

Terms and Conditions governing *connect*IPS e-payment of Nepal Clearing House Ltd. (NCHL) (For User/Customer)

These terms and conditions ("Terms") apply to and regulate the provisions of *connect*IPS e-payments services provided by the "Bank" to its customer whose bank account(s) has been linked with the *connect*IPS user. The *connect*IPS System is operated by Nepal Clearing House Ltd. ("NCHL") as a payment system operator to which the Bank has agreed to provide the *connect*IPS Services to its customers. The Bank shall endeavor to provide to the Customer, such service in accordance with the *connect*IPS operating procedures/guidelines, circulars and/or regulations (termed as "Operating Procedures") issued by the Nepal Rastra bank ("NRB") and/or NCHL subject to the terms and conditions as specified herein.

Definitions

The following words and phrases shall have the meanings as follows unless the context indicates otherwise. Other words and/or expressions used but not specifically defined herein shall have the respective meanings as per the Operating Procedures by NRB/NCHL.

"Account(s)" refers to the bank account(s) held and maintained with the Bank and linked to the *connect*IPS user, to be used for *connect*IPS services.

"User/Customer" refers to the customer of the Bank availing *connect*IPS services through his/her bank Account(s).

"Creditor(s)/Merchant(s)" refers to and include online, mobile-app based and offline creditor/merchant who provides goods and/or services in exchange for payment through *connect*IPS services from User/Customer and whose Account is credited.

"Bank" refers to banks and financial institutions (BFIs) licensed by NRB, which are allowed to acquire Customers and provide payment (credit/debit) services to the Customers and Creditors/Merchants.

"NCHL-IPS" refers to the Interbank Payment System offered by NCHL in collaboration with its member BFIs.

"*connect*IPS System" refers to the core system, related equipment and software owned by NCHL to provide the e-payment services including the NCHL-IPS system.

"Payment Instruction" refers to an unconditional instruction issued by the Customer, in writing or transmitted electronically to the Bank, either through *connect*IPS channels including internet, mobile application, short message service (SMS) or unstructured supplementary service data (USSD) or through such other means as provided by NCHL, to effect a payment/transfer for the amount expressed in Nepalese rupees (NPR), to the designated account of a Creditor/Merchant or a designated account of a beneficiary by debiting Account(s) of the Customer.

"*connect*IPS Service" refers to the electronic payments, transfer and collection services provided by the Bank to its Customers and/or Creditors/Merchants, based on the Payment Instruction, through the channels of the *connect*IPS System as per the Operating Procedures and after a one-time enrollment process.

"Username" refers to the user identification code/name of a Customer in the *connect*IPS.

"Password" refers to the password against Username for identifying the Customer.

"OTP/One Time Password" refers to a unique and time-sensitive password used as second layer of security on *connect*IPS System. Such OTP will be sent to the Customer in the registered mobile number and email ID via SMS/Email and shall be valid for specified time for one event only.

Applicability of Terms

Bank Customer desirous of availing the *connect*IPS Service, shall by way of a one-time enrollment, in such form, manner and substance as the Bank and/or NCHL may prescribe, apply for the *connect*IPS Service and the Bank shall be entitled, at its sole discretion, to accept or reject such applications. The Customer may independently create a Username and Password from the *connect*IPS channel provided by NCHL and then apply to the Bank to link its account with the *connect*IPS username to start the transactions. The Customer can link multiple accounts of the Bank or of other Banks defined and standardized as per the Operating Procedure and start transactions via *connect*IPS. By applying for and accessing the *connect*IPS Service, the Customer accepts these Terms, which shall govern the provisions of the *connect*IPS Services by the Bank. The Terms shall be, in addition to and not in derogation of the Operating Procedures issued/updated from time to time.

The Customer hereby acknowledges that the Customer has read and understood the Operating Procedures and fully agrees that the rights and obligations, liabilities provided therein and in these Terms, in so far as it relates to the Customer shall be binding on the Customer with regard to every Payment Instruction issued by him/her for execution in the *connect*IPS System. The Customer understands and agrees that nothing in terms of availing the *connect*IPS Service shall be construed as creating any contractual or other rights against NCHL and/or any participant of the *connect*IPS System other than the Bank. Notwithstanding anything contained herein, all terms and conditions stipulated by the Bank in connection with the Customer Accounts shall continue to apply.

Scope of the *connect*IPS Service

*connect*IPS Service offers electronic payment, transfer or collection services to the customers of the member BFIs. The Customers can put in request to its Bank for such services through *connect*IPS channel(s) in a secure manner to link its bank Accounts. The Bank will provide a one-time enrollment process for linking the bank Account(s) and then allow the Customer to initiate the transactions. *connect*IPS Service shall be as per the limit/rules set by NCHL and/or the Bank from time to time, who shall restrict the transaction up to specific amount and/or number of counts on daily, weekly, monthly and/or yearly basis.

Rights and Obligations of the Customer

1. The Customer shall create the *connect*IPS Username and Password. The Customer may change the Password at any time. The Username, however, cannot be changed. The Customer shall provide the correct mobile number entitled in its own name and email address while creating the Username and to be used for sending OTP to make financial/non-financial transaction through *connect*IPS System. The Customer shall be responsible for any financial or non-financial loss on account of misuse of information sent on mentioned email address and/or mobile number.
2. The Customer shall then apply to the Bank as one-time enrollment to link its Account(s) with the *connect*IPS username.
3. The Customer shall keep Username and Password confidential at all times and under no circumstances shall he/she disclose Username and/or Password. The Customer shall be fully responsible for any accidental / negligent and/or unauthorized disclosure of Username and/or Password to any other person and shall bear the risks of Username and/or Password being used by unauthorized persons or for unauthorized purposes or transactions.

4. The Customer is required to quote Username and Password in order to log-on to the *connectIPS* System and give Payment Instruction to the Bank.
5. The Customer understands that although multiple bank accounts can be linked with the *connectIPS*, Customer shall select the account for initiating a debit transaction, whereas it shall be done on the primary account for credit transaction as configured by the Customer, unless the payment instruction specifically mentions the other bank account.
6. The Payment Instruction shall be issued by the Customer to the Bank in the form as prescribed by the Bank and/or NCHL, which is complete in all particulars. The Customer shall provide correct beneficiary details, including account number, account name (where required), mobile number, transaction amount, etc., to the Bank at the time of availing the *connectIPS* Service. The customer understands and agrees that the account name verification by the beneficiary's bank is optional and the beneficiary's bank may credit based on beneficiary account number only. The Customer shall be solely responsible for the accuracy and authenticity of the particulars provided to the Bank and the same shall be considered to be sufficient to execute the transaction in the *connectIPS* System. The Bank and/or NCHL shall not be required to independently verify the instructions and has no liability if it does not or is unable to stop or prevent the execution of any Payment Instruction issued by the Customer. The Customer shall be liable to compensate the Bank for any loss arising on account of any error in the Payment Instruction.
7. The Customer shall be bound by any Payment Instruction executed by the Bank, if the Bank has executed the Payment Instruction in good faith and in compliance with the instructions given by the Customer.
8. The Customer authorizes to debit the Account(s) held at the Bank as per the instruction received by way of Payment Instruction and any other liability incurred by the Bank and/or NCHL on behalf of the Customer for execution of the instruction, including fees/ charges from third party. Such instruction shall be irrevocable once approved by the customer.
9. The Customer shall ensure availability of funds in his Account(s) before initiating a transaction. The Customer agrees that in the event of insufficient funds in the Account, the Bank shall decline such transaction.
10. The Bank/ NCHL has the right to suspend the transaction with respect to the *connectIPS* Service, if it has reason to believe that the Customer's instructions will lead to or expose to direct or indirect loss to the Bank/ NCHL or may require an indemnity from the Customer before executing such instruction. The Customer agrees that he/she shall not be entitled to make any claim against NCHL and/or any participant of the *connectIPS* System in respect to the *connectIPS* Service.
11. The Customer acknowledges that there may be time lag in transmission of instructions, information or communication via telecommunication network for which the Bank and/or NCHL shall not be held liable.
12. The Customer shall not hold the Bank/ NCHL responsible for any damage, claim, and issue arising out or in connection with any purchase of goods/services from Creditor/Merchant through *connectIPS* Service. The Customer understands and agrees that all such losses, damages and issues shall constitute a claim against such Creditor/Merchant.
13. The Customer agrees that the *connectIPS* Services are offered in line with the Operating Procedures which are subject to change from time to time by NRB and/or NCHL and shall be notified through their website(s).
14. The Customer shall not, and shall not attempt to decompile, reverse-engineer, convert, adapt, alter, modify, enhance, add to, delete or in any way tamper with or gain access to, any part of the *connectIPS* Services or any software comprised in them.
15. The Customer agrees that all right, title and interest in and relating to the above and any and all related copyright, patent, trademark, service mark, proprietary property, trade secrets and exclusive works are and shall remain the exclusive property of NCHL. No right, title or interest other than the right to access the information subject to these Terms is conveyed or transferred to the Customer. The Customer shall not make any representation or do any act, which may be taken to indicate that the Customer has any such right, title or interest.

Rights and Obligations of the Bank

1. Bank shall not be binding for the enrollment request until the bank ensures KYC, AML and any other requirements are complied with by the customer to link its Account(s).
2. The Bank shall execute a Payment Instruction issued and duly authorized by the Customer, unless: (a) account is not in dormant situation or suspended by the authority, (b) the funds available in the Account(s) of the Customer are not adequate or funds are not properly applicable/available to comply with the Payment Instruction, (c) the Payment Instruction is incomplete, (d) the Bank has reason to believe that the Payment Instruction is issued to carry out an unlawful transaction or (e) the Payment Instruction cannot be executed under the *connectIPS* System.
3. No Payment Instruction issued by the Customer shall be binding on the Bank until the Bank has accepted it.
4. The Bank shall, for execution of every Payment Instruction, be entitled to debit the designated Account(s) of the Customer, with the amount of the funds to be transferred together with applicable charges payable thereon.
5. A record of the transaction shall be available online in the *connectIPS* System and also in the statement of the account. Such advice or confirmation shall be deemed to have been received by the Customer immediately after transmission and it is the duty of the Customer to check such advice or confirmation.
6. The Bank for providing the *connectIPS* Service to the Customer shall follow the Operating Procedures prescribed by NRB and/or NCHL in this regards.
7. The Bank reserves the right to charge fees/ charges in relation to the use and/or termination of the Services as prescribed by NCHL and to revise such fees/ charges at any time with or without notice to the Customer, which shall be binding on the Customer. Fees/ Charges shall be collected from the Customer in such manner and at such intervals as the Bank may specify.
8. The Bank and/or NCHL shall take reasonably practicable steps to ensure that its systems in connection with the *connectIPS* Services are installed with adequate security designs and to control and manage the risks in operating the services. None of the Bank or NCHL warrants or represents that the *connectIPS* Services, the information are free from virus or other destructive features which may adversely affect the Customer's hardware, software or equipment. In no event shall the Bank or NCHL be liable to the Customer or any other person for any incidental, indirect, special, consequential of or exemplary damages including, without limitation, any loss of use, revenue, profits or savings.

Sharing of Information

The Customer irrevocably and unconditionally authorizes the Bank to access the Customer's Account(s) and records for the purpose of providing the *connectIPS* Services. The Customer agrees that the Bank and/or NCHL may hold and process its personal and other information concerning its Account(s) on computer or otherwise in connection with the *connectIPS* Service, for analysis and/or as required by law.

Disclaimer of Liability

While the NCHL and/or Bank shall endeavor to promptly execute and process the transactions as proposed to be made by the Customer, the Bank/ NCHL shall not be responsible for any non-response or delay in responding due to any reason whatsoever, including due to failure of operational systems, telecommunication faults, network failure or any requirement of the law. The NCHL/ Bank shall not be liable for any loss, claim or damage suffered by the Customer and/or any other third party arising out of or resulting from failure of *connectIPS* transaction on account of time out transaction i.e. where no response is received from *connectIPS* System or the beneficiary bank to the transaction request and/or where information, including but not limited to incorrect beneficiary details, mobile number and/or account details, provided in the transaction. The Bank/ NCHL shall not be liable for any computer/cybercrimes such as hacking etc. and shall not be liable for any unauthorized transactions and/or any transactions carried out by using illegal and fraudulent methods and shall be guided by the terms of Electronic Transaction Act 2063. The Customer shall indemnify the Bank, NCHL and their respective officers and employees against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including, without limitation, legal fees on a full indemnity basis) which may be incurred by any of them and all actions or proceeding which may be brought by or against any of them in connection with the provision of the *connectIPS* Services,. NCHL/ Bank shall under, no circumstance, be held liable to the Customer, if *connectIPS* Service access is not available in the desired manner for reasons including but not limited to natural calamities, legal restraints, or any other reason beyond the control of the Bank and/or NCHL. Illegal or improper use of the *connectIPS* Service shall render the Customer liable for payment of financial charges or may result in suspension of the *connectIPS* Services. All the records of the Bank generated by the transactions arising out of the use of the *connectIPS* Service, including the time of transaction shall be conclusive proof of the genuineness and accuracy of the transaction. The Bank expressly disclaims all warranties of any kind, whether express or implied or statutory, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose, data accuracy and completeness, and any warranties relating to non-infringement in the *connectIPS* Service.

Indemnity

The Customer agrees, at its own expense, to indemnify, defend and hold harmless NCHL and the Bank, its directors and employees, representatives, agents, and its service providers against any claim, suit, action or other proceeding brought against NCHL and/or the Bank, its affiliates, directors and employees, representatives or agents by a third party, to the extent that such claim, suit, action of other proceeding brought against NCHL, Bank, its service provider, directors and employees, representatives or agents is based on or arises in connection with the use of the *connectIPS* Service with reference to :

- (i) a violation of the Terms by the Customer;
- (ii) any deletions, additions, insertions or alterations to, or any unauthorized use of, the *connectIPS* Service by the Customer;
- (iii) any misrepresentation or breach of representation or warranty made by the Customer contained herein;
- (iv) any breach of any covenant or obligation to be performed by the Customer hereunder;

The Customer agrees to pay any and all costs, damages and expenses, including, but not limited to, reasonable attorneys' fees and costs awarded against it or otherwise incurred by or in connection with or arising from any such claim, suit, action or proceeding attributable to any such claim.

Assignment

The Bank shall be entitled to sell, assign, sub-contract or transfer the Bank's right and obligations under these Terms to any person/ company of the Bank's choice in whole or in part and in such manner and on such terms and conditions as the Bank may decide. Any such sale, assignment or transfer shall conclusively bind the Customer and all other person/ company. The Customer, its successors and assigns are bound by these Terms. However, the Customer shall not be entitled to transfer or assign any of its rights and obligations under these Terms.

Termination

The Customer may disable the linked bank Account(s) in the *connectIPS* System, after which the payment transaction cannot be initiated through such disabled account. However, the Customer can enable again such linked bank account, if it deems necessary. The Customer will remain responsible for all the transactions made through the *connectIPS* system until the linked account is disabled. The Bank may suspend or terminate the *connectIPS* Service anytime either entirely or partially without assigning any reasons whatsoever and without prior notice if the Customer has breached any of these Terms.

General Conditions

1. The *connectIPS* Services and these Terms shall be governed by and construed in accordance with the laws of Nepal and all the parties shall submit to the non-exchange jurisdiction of the Courts of Nepal.
2. The clause headings in this Terms are only for convenience and do not affect the meaning of the relative clause.
3. The Bank has the absolute discretion to amend or supplement any of the Terms as stated herein at any time or as amended by NRB and/or NCHL and will endeavor to give prior notice for such changes wherever feasible. Such notices may be published on the website or in a newspaper and such notices will have the same effect as a notice served individually to each Customer.
4. Any provision of these Terms, which is prohibited or unenforceable by law, shall be ineffective to the extent of prohibition or unenforceability but shall not invalidate the remaining provisions of these Terms or affect such provision.
5. The Bank shall have the right of set-off and lien, irrespective of any other lien or charge, present as well as future on the deposits held in the Account(s) to the extent of all outstanding dues, whatsoever, arising as a result of the *connectIPS* Service extended to and/or used by the Customer.