



E-Mandate Procedural Guidelines

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1. Short title of the service

The National Payments Corporation of India (NPCI) offers to banks, financial institutions and corporates the option of bulk processing of transactions through NACH. This system facilitates bulk debits as well by using the mandate forms issued by the customers to their corporates or the banks.

A new feature in mandate called the E-Mandate through which customer/customer's bank initiates the mandates to the sponsor bank to which the amount needs to be paid or the customer and the corporate move the mandate through the sponsor bank to the destination bank along with the attributes of customer authentication as may be defined by NPCI for different variants of E-Mandate. This does not require any image to be transmitted to the sponsor bank. The electronic mandate given by the customer will continue to remain with the corporate or their banks as may be agreed upon by both the parties concerned.

2. Objectives of E-Mandate

The E-Mandate system facilitates issuance and confirmation of mandate by the customers through alternate channels to paper based mandate. The mandate will be routed by the destination bank, after due authentication, to the sponsor bank or by corporate through their sponsor bank to the destination bank with the attributes of customer authentication depending upon the variant of E-Mandate. The objectives of E-Mandate are:

1. Creation an authenticated mandate by the customer himself through electronic channels.
2. Shorter mandate acceptance cycle or auto acceptance of mandates.
3. Secured and assured mandate acceptance -mandates are initiated by the customer or his banker.

The system will leverage on Core-Banking Solution (CBS) of participating banks for initiation of mandates and posting of transactions. NPCI will be running the centralised services.

3. Channels that can be used

1. Internet based: using the corporate website integrated with aggregator and the customers bank can issue and authorize the mandate online.
2. Mobile based authentication using Unified Payments Interface (UPI): Mandate data will be sent as an UPI acceptance request and based on the authentication of the customer the mandate is treated as authenticated by the customer.
3. Aadhaar based authentication (demographic authentication through AEPS): At the time of accepting the mandate the corporate or aggregator will have the customer authenticate the mandate using his Aadhaar credentials and finger print. The authentication is transmitted along with the mandate image or data as may be decided to the destination bank. Destination bank can check the validation and update the mandate data.
4. Any authentication by the issuer of the mandate in an electronic form either online or in a batch mode.

5. Alternately a customer can submit the physical form of the mandate to the respective destination bank branch based on which the destination bank will raise an E-Mandate on the sponsor bank.

** The technical specification document for the categories detailed above will be released by NPCI.

4. Membership:

All banks in India who are members of any payment system / channel approved by Reserve Bank of India will be allowed to participate in the E-Mandate process of NACH system as “**sponsor/destination Banks**”, on submission of necessary documents, list of such documents is provided in Annexure 1.

The Corporates will have to develop their e-commerce portal or get in to an agreement with an aggregator to be part of the E-Mandate process.

It is clarified that,

1. Banks maintaining settlement account with RBI-DAD and their sub-member banks will be allowed to be part of E-Mandate processing.
2. All applicants to E-Mandate system will have to pay a membership fee and any other fee as may be decided by NPCI from time-to-time.
3. Relevant registration formats will be decided by NPCI in consultation with the NACH steering committee and will be duly informed to the participants.

5. Roles and responsibilities

The roles and responsibilities of the participants in E-Mandate are as shown in **Annexure 2**.

6. Charges

NPCI may levy charges for the usage of E-Mandate system of NACH.

The charges may include but are not limited to

1. Joining/membership fee.
2. Transaction fee.
3. Network recovery charges.
4. Certification and on-boarding charges.
5. Taxes and statutory payments.
6. Testing.
7. Training.
8. Charges for offering value added services/miscellaneous which may be mutually agreed between NPCI and the organization using such value added services/miscellaneous services.
9. Fines and penalties for non-adherence to E-Mandate procedural guidelines or any relevant circulars issued by RBI.

The periodicity for collection of such charges as well as mode of collection of such charges will be as decided by NPCI in consultation with NACH steering committee and communicated to participant banks.

NPCI will furnish a schedule of charges to all the member banks and shall communicate the charges as and when there is an upward/downward revision. All charges will be exclusive of service tax or any other statutory charges which will be payable separately unless otherwise is clarified.

NPCI reserves the right to and will have the ability to revise or to waive any or all the charges after discussions in the steering committee and after communication to members.

7. Member Notification

NPCI shall notify all the member banks through email/letter/circular/through website regarding:

1. Inclusion of a new member for E-Mandate.
2. Suspension/termination of any member.
3. Amendments in the procedural guidelines.
4. New enhancement of the software and hardware released pertaining to E-Mandate system network.
5. Any other issues deemed important.
6. Regulatory guidelines applicable to E-Mandate processing.
7. Orders of the PRD.

8. Steering Committee

The Steering committee that is constituted for NACH will be applicable to e-mandates as well. The constitution of the steering committee will be decided by NPCI from time to time. The steering committee meetings may have invitees from other organizations involved in promoting E-Mandate services and industry experts as required, to get better insight.

9. Audit by NPCI

It is obligatory for all participant banks on the system to strictly follow the procedural guidelines. NPCI reserves the right to conduct audit of the E-Mandate processing related documentation of a participant bank or with any entity.

10. Turnaround time (TAT) for submitting the e-mandates

The destination after duly verifying and confirming the authentication of the mandate should submit the mandate to NACH system for onward transmission to the sponsor bank within 48 hours of completion of the activity. Deviation from the time line might attract penal provisions as may be specified by NPCI in consultation with the steering committee, wherever required.

11. Process automation

The primary objective of E-Mandate is to reduce the burden of processing on the destination bank therefore all the aspiring participants on E-Mandate platform should implement end to end process automation including auto submission of authenticated mandates to NACH system.

NPCI reserves the right to allow participation in E-Mandate process depending on the readiness of the bank to process with full automation.

12. Late acceptance of mandates / un-accepted mandates

If any sponsor bank fails to submit the response file to the MMS system within the agreed TAT 48 hours, the status of the mandate will be deemed rejected.

13. Cessation/Termination/Suspension of Service:

A member would cease to be a member in any of the following events:

1. If it's banking license is cancelled by RBI.
2. If it stops or suspends payment of its debts generally, ceases to carry on business, or gets in to liquidation
3. If it is put under moratorium or prohibited from accepting fresh deposits
4. NPCI may terminate/suspend the membership under any one or more of the following circumstances:
 - a. The member has failed to comply with or violated provisions of either the E-Mandate or any other NPCI products.
 - b. The member commits material breach any product Procedural Guidelines and which remains un-remedied for 30 days after giving notice.
 - c. The RTGS settlement account with RBI of the member is closed or frozen.
 - d. The member bank is amalgamated or merged with another member bank or steps have been initiated for winding up the business of the member.
 - e. Suspension or cancellation of RTGS membership.
 - f. Suspension/Cancellation of Mobile Banking Approval by RBI.

14. Prohibition to use NPCI logo/ trademark /network

1. Upon termination from NACH, the bank/corporate shall abstain from further using the system trademark with immediate effect and failure to comply with the same, shall invite legal proceedings.
2. Banks that have been terminated from membership shall be deprived of the privilege of originating/receiving mandates as may be the case.
3. The terminated member bank shall not disclose any information regarding the network or any knowledge gained through participation in the system network to the external world. Failure to comply with the same shall be treated as breach of trust and will invite legal penalties. This rule shall be binding on the terminated member for one (1) year from the date of termination.

15. Intellectual property rights

NPCI will acquire all the intellectual property rights to all the documents prepared particularly for proposed NACH solution.

16. Liability

In the event of any dispute by the customer on the debits to his account it will be the sole responsibility of the customer to provide all material facts to establish the authenticity of the transactions debited to the customer's account. The customer's banks will be responsible for

1. Authenticity of the mandate and the underlying transactions.
2. Amounts debited to the account in case of wrong debits.

As the transactions cannot be originated without getting UMR number and the UMRN is generated only after the E-Mandate record is generated by the liability of the sponsor bank/corporate will be to the extent of

1. Dispute raised by the customer on the amount being debited to his account (excess or short debit within the overall limit of the mandate amount).

17. Risk Mitigation

Member banks will adhere to access criteria guidelines that NPCI may prescribe from time to time.

The mandates and transactions submitted to NACH will be digitally signed and encrypted using the algorithm that NPCI may prescribe based on the recommendations of the controller of certifying authority/ Institute for Development and Research in Banking Technology or any other guidelines that may be prescribed by the Reserve Bank of India.

NPCI is a facilitator of mandates and transactions and hence will not be liable for the accuracy of the data submitted to it for processing nor shall it be liable for not being able to process due to late submission, even though it will take reasonable care and will publish the operating timelines from time to time.

Participants will have to put in place required backup system. The mandates and transactions to the receiving banks/participants will be made available on the successful upload and completion of the settlement for the session/day as the case may be for mandates and transactions respectively.

18. Maintaining E-Mandate records

Participants are expected to retain copies of E-Mandate records in electronic form. The participants to ensure that electronic records of documents accurately reflect the information contained within the document and that both the electronic record and a record of the authentication (which enabled the mandate in to Active status) can be accurately reproduced for future reference.

The preservation period is ten years from the date of submission of the mandate by the customer.

19. Amendment and cancellation of E-Mandate

For any amendment or cancellation of an E-Mandate, only banks will be able to do the same. The customer will not be able to amend/cancel the mandate directly. The customer has to approach his/her bank. The mandate cancellation is possible only in case of mandates accepted by the sponsor/destination bank as the case may be in NACH MMS system. If the mandate is not accepted by either of the banks then initiation of transaction is not possible in any case.

20. Disputes Resolution Mechanism

The procedures of handling disputes are as follows:

NPCI will set up a Panel for Resolution of Disputes (PRD) consisting of four member banks and the panel-chairman to look into unresolved interbank settlement disputes as per the directives of the Department of Payments and Settlement Systems of the Reserve Bank of India, notification Ref: DPSS.CO.CHD.No:654/03.01.03/2010-2011 dated 24th September, 2010. **(Annexure 3)**

21. Indemnification

It is binding on all members including NPCI, utilizing the system to defend and indemnify themselves from all loss and liabilities if any, arising out of the following:

1. Member's failure to perform its duties and responsibilities as per the procedural guidelines for E-Mandate system.
2. Malfunctioning of member/corporates equipment.
3. Fraud or negligence on the part of member.
4. Unauthorized access to the system.
5. Wrong data entry by the customers at the time of mandate registration.

NPCI will not be responsible for omissions and commissions on part of any of the participants/corporates/customers.

In the event of omissions and commissions on part of NPCI, the same will be rectified and NPCI will not be liable for any fines, penalties etc.

22. Amendment to the procedural guidelines

NPCI may issue amendments to these guidelines from time to time by way of circular. The revised versions of the guidelines may also be issued incorporating the new provisions periodically. Banks, would however be intimated fairly well in advance if it involves software changes at the level of participating banks.

23. Residual Claim

1. If there are any claims not covered under these guidelines, applicable in NACH PG and RBI guidelines will prevail.
2. If claims are not covered under the RBI guidelines, the banking laws/ relevant legal laws will be applicable.

3. In case of any claim on running of the process, NPCI officials are authorized to define the process and take post facto approval by steering committee constituted for the purpose.

24. Penalty

If the mandates are not processed/submitted by the respective stakeholders within the stipulated timeline NPCI may in consultation with the steering committee may impose penalty on the defaulting member banks.

25. Process of Termination/Suspension of Membership:

1. NPCI informs the member in writing regarding termination/suspension of its membership from the NACH network citing the reason for termination/suspension.
2. If NPCI is of the opinion that the non-compliance/violation is not curable, NPCI may suspend/terminate the NACH membership with immediate effect. However, the member would be given an opportunity to appeal and post decisional hearing within thirty days and will be communicated the order confirming or revoking the termination passed earlier.
3. If the non-compliance/violation is capable of remedy but cannot be reasonably cured within thirty (30) days, the termination/suspension will not be effective if the member in default commences cure of the breach within thirty (30) days and thereafter, diligently peruses such cure to the completion within sixty (60) days of such notice of violation.
4. On revocation of termination of membership order the entity should be entitled to apply for membership afresh. However, no automatic restoration of membership will be granted by NPCI.

26. Withdrawal of Service:

Any Member may withdraw from using the service in the following ways:

1. The NACH member would have to submit in writing for its withdrawal from E-Mandate services along with the reasons, serving a notice period of ninety (90) days.
2. NPCI will take minimum of fifteen (15) working days from the date of receipt of request to process the withdrawal request for the member and to inform the date of termination of the members.
3. NPCI will inform all the other members regarding the withdrawal and the date of closure of E-Mandate services for the particular member for necessary action at their end.
4. If a sub-member withdraws from E-Mandate, the sub-member would have to submit in writing through the sponsor bank for the withdrawal and the reasons.
5. In case the Steering Committee approves the re-joining of member, the member would have to go through the complete process of joining NACH/E-Mandate again. If sponsor bank wants to withdraw from sponsoring the sub-member, it must serve a thirty (30) days' advance notice to NPCI.

27. Record maintenance

- 1) The destination banks should ensure the electronic authentication received from the customer as per the record maintenance guidelines issued by RBI from time to time.
- 2) The electronic record is retained in the format in which it was originally generated, sent or received or in a format which can be demonstrated to represent accurately the information originally generated, sent or received.
- 3) The details which will facilitate the identification of the origin, destination, date and time of receipt of such electronic record are available in the electronic record.
- 4) The destination bank should maintain a copy of the electronic authentication given by the customer as per the record maintenance guidelines issued by RBI from time to time.
- 5) In the event of any dispute by the customer on the authenticity of the debits to his account it will be the responsibility of the destination bank to provide the evidence of the electronic authorization given by the customer.
- 6) In case of mandates created by the destination banks on the basis of physical mandates submitted by their customer the record retention has to be done as per the procedural guidelines of NACH as well as the guidelines issued by RBI from time to time. In the event of disparity in the two guidelines cited above the guidelines issued by RBI shall prevail.

28. Dispute Management System (DMS)

DMS is a part of the NACH system. The overall DMS framework created under NACH system shall have jurisdiction over mandate processing as well. DMS shall ensure creation, escalation and resolution of disputes raised between banks.

It is a facility provided by NACH system for dealing with disputed E-Mandate as well and NPCI will not be held responsible for any consequential damages.

28.1 Brief Features of DMS

1. DMS provides an electronic platform to raise and resolve disputes among participant banks having provision to exchange documentary support and details for the relevant mandates.
2. For each dispute record processed, a dispute reference number will be created. The reference number will be unique for each dispute.
3. If the disputes exceeds the timelines that are specified in the system, it will be treated as deemed accepted in favour of the bank that has raised the dispute, with due intimation to the concerned banks. Re-opening of the dispute is not allowed.
4. The audit log details are to be maintained for all actions carried out during the dispute resolution life cycle of the record, for a period as will be decided by NPCI and shared with participating banks.
5. DMS provides MIS with details of all disputes routed through the application.
6. In the event of unresolved disputes, the participants will be governed by the dispute resolution mechanism as laid down in clause 21 as mentioned above.

28.2 Participants in DMS

Disputes are created by banks, live in NACH system, regarding the transactions and mandates. Corporate participants must route their disputes through their sponsor banks in order to create disputes in the DMS application.

Detailed process flow for the dispute management system is provided in annexure 5.

Annexure 1 - List of documents for on-boarding



Indirect bank
sample documents.z

Annexure 2 - Roles and responsibilities

Corporate

1. Offers E-Mandate as a payment option for recurring payments.
2. Integrates with payment aggregator to offer the payment option through E-Mandate through website/UPI/mobile based authentication/Aadhaar based authentication (finger print) to debit to the customer's account.
3. Makes provision for storage of mandate information and response received from the destination bank/payment aggregator.

Payment aggregator

1. Integrates with the corporate e-commerce page to enable the option of recurring payments using bank account.
2. Integrates with the destination bank's net banking gateway for the process of registration of mandate.

Destination bank

1. Integrates with the payment aggregator to enable mandate registration using net banking.
2. Makes provision for mandate confirmation screen on its net banking page.
3. Automate end to end process of E-Mandate submission to NACH system.
4. All the E-Mandates authenticated by the customers to be submitted to NACH system within 48 hours.
5. Adhere to the record maintenance policy.
6. In case of dispute retrieve and provide the E-Mandate authentication information as evidence.
7. In case physical mandate is submitted by the customer undertake verify the authentication and ensure that all the valid mandates are initiated through NACH system within 48 hours of such receipt to the sponsor bank.

Sponsor bank

1. Register the mandate information received from the destination bank within 48 hours of receipt of such mandates.
2. Provide the mandate registration information to the respective corporate.

Annexure 3 - Dispute resolution mechanism

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Dispute Resolution Mechanism

The Dispute Resolution Mechanism for all payment systems, in line with the provisions of the Payment and Settlement Systems Act, 2007 (PSS Act), is advised as under -

For all Clearing House-related activities, including paper (cheques) and retail electronic (ECS) payment products -

- a. All Clearing Houses shall constitute a “Panel for Resolution of Disputes” (PRD) consisting of five members - four members (system participants) from the Standing Committee of the Clearing House and the President of the Clearing House - to look into all the clearing-related disputes. The four system participants shall be different from the system provider (bank managing the Clearing House).
- b. The PRD shall be chaired by the President of the Clearing House.
- c. In case of specific disputes involving system participants that are members of the PRD, the members concerned shall be replaced by other system participants for the limited purpose of looking into the specific dispute.
- d. The PRD shall dispose of the dispute within 15 working days of submitting the dispute.
- e. At Clearing Houses where there are fewer members (system participants), five or less in all, including the system provider, and / or where, by virtue of (c) above, the number of members in the PRD becomes less than five, clearing-related disputes between system participants may be submitted voluntarily (by the concerned system participants) for arbitration under The Arbitration and Conciliation Act, 1996.
- f. If any of the aggrieved parties to the dispute are not satisfied with the decision of the PRD, the dispute shall be referred to the Appellate Authority at the Reserve Bank of India, as provided under Sub-section (3) of Section 24 of the PSS Act. The reference shall be to the Regional Office of the Reserve Bank of India (RBI) having administrative control over the activities of the Clearing House concerned. Such references will be disposed of by an officer not below the rank of a Deputy General Manager as may be specially authorized in this behalf by the concerned Regional Office of Reserve Bank of India. With respect to RBI managed clearing centres at the four metro locations, the Officer-in-Charge of Department of Payment and Settlement Systems at the Central Office of the Reserve Bank of India shall be the Appellate Authority for any aggrieved party to approach if not satisfied with the decision of the Panel.
- g. The Appellate Authority shall dispose of the appeal within 15 working days of submitting the appeal.
- h. Any dispute between the system participants and system provider or between the system providers, as provided under Sub-section (3) of Section 24 of the PSS Act, shall be referred to the Reserve Bank of India as indicated above. The dispute shall be disposed of within 15 working days of submitting the dispute.
- i. In case of disputes where the Reserve Bank of India is an involved party (either as a system participant or as a system provider), the dispute shall be referred to the

Central Government which will authorize an officer not below the rank of Joint Secretary for settlement of the dispute and the decision of such officer shall be final and binding on all parties.

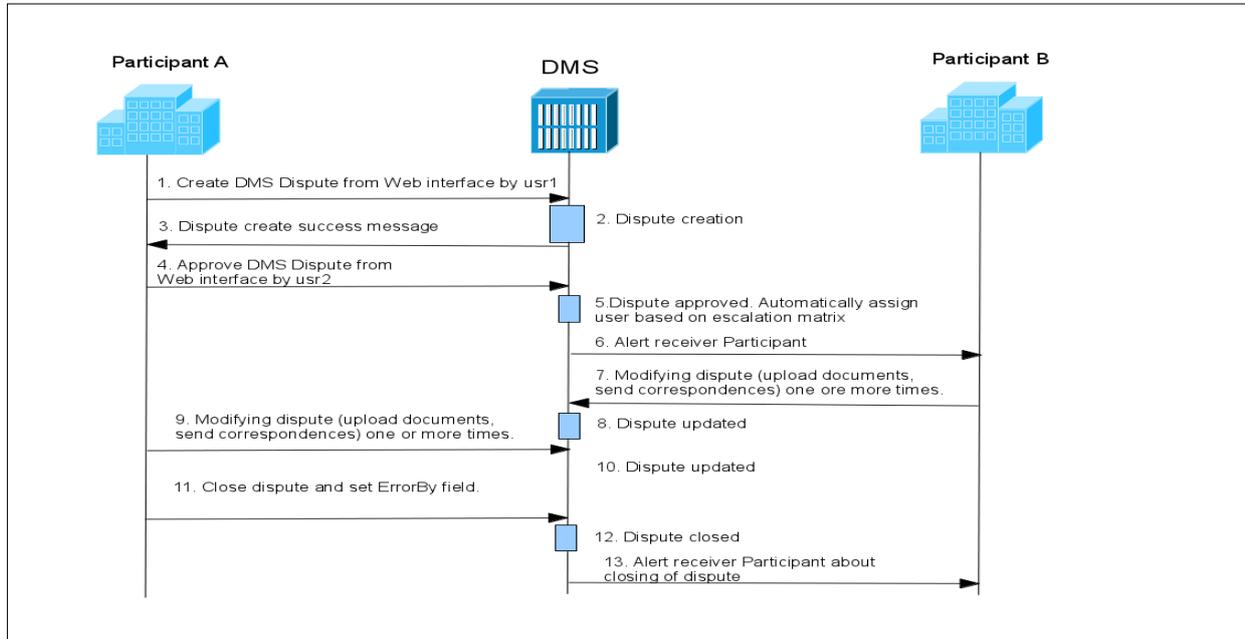
- j. For all products that are national in character viz. National Electronic Clearing Service (NECS), National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) system.
- k. The PRD as highlighted at 1(a) above shall consist of members from the Steering Committee (or Standing Committee as applicable) and the Chairman of the Steering Committee (or Standing Committee as applicable) shall be the Chairman of the PRD. The process highlighted at 1(c) above shall also be followed.
- l. The PRD shall dispose of the dispute within 15 working days of submitting the dispute.
- m. If any of the aggrieved parties to the dispute are not satisfied with the decision of the PRD, the dispute shall be referred to the Appellate Authority at the Reserve Bank of India, as provided under Sub-section (3) of Section 24 of the PSS Act. The reference to the Reserve Bank shall be to the Department of Payment and Settlement Systems, Central Office of the Reserve Bank of India. The Officer-in-Charge of the Department shall be the Appellate Authority, for any aggrieved party to approach if not satisfied with the decision of the Panel.
- n. The Appellate Authority shall dispose of the appeal within 15 working days of submitting the appeal.
- o. In case of disputes where the Reserve Bank of India is an involved party (either as a system participant or as a system provider), the dispute shall be referred to the Central Government which will authorise an officer not below the rank of Joint Secretary for settlement of the dispute and the decision of such officer shall be final and binding on all parties.
- p. For all other payment systems (other than those operated by RBI) like CCIL, NPCI, ATM networks, cross border money transfers, cards, etc.
- q. The PRD as highlighted at 1(a) above shall consist of members from the Steering / Standing / Users / Members Committee (as applicable) and the Chairman of the Committee (as applicable) shall be the Chairman of the PRD. The process highlighted at 1(c) above shall also be followed.
- r. In case there is no provision for Steering / Standing / Users / Members Committee, the PRD shall consist of five members - four system participants and the payment system provider. The payment system provider shall be the chairman of the PRD. The tenure of membership of the members in the PRD shall be one year.
- s. The PRD shall dispose of the dispute within 15 working days of submitting the dispute.
- t. If any of the aggrieved parties to the dispute are not satisfied with the decision of the PRD, the dispute shall be referred to the Appellate Authority at the Reserve Bank of India, as provided under Sub-section (3) of Section 24 of the PSS Act. The reference shall be to the Department of Payment and Settlement Systems, Central Office of the Reserve Bank of India. The Officer-in-Charge of the Department shall be the Appellate Authority, for any aggrieved party to approach if not satisfied with the decision of the Panel.
- u. The Appellate Authority shall dispose of the appeal within 15 working days of submitting the appeal.

- v. Any dispute between the system participants and system provider or between the system providers, as provided under Sub-section (3) of Section 24 of the PSS Act, shall be referred to the Reserve Bank of India as indicated above. The dispute shall be disposed of within 15 working days of submitting the dispute.
- w. In case of disputes where the Reserve Bank of India is an involved party, the dispute shall be referred to the Central Government which may authorise an officer not below the rank of Joint Secretary for settlement of the dispute and the decision of such officer shall be final and binding on all parties.
- x. Enforcement of decisions of the PRD - The PRD shall stipulate the period within which the order of the PRD is to be complied with by the system providers / system participants concerned. In case of non-compliance, the aggrieved party can approach the Appellate Authority for redressal. Non-compliance of the order of the Appellate Authority would attract the penalty prescribed under Sub-section (6) of Section 26 of the PSS Act.

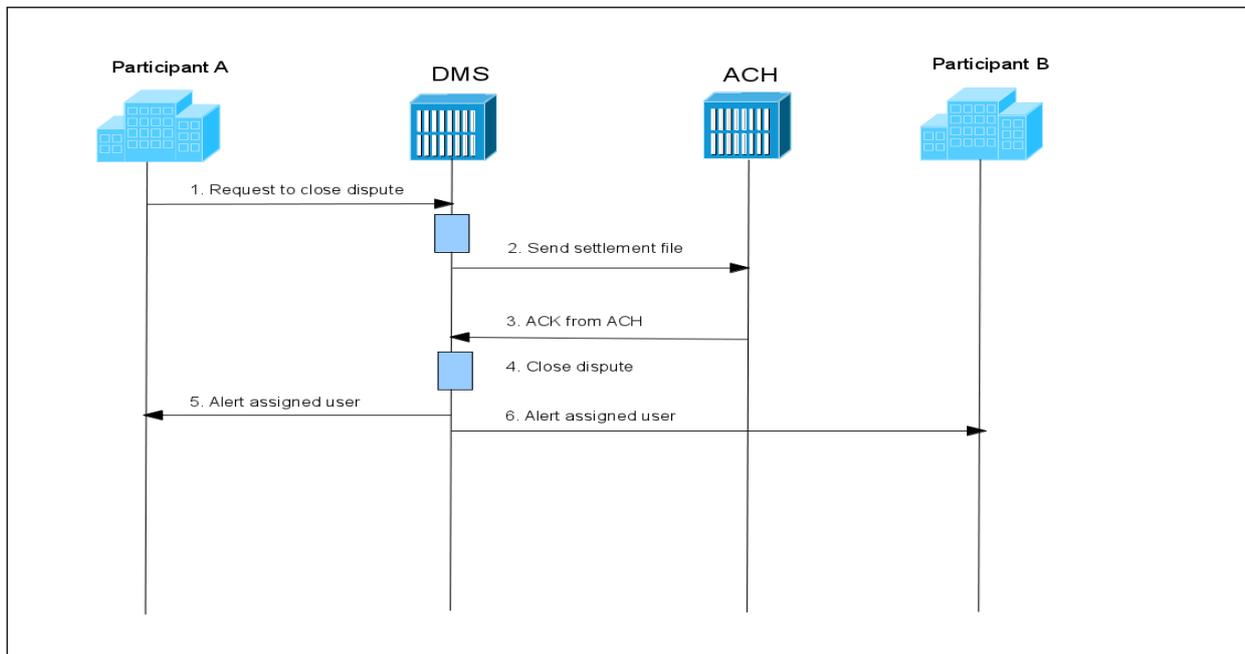
However, in cases where any party aggrieved by the order of the PRD approaches the Appellate Authority for review, the order passed by the PRD would be held in abeyance. It shall, however, be appropriate for the PRD to decide levy of the refund / compensation and for such amounts to be held in an interim account or in trust, until disposal of the appeal by the Appellate Authority only.

Annexure 4 - Diagrammatic representation of DMS Lifecycle

Dispute Creation and Resolution



DMS Claim Settlement



Annexure 5 - DMS process

5.1. Step wise process flow for creating a dispute

1. The dispute details and related information to be provided when a dispute is created by user of Dispute Initiating Bank (DIB) is as follows. The Diagrammatic representation of dispute creation in DMS module is given in **Annexure 4**.
 - a. The system will support searching participants based on IFSCs, MICR codes and IINs.
 - b. Error Type of dispute - The reason for creating the dispute. Error types will be pre-defined by NPCI. Banks to select the appropriate reasons
 - c. The following basic necessary documents are to be provided by dispute initiating bank while raising the dispute in the system
 - i. Copy of customer complaint
 - ii. Mandate/transaction details
 - d. Information regarding participant client needs to be provided.
 - e. Documents pertaining to the dispute may be attached.
 - f. Priority of dispute to be set for routing disputes as per escalation matrix.
 - g. Memo about the dispute may be entered in order to keep information about the dispute for other users from the same participant.
2. When a dispute is created, an automatic alert email message is sent to respective participant. The message is received by all users in the escalation matrix as indicated by the priority of the dispute and the dispute is automatically assigned to the first user in the given priority.
3. Documents may be attached to a dispute and correspondence messages may be interchanged between originating and the recipient banks.
4. Disputes can be reassigned for resolution to another user based on the escalation matrix for disputes received, by the super user of the recipient bank.
5. NPCI will have the authority to close the dispute as per timelines that will be specified /parameterized in the system.

5.2. Step wise process for Reassigned disputes

1. Reassigning is initiated by the users who are already assigned or by their super user.
2. Automatic reassignment is possible if the dispute is not resolved within the timelines specified for the priority level. In this case, the dispute is assigned to the next priority and also user at the DRB will be changed to accommodate the new priority of the dispute.

5.3. DMS Escalation Matrix

General conditions

1. Each participant bank must define an escalation matrix on its profile.
2. The escalation matrix consists of 5 levels and each level may contain up to 5 users. The levels are assimilated as priorities.
3. Bank super users will be able to define days/hours after which the dispute is automatically assigned to the next priority (with a lower time-span).
4. When a dispute is assigned to a level, it is assigned to the first user in that level.

5. Based on the escalation matrix, a dispute can be reassigned to other user in the same level. This reassignment can be done by the user who has already been assigned to the dispute or by the super users.
6. Users assigned to the escalation matrix should be users registered in the NACH application and having login provision.

5.4. DMS Timelines

The procedure for handling disputes in the NACH network is as follows:

1. DMS is an online platform for exchange of dispute related information with in the member banks.
2. The banks can use DMS for raising & resolution of disputes pertaining to mandates/transactions processed through NACH.
3. The TATs to be adopted by NACH member banks for resolution of disputes is 10 days from the date the dispute is initiated.

5.5. Dispute management cycle

Initiation of dispute will be charged at no cost, however upon acceptance of the dispute the dispute receiving bank will be charged Rs.25/- per dispute.

5.6. Pre-arbitration procedures

The procedure of handling pre-arbitration in the NACH system is as follows:

1. In the event of DRB refusing a dispute initiation made by DIB on the DMS module, the DIB has a right to refer the same for pre-arbitration. For all cases of pre-arbitration, the time frame for raising pre-arbitration will be 5 business days from date of closure of initial dispute.
2. DRB has to respond to the pre-arbitration raised by DIB within 10 business days from the initiation of pre-arbitration.
3. DRB can decline the pre-arbitration along with reasons and attachments.
4. For uploading of incorrect copies of documents / records by any of the disputing banks, a flat penalty of Rs.500/- will be imposed at the time of Pre-arbitration. This amount will be credited to the affected bank.
5. Where a decline by the DRB is not acceptable to the DIB, they can refer the issue for arbitration to NPCI by manual process.

5.7. Arbitration procedures

The procedures for handling arbitration in NACH is as follows:

1. All disputes rejected at initial and pre-arbitration stages will be referred to Panel for Resolution of Disputes (PRD).
2. The processing fee for referring dispute to arbitration is Rs.1000/-. These fees are subject to change as per decision taken by the NACH steering committee.
3. The Panel for Resolution of Disputes (PRD) as defined in the RBI circular DPSS.CO.CHD.No. 654/03.01.03/2010-2011 dated September 2010 will be constituted from the members of the steering committee.

4. The PRD will comprise of 5 members, 4 members of the steering committee and the Chairman who will be of designation VP and above from NPCI.
5. In case of specific disputes involving any member(s) of the PRD, the member(s) concerned shall be replaced by other member(s) of NACH steering committee for the limited purpose of looking into the specific dispute.
6. The PRD shall dispose of the dispute within 15 business days of submitting the dispute.
7. Any party aggrieved by the decision of PRD can approach the appellate authority for review. Relevant provisions of RBI circular DPSS.CO.CHD.No. 654/03.01.03/2010-2011 dated September 24, 2010 will be applicable.
8. The appellate authority shall dispose of the appeal within 15 business days of submitting the appeal.
9. Until the disposal of appeal by the appellate authority, the dispute management committee can decide to levy the refund / compensation and hold such amount in an interim account till disposal of the appeal as per the RBI circular DPSS.CO.CHD.No. 654/03.01.03/2010-2011 dated September 24.
10. The timeframe for referring a dispute to arbitration is 15 business days from the date of closure of pre-arbitration process. A penalty of Rs.500/- will be levied where the timeframe for referring the dispute for arbitration is exceeded. These fees are subject to change as per decision taken by the NACH steering committee.