any irregularities identified between the .wav files and data received that cannot be resolved will result in the Acquirer/CSP refusal to allow such Beneficiary the ability to use VR as an acceptable authorisation to obtain mandates and until resolved all such transactions and files must be rejected prior to further processing to other participants.

2.9   Should the Acquirer / CSP determine after conclusion of the verification process that Beneficiaries transgress the verification process submitted for verification, the Beneficiary must be notified in writing.

2.10   Should the VR, the transcribed extract of the VR and the data submitted not correspond; a refund to the Payer's bank account must be affected by the Beneficiary within 10 working days after receipt of the money in the Beneficiary's bank account. Acquirers and CSP's will implement sufficient measures to ensure such refunds.

2.11   Subsequent to the refund, Beneficiaries will be given a notice of 15 working days to prove that they have rectified their process and do comply with the requirements. Should the Acquirer/CSP not receive written confirmation of the above submitted by the Beneficiary Compliance Officer, the Beneficiary's authorisation to utilise VRs will be withdrawn until such time that the Beneficiary can prove that they comply.

2.12   Before the facility is re-instated, a full test of the process will be conducted as if it were a new application.

3   Random Audits

3.1   Random samples of voice recorded instructions must be requested and supplied to the Acquirer and CSP for verification purposes in the manner determined by the Acquirer/CSP.

3.2   These samples must be provided by the Beneficiary within 5 working days after receiving such request.

4   Undertaking to abide by the rules and acceptance of penalties

I, (name)_____, who warrant that I am duly authorised to do so, hereby undertake on behalf of (company/ institution) _____ , to abide by the rules and procedures as set out above and accept that non-compliance with the rules or procedures will result in the suspension of the VR facility and may lead to the imposing of the penalties by the Acquirer as described in the Service Agreement concluded.

Signed _____

Name _____

Designation _____

Date (YYYY-MM-DD) _____

Official company stamp

Annexure D: Specimen- Voice Recorded Mandate

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_____

Identity number_____

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 (YYYY-MM-DD) and will continue monthly/weekly thereafter until this Authority and Mandate is terminated by yourself 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

Good bye

Annexure E: Specimen - Confirmation to the client

Minimum requirements:

Contract/Agreement number _____

Commencement/Action date (YYYY-MM-DD) _____

Amount _____

Abbreviated name (must appear on your client's statement) _____

User contact details _____

Annexure F: High Level Process Flow

The processes in the system in sequence are:

1.1   The establishment of the Agreement.

1.2   The completion of the Mandate.

1.3   The initiation and delivery of payment instructions by the NAEDO user to the collecting participant for processing and onward delivery by it, in terms of the clearing rules, to the PSO who will onward deliver the payment instructions on behalf of the collecting participant to the paying participant for collection.

1.4   The payment or rejection of the payment instructions by the paying participant including the reporting of the Fate of such payment instruction to the PSO.

1.5   The onward reporting, by the PSO, of the Fate of the payment instruction to the collecting participant for dissemination to the NAEDO user.

1.6   The action of the NAEDO user based on the receipt of the Fate of the payment instruction

1.7   The settlement of obligations between the collecting participant and the paying participant.

1.8   A unique process known as "Credit Tracking" is provided as part of EDO Processing.

1.9   The clearing rules relate to the clearing and settlement process and the following are therefore excluded from these rules.

1.10   The granting of a loan and/or selling of goods and services for repayment on a deferred basis; and

1.11   The action of the merchant based on the receipt of the Fate of the payment instruction, save for the re-presentment of a payment instruction.

Annexure G: Debit Order Abuse Rules

1 INTRODUCTION

1.1 The EFT Debit PCH and NAEDO PCH Clearing Rules contain provisions, inter alia, regarding mandates and dispute ratios. The rules in this document aim to amplify those provisions contained in the EFT Debit PCH and NAEDO PCH Clearing Rules and provide for the process of handling debit order abuse.

1.2 These rules govern the consequences of Users processing debit orders without mandates or with deficient mandates, as well as the imposition of penalties and the addition of Users who have perpetrated User Debit Order Abuse to the UDOA List.

1.3 These rules will be referred to as the "User Debit Order Abuse Rules". For ease of reference in this document, the User Debit Order Abuse Rules will simply be referred to as "the/these Rules".

1.4 These Rules apply to all Sponsoring Banks and Paying Banks that participate in the EFT Debit PCH and the NAEDO PCH.

2 DEFINITIONS AND INTERPRETATION

2.1 The headings of the clauses in this document are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify or amplify the terms of these rules or any clause hereof. Unless a contrary intention clearly appears, words importing:-

2.1.1 any one gender includes the other gender; and

2.1.2 the singular includes the plural and *vice versa*.

2.2 These Rules shall be read in conjunction with the PASA Constitution and the EFT PCH and NAEDO PCH Clearing Rules and terms not defined herein shall bear the same meaning as set out in the said PASA Constitution and EFT PCH and NAEDO PCH Clearing Rules.

2.3 In the event of conflict between the provisions of these Rules and the provisions of the PASA Constitution, the provisions of the PASA Constitution shall prevail.

3 DEFINITIONS

3.1 In this document, the following terms shall have the meanings assigned to them and cognate expressions shall have corresponding meanings, namely:

3.1.1 **Crucial Criteria** means:

3.1.1.1 Abbreviated Short Name of the originator,

3.1.1.2 User Name,

3.1.1.3 Deduction date,

3.1.1.4 Deduction amount, and

3.1.1.5 Surname, Initial and Bank Account Number of accountholder.

3.1.2 **Deficient Mandate** means a mandate that does not contain any one or more of the Crucial Criteria.

3.1.3 **Mandate** means for the purposes of these Rules, an explicit authority given by the accountholder to the User to debit his bank account, which authority must be contained in either written, electronic or voice form, that includes the Crucial Criteria.

3.1.4 **No Mandate or without a Mandate means:**

3.1.4.1 no physical written, electronic or voice Mandate; or

3.1.4.2 the absence of any explicit authority given by the accountholder to the User to debit his bank account in a purported mandate; or

3.1.4.3 a falsified mandate, whether or not the intention was to defraud the accountholder.

3.1.5 **Trigger** means those pre-defined triggers listed in clause 4.

3.1.6 **User** means the originator or the party initiating the debit order payment instruction on behalf of such originator.

3.1.7 **User Debit Order Abuse List or UDOA List** means the list to record the Users found to be perpetrating User Debit Order Abuse, more particularly as set out in clause 10.1.

3.1.8 **User Debit Order Abuse or UDOA** means the processing of a debit order by a User against an accountholder's account without a Mandate or with a Deficient Mandate.

4 TRIGGERS

4.1 UDOA processes as set out in clause 5 below may be initiated in the event of:

4.1.1 A breach of Dispute Ratios provided for in the EFT PCH Clearing Rules or NAEDO PCH Clearing Rules; or

4.1.2 An accountholder complaint of UDOA; or

4.1.3 An instruction by PASA Council or the South African Reserve Bank or Financial Services Board or National Treasury, or any other regulatory body, to PASA EXO and/or its Members to investigate UDOA.

5 UDOA Processes

5.1 Dispute Ratios in the EFT PCH Clearing Rules or NAEDO PCH Clearing Rules

5.1.1 Sponsoring Banks must analyse their monthly debit order processing statistics per User per Abbreviated Short Name to determine the Dispute Ratios pertaining to debit orders.

5.1.2 Sponsoring Banks must, on dates as determined and agreed by the respective PCH PGs, submit their individual monthly Dispute Ratio report to PASA EXO in respect of those Users that process more than 1000 (one thousand) debit orders per month and whose Dispute Ratios exceed those ratios as stipulated in the respective Clearing Rules.

5.1.3 The Dispute Ratio report must conform to the **Annexure 1** hereto which includes:

5.1.3.1 User Code, User Name and Abbreviated Short Name;

5.1.3.2 The industry / market sector within which the User operates;

5.1.3.3 Total volumes of monthly debit orders processed;

5.1.3.4 Total disputed debit orders per Dispute Reason / Response Code;

5.1.3.5 The Dispute Ratio calculated and expressed as a percentage of the total volumes of debit orders processed by the User per month; and

5.1.3.6 Reasons why a particular User has exceeded the Dispute Ratio.

5.1.4 PASA EXO must assess the reports submitted by Sponsoring Banks and review the statistics to identify those Users with the highest Dispute Ratios, per Sponsoring Bank, from which mandates will be requested and investigated as contemplated herein.

5.1.5 PASA EXO must select five Users as contained in the monthly Dispute Ratio report referred to in clause 5.1.3 above and must instruct the Sponsoring Bank of such Users to investigate the alleged UDOA as follows:

5.1.5.1 The Sponsoring Bank must investigate a sample of 50 randomly selected transactions, disputed in the month in question, from each such User;

5.1.5.2 The Sponsoring Bank must submit a report in conformance with **Annexure 2**, to PASA EXO within 30 (thirty) days from the date it was referred to the Sponsoring Bank by PASA EXO, together with the voice recorded Mandates, if any. The report must identify in respect of each selected transaction whether a Mandate was voice recorded or written, and if a written or electronic Mandate, whether it was:

5.1.5.2.1 present; or

5.1.5.2.2 not present; or

5.1.5.2.3 deficient.

5.2 Accountholder complaints and instructions of UDOA

5.2.1 Complaints:

5.2.1.1 PASA EXO must, immediately when it receives a complaint regarding UDOA, as contemplated in clause 4.1.2, refer such complaint to the Paying Bank involved, for investigation;

5.2.1.2 The Paying Bank must obtain details of the UDOA from the accountholder in question;

5.2.1.3 The Paying Bank must lodge the complaint on CQLS (Centralised Query Logging System) and request the mandate from the Sponsoring Bank;

5.2.1.4 The Paying Bank must inform PASA EXO of the CQLS reference number;

5.2.1.5 The Sponsoring Bank must, within 14 (fourteen) business days from the date of lodgement on CQLS by the Paying Bank, provide PASA EXO with:

5.2.1.5.1 A submission based on the CQLS submission by the Paying Bank; and

5.2.1.5.2 The Mandate or confirmation that no Mandate is in place.

5.2.1.6 Upon receipt of the submission from the Sponsoring Bank, PASA EXO shall review such report, as well as the voice mandate where appropriate, in accordance with clause 7, for action in terms of clauses 8 and 9;

5.2.1.7 If the submission referred to in this clause 5.2 indicates that there was no Mandate, the Sponsoring Bank must investigate a sample of 50 (fifty) randomly selected transactions from such User;

5.2.1.8 The Sponsoring Bank must submit a report in conformance with **Annexure 2** in relation to the investigation referred to in this clause 5.2, i to PASA EXO within 30 (thirty) days from the date it was referred to the Sponsoring Bank by PASA EXO, together with the voice recorded Mandates, if any. The report

must identify in respect of each selected transaction whether a Mandate was voice recorded or written and if a written or electronic Mandate whether it was:

5.2.1.8.1 present, or

5.2.1.8.2 not present, or

5.2.1.8.3 deficient.

5.2.2 Instruction

5.2.2.1 PASA EXO must, immediately when it receives an instruction regarding UDOA, as contemplated in clause 4.1.3, refer such instruction to the Sponsoring Bank involved, for investigation via CQLS.

5.2.2.2 The Sponsoring Bank must randomly select a sample of 50 (fifty) most recent transactions, from the User in question.

5.2.2.3 The Sponsoring Bank must submit a report in conformance with **Annexure 2** in a format as specified by PASA EXO, to PASA EXO within 30 (thirty) days from the date it was referred to the Sponsoring Bank by PASA EXO, together with the voice recorded Mandates, if any. The report must identify in respect of each selected transaction whether a Mandate was voice recorded or written and if a written or electronic Mandate whether it was:

5.2.2.3.1 present, or

5.2.2.3.2 not present, or

5.2.2.3.3 deficient.

6 FRAUD

Both Paying Bank and Sponsoring Bank must assist the accountholder in reporting any alleged fraud to the South African Police Services directly or via SABRIC, where applicable.

7 PASA EXO FINAL REVIEW OF REPORTS AND VOICE MANDATES

7.1 Upon receipt of the aforementioned reports and voice Mandates, if any, from the Sponsoring Bank, in order to finalise its review, PASA EXO must:

7.1.1 Determine whether debit order transactions were processed without Mandates or with Deficient Mandates; and

7.1.2 Conduct an examination of voice Mandates provided to determine whether a mandate was:

7.1.2.1 present, or

7.1.2.2 not present, or

7.1.2.3 deficient.

8 RESULTS AND ACTION

8.1 Following the UDOA review referred to in clause 7, PASA EXO must determine which of the following actions, if any, need to be taken:

8.2.1 a penalty imposed in accordance with clause 9; or

8.2.2 addition of the User to the UDOA List as contemplated in clause 10.

9 PENALTIES

9.1 A penalty of R1,000.00 (one thousand rand) will be imposed on the Sponsoring Bank per incidence of:

9.1.1 no Mandate; and

9.1.2 a Deficient Mandate.

9.2 PASA EXO, in consultation with the relevant PCH PG, may escalate such UDOA as it deems necessary, and exercising reasonable discretion, to PASA Council for consideration in accordance with the PASA Constitution.

10 USER DEBIT ORDER ABUSE LIST

10.1 PASA EXO is the custodian of the UDOA List.

10.2 The details as prescribed in clause 10.6 below of the User involved in UDOA, along with the name of its Sponsoring Bank and system operator for monitoring purposes, must be added to the UDOA List by PASA EXO, in consultation with the relevant PCH PG, if:

10.2.1 More than 10% (ten percent) of a User's sample of 50 (fifty) randomly selected transactions are found to be processed without Mandates in any given report, as contemplated in clause 5; or

10.2.2 The User was at any time since 1 March 2015 convicted in a criminal court for the processing of fraudulent debit orders.

10.3 No Member Bank may sponsor a User placed on the UDOA List, with the exception of the bank who was the User's Sponsoring Bank at the time the User was placed on the UDOA List.

10.4 Any Sponsoring Bank of a User added to the UDOA List must submit a monthly report to PASA EXO as contemplated in clause 5.1.5 in respect of such User.

10.5 A User may only be removed from the UDOA List by PASA EXO if its Sponsoring Bank demonstrates to the satisfaction of PASA EXO that for a period of 3 (three) consecutive months the User had Mandates for all of the transactions in a randomly selected sample of 50 transactions per month.

10.6 'Details' for purposes of clause 10.2 in respect of each of the following, means:

10.6.1 'Çompany': Name, registration number and domicilium citandi et executandi, as well as the name, identity number and physical address of each of its directors;

10.6.2 Juristic person other than a company: Name, identification number, if any, and domicilium citandi et executandi, as well as the names and identity numbers of each of its directors, executive officers, members and the physical address of each;

10.6.3 Natural person: Name, identity number and physical address.

Annexure 1

Month	User code	Client	User name	Input volume	30	32	34	36	56	% Dispute

Annexure 2

Debit order abuse investigation submission covering declaration

_____ (name of Bank) hereby confirms with respect to the investigation of

_____ (name of User/ System Operator) instituted on _____ (date) that:

1   We as Sponsoring Bank identified and selected the mandates the User/System Operator was obliged to provide for the investigation;

2   the User provided _____ / 50 mandates requested;

3   Where the entity under investigation is a System Operator, Abbreviated Short Names have been implemented for all Users coming in through that System Operator;

4   of the mandates provided, all paper mandates conform, except where indicated otherwise, to the Criteria contained in the relevant PCH Clearing Rules;

5   A list of all mandates requested is attached hereto.

_____
Signature of PCH Representative

_____
Signature of PASA Authorised Contact

_____
Signature of Compliance Officer

_____
Date (YYYY-MM-DD)

Transaction	Mandate received		Mandate type	
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper
	☐ Yes	☐ No	☐ Voice	☐ Paper