



**FIRSTRAND**

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**NON-AUTHENTICATED EARLY DEBIT  
ORDER (NAEDO)  
Terms of Use**

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## Version Control

SECTION	AMENDMENT	DATE	EFFECTIVE
1.1.8	Users must ensure their PSSF memberships are up to date	September 2015	Immediate
1.1.9	Users can have their NAEDO services suspended until such time as their PSSF membership is up to date	September 2015	Immediate
1.1.10	Users can have their NEADO services cancelled in the event of non-compliance with the membership requirement.	September 2015	Immediate
3.11	Written confirmations must be sent within 30 days of taking the voice recorded mandate.	September 2015	Immediate
3.16	Users must be able to produce mandates upon request	September 2015	Immediate
App B	Payment can be processed the day before payment day in the event of a Sunday or Public Holiday	September 2015	Immediate
App C	Payment can be processed the day before payment day in the event of a Sunday or Public Holiday	September 2015	Immediate
9	Inclusion of the User Debit Order Abuse	January 2017	Immediate



**Disclaimer:** These Terms of Use form part of the agreement which governs the use of the Non-Authenticated Early Debit Order (NAEDO) payment stream and further regulates the relationship between FirstRand Limited (hereafter known as FRB) and the Debit Order Originator (hereafter known as the User).

## **SECTION 1: QUALIFYING CRITERIA**

### **1.1 Prospective User**

- 1.1 In order for a prospective User to be sponsored into the NAEDO Payment System, FRB must be satisfied regarding the following:
  - 1.1.1 The User must not introduce any risk into the Payments System. This risk includes but is not limited to reputational risk and financial risk.
  - 1.1.2 The User must have had their business processes relating to the processing of NAEDO payment instructions assessed by FRB.
  - 1.1.3 The User must have understood and accepted the FRB NAEDO Terms of Use. If the FRB NAEDO Terms of Use have not been understood in whole or part, the User is under an obligation to approach the FRB representative to gain clarity.
  - 1.1.4 The User must submit payment instructions as per the technical specifications provided to them by FRB.
  - 1.1.5 The User must produce a sample of their debit order authority (hereafter referred to as the mandate) for vetting to ensure compliance with the minimum requirements as set out in these NAEDO Terms of Use.
  - 1.1.6 The User must agree to produce an Auditor's Certificate upon request.
  - 1.1.7 A prospective NAEDO User must be a member of the Payment System Stakeholder Forum (PSSF) prior to being allowed to submit NAEDO payment instructions. If the User is not a member of the PSSF, FRB will assist the User with the obtaining the membership.
  - 1.1.8 The User is under an obligation to ensure that their PSSF membership is up to date.
  - 1.1.9 In the event that any User defaults on their membership, FRB will suspend NAEDO services until such time as their membership is updated.
  - 1.1.10 Users will have NAEDO services terminated if they fail to ensure their membership is current despite reasonable steps to assist the User in doing so.

### **1.2 Prospective Third Party Payment Provider and System Operator**

- 1.2. Furthermore, if a prospective User wishes to operate as a Third Party Payment Provider (TPPP) and/or System Operator (SO), FRB must also be satisfied regarding the following:
  - 1.2.1 The User must be registered as a TPPP and/or SO with the Payments Association of South Africa (PASA).
  - 1.2.2 If the User is not registered as a TPPP with PASA, FRB will assist with the application prior to being allowed to submit payment instructions. SO applications must be made with PASA directly.
  - 1.2.3 The User must bind their User to the FRB NAEDO Terms of Use in order to ensure compliance.



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## SECTION 2: PAYMENT INSTRUCTIONS ELIGIBLE FOR PROCESSING

- 2.1 In order for a NAEDO payment instruction to be eligible for processing, the User must ensure that:
  - 2.1.1 A valid mandate is obtained prior to the submission of the payment instruction;
  - 2.1.2 The payment instruction has reached its action date as stipulated by the mandate;
  - 2.1.3 The payment instruction is identifiable by a unique abbreviated name, agreement number and payment cycle to enable any debit orders not yet submitted to be stopped.

## SECTION 3: MANDATES

- 3.1 The format provided in Appendix B and C is the minimum that is required to be complied with. The User may add to the mandate but may not delete any clauses.
- 3.2 A valid mandate must be agreed upon by the User and the accountholder prior to any payment instructions being submitted for processing.
- 3.3 The mandate may be in the form of written, electronic or voice recorded.
- 3.4 Although the minimum requirements as per Appendix B must be adhered to, the following, included in Appendix B, are deemed crucial criteria in terms of the PASA UDOA Process as documented in Section 9:
  - 3.4.1 Abbreviated Short Name of the originator,
  - 3.4.2 User Name,
  - 3.4.3 Deduction date,
  - 3.4.4 Deduction amount, and
  - 3.4.5 Surname, Initial and Bank Account Number of accountholder.
- 3.5 The mandates must indicate the exact amount payable or clearly state that the premium payable will vary. The latter can only occur in instances where it is dependent on the type of service provided e.g. cellular phone contracts, etc.
- 3.6 The User must indicate that the credit tracking option will be used.
- 3.7 Clearly outline the User's abbreviated name, agreement number as well as any other reference details which will appear on the accountholder's bank statement
- 3.8 The User must obtain specific acceptance by the accountholder of understanding and obligations in the instances of voice recorded and electronic mandates.
- 3.9 The User carries the responsibility of verifying that the account details provided by the accountholder on the mandate are valid and that the accountholder has relevant signing authority on the account.
- 3.10 In the instance of signed written mandates, the signed (authorised) mandate copy must be provided to the accountholder prior to any payment instructions being submitted in terms of that particular mandate.
- 3.11 In the instances of voice recorded and electronic mandates, written confirmation of the voice recorded mandate must be provided to the accountholder within 30 calendar days of the mandate being entered into and prior to any payment instructions being submitted in terms of that particular mandate.
- 3.12 The mandate and all related documents must conform to the format as set out in Appendices B to E which may only be changed subject to the approval of FRB.
- 3.13 The format of the mandate used must be approved by FRB prior to being utilised by the User.



- 3.14 If a User wishes to utilize a differing form of mandate from what is currently being used, the format must be approved by FRB prior to being utilized.
- 3.15 Users must retain all mandates and relating documentation for a minimum period of 5 years after the payments have ceased or after the last payment instruction having been submitted, whichever applicable.
- 3.16 Users must be able to produce mandates upon request of FRB.
- 3.17 The User must not cede or assign any of its rights regarding the mandate unless:
  - 3.17.1 The agreement is also ceded or assigned to the third party,
  - 3.17.2 The accountholder is notified prior to the next payment instruction being submitted, and
  - 3.17.3 That notification conforms to the format provided.
- 3.18 In the instances where a voice recording and/or an electronic mandate is used, FRB will not become involved with any process to prove its existence to accountholders for the purposes of resolving disputes.

## **SECTION 4: ABBREVIATED NAME**

- 4.1 Abbreviated names must reflect the User's trading name and must be approved by FRB prior to being included in any payment instructions.
- 4.2 The abbreviated name and agreement number must remain the same for the duration of the contract between the User and the accountholder and must reflect on the accountholders bank statement as specified on the mandate.
- 4.3 The User's abbreviated name and/or agreement reference may be changed, with the approval of FRB, in the event of an assignment/cession. Users must provide the accountholder 30 calendar days' notice prior to the change.
- 4.4 The notice must reflect the User's new abbreviated name/agreement number as well as the old abbreviated name/agreement number and must be kept as an addendum to the mandate.
- 4.5 Abbreviated names and/or User Codes may not be changed to circumvent the Stop Payment system.

## **SECTION 5: PAYMENT INSTRUCTIONS NOT ELIGIBLE FOR PROCESSING**

- 5.1 NAEDO payment instructions are not eligible for processing in the instances outlined below. The User may not:
  - 5.1.1 Present a payment instruction without having obtained a valid mandate to do so or prior to obtaining a valid mandate.
  - 5.1.2 Present a payment instruction prior to the mandated action date.
  - 5.1.3 Present the same payment instruction for processing more than once per day.
  - 5.1.4 Present more than two payment instructions (i.e. one new payment instruction and one payment instruction presented via credit tracking) in any particular payment cycle.
  - 5.1.5 Present payment instructions where the amount due for payment exceeds the amount as stipulated by the mandate.



- 5.1.6 Present payment instructions where the amount is an aggregate of multiple payment instructions in order to recover arrear amounts or if the mandated amount is changed outside the context of the mandate. A separate mandate must be obtained in order to recover arrear amounts.
- 5.1.7 Present payment instructions if the mandate has been stopped and/or the mandate and related agreement has been cancelled.
- 5.1.8 Unilaterally change any part of the mandate. Consent must be obtained and notice given where necessary especially in the instances of changes to account number or beneficiary details.
- 5.1.9 Present payment instructions that have been canceled in terms of Appendix A.

## **SECTION 6: DISPUTES**

- 6.1 The accountholder has a right to declare a dispute against the authority in terms of which the payment instruction had been processed.
- 6.2 The authority will only be considered a dispute in the following instances:
  - 6.2.1 The accountholder did not authorise the payment instruction/s; or
  - 6.2.2 The payment instruction/s is in contravention to the authorised mandate; or
  - 6.2.3 The User had been instructed by the accountholder to cancel the mandate; or
  - 6.2.4 The accountholder had stopped the payment of the instruction at their Bank or at the User.
- 6.3 The Bank will immediately reverse the disputed payment instruction/s in instances where a dispute declaration is submitted within 40 calendar days from action date of the payment instruction being processed.
- 6.4 In instances where the disputed payment instruction falls outside of the 40 calendar days window period, the following must occur:
  - 6.4.1 The User must provide a valid written mandate for the disputed payment instruction within 21 calendar days of receiving the request for same from FRB;
  - 6.4.2 In instances where the requested mandate cannot be provided, the User's nominated account will be debited by FRB with the value of the disputed payment instruction/s;
  - 6.4.3 As stated previously, voice recorded and electronic mandates, while valid mandates, will not be considered in the event of a dispute and the User's nominated account will be debited with the value of the disputed payment instruction/s.

## **SECTION 7: RESPONSES, RETURNED PAYMENT INSTRUCTIONS AND CANCELLATION OF PAYMENTS INSTRUCTIONS**

- 7.1 Payment instructions will be returned to the User, due to either being unsuccessful or disputed; with a response code attached outlining the reason for the return.
- 7.2 These reason codes, as outlined in Appendix A, each have an action attached to them which the User must comply with.
- 7.3 The User must cancel all payment instructions if there have been no successful collections for a period of four consecutive months.
- 7.4 The User must cancel all payment instructions if no payment instructions have been presented for a period of four consecutive months.



- 7.5 The User is obligated to adhere to the thresholds of 10% for Unpaid Ratio and 0.5% for Dispute Ratio of total monthly payment instructions processed.
- 7.6 The User must indemnify FRB as specified for all recall requests.
- 7.7 Stop Payments:
  - 7.7.1 Where a User receives a stop presentment message (i.e. an E1 message) as a result of an accountholder placing a stop payment at their Bank, the User must ensure that no new payment instructions are presented until a new mandate is obtained.
- 7.8 Recalls:
  - 7.8.1 All requests for the recall of debit payment instructions must be formally made to FRB.

## **SECTION 8: GENERAL**

- 8.1 The User may not switch between the NAEDO payment stream and EFT payment stream in order to circumvent any obligations placed on Users utilizing the NAEDO payment stream.
- 8.2 The User may not circumvent the specified item limit by splitting payment instructions.
- 8.3 The User may not sort at source.
- 8.4 The User must ensure that the latest CIM 900 is implemented into their business systems.
- 8.5 Non-compliance with these Terms of Use may result in penalties being levied against the User.
- 8.6 FRB will not be held liable for the above mentioned penalties.
- 8.7 The NAEDO Limit is set as follows:
  - 8.7.1 Debit Item Limit - R30 000.00 (thirty thousand rand)

## **SECTIONS 9: USER DEBIT ORDER ABUSE**

### **9.1 INTRODUCTION**

User Debit Order Abuse (UDOA) refers to a specific set of requirements introduced by PASA to manage EFT Debit Order Abuse in conjunction with Sponsoring Banks. These govern the investigation and reporting process of Users and the consequences of processing debit orders without mandates or deficient mandates, including the imposition of penalties and the addition of Users who have perpetrated User Debit Order Abuse, to the UDOA list.

### **9.2 TRIGGERS OF UDOA**

UDOA processes as set out in clause 9.3 below may be initiated in the event of:

- 9.2.1 A breach of Dispute Ratios provided for in the NAEDO Terms of Use
- 9.2.2 An accountholder complaint of UDOA; or
- 9.2.3 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 and/or its Members to investigate UDOA.



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## 9.3 UDOA PROCESSES

### 9.3.1 Breach of Dispute Ratios provided for in the NAEDO Terms of Use

- 9.3.1.1 On a monthly basis a selection of Users whose dispute ratios have exceeded the ratios as stipulated in section 7.5 will be selected for investigation.
- 9.3.1.2 FRB will randomly select a sample of 50 transactions disputed during the month in question and will request the following from the User:
  - 9.3.1.2.1 Retrieves the mandates for the 50 samples requested.
  - 9.3.1.2.2 Indicates on the list provided by FRB which mandates are present or not present.
  - 9.3.1.2.3 Indicates which of the mandates provided are written, electronic or voice recorded.
  - 9.3.1.2.4 Submits the list, together with the mandates where applicable, to FRB within 21 calendar days from the date of the request.

### 9.3.2 An accountholder complaint of unauthorised debit orders

- 9.3.2.1 Accountholder complaints received by PASA and any other regulatory body will be referred to FRB for investigation.
- 9.3.2.2 Upon receipt of the complaint FRB will instruct the User concerned to provide within 14 calendar days a copy of the mandate related to the complaints, whether written, electronic or voice recorded, or confirmation that no mandate is in place.
- 9.3.2.3 If the response from the User indicates that no mandate exists, FRB will randomly select a sample of 50 transactions disputed during the month in question and will request that the User:
  - 9.3.2.3.1 Retrieves the mandates for the 50 samples requested.
  - 9.3.2.3.2 Indicates on the list provided by FRB which mandates are present or not present.
  - 9.3.2.3.3 Indicates which of the mandates provided are written, electronic or voice recorded.
  - 9.3.2.3.4 Submits the list, together with the mandates where applicable, to FRB within 21 calendar days from the date of the request.

### 9.3.3 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 and/or its members to investigate UDOA

- 9.3.3.1 PASA will, immediately when it receives an instruction regarding UDOA, refer such instruction to FRB, for investigation.
- 9.3.3.2 Upon receipt of the instruction from PASA, FRB will randomly select a sample of 50 transactions disputed during the month in question and will request that the User:
  - 9.3.3.2.1 Retrieves the mandates for the 50 samples requested.
  - 9.3.3.2.2 Indicates on the list provided by FRB which mandates are present or not present.
  - 9.3.3.2.3 Indicates which of the mandates provided are written, electronic or voice recorded.
  - 9.3.3.2.4 Submits the list, together with the mandates where applicable, to FRB within 21 calendar days from the date of the request.





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## 9.4 REVIEW OF INVESTIGATION AND MANDATES

In each of the above UDOA processes the outcome of the investigations will be reviewed in order to determine whether debit order transactions were processed without mandates or with deficient mandates and conduct an examination of mandates provided to determine whether a mandate was:

- 9.4.1.1 Present, or
- 9.4.1.2 Not present, or
- 9.4.1.3 Deficient.

## 9.5 RESULTS AND ACTION

9.5.1 Following the UDOA review referred to in clause 9.4, it will be determined which of the following actions, if any, need to be taken:

- 9.5.1.1 A penalty imposed in accordance with clause 9.6; and/or
- 9.5.1.2 Addition of the User to the UDOA List as contemplated in clause 9.7

9.5.2 The timelines for the above mentioned UDOA reviews are as follows:

- 9.5.2.1 PASA selects users for investigation.
- 9.5.2.2 Month 1 - FRB obtains mandates from user and reports to PASA.
- 9.5.2.3 Month 2 to Month 5 - PASA Vets Mandates and publishes findings report and issues penalty invoice where applicable.
- 9.5.2.4 Month 6 - FRB Reviews PASA findings Report.
- 9.5.2.5 The User has 3 months from Month 6 - Month 8 to rectify non-compliance.
- 9.5.2.6 Month 9 and onward - The user can be identified for a new investigation.

## 9.6 PENALTIES

9.6.1 A penalty of R1 000.00 (one thousand rand) will be imposed on the Users per incidence of:

- 9.6.1.1 No Mandate; or
- 9.6.1.2 A Deficient Mandate.

## 9.7 USER DEBIT ORDER ABUSE LIST

9.7.1 PASA is the custodian of the UDOA List.

9.7.2 The details as prescribed in clause 9.7.5 below of the User involved in UDOA, along with the name of its Sponsoring Bank and system operator for monitoring purposes, will be added to the UDOA List by PASA, in consultation with the relevant PCH PG, if:

- 9.7.2.1 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 7.5; or
- 9.7.2.2 The User was at any time since 1 March 2015 convicted in a criminal court for the processing of fraudulent debit orders.

9.7.3 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.

9.7.4 Once a User has been added to the UDOA List, FRB will conduct monthly investigations as stipulated in 9.3.3 and will submit a report to PASA.

9.7.5 An FRB sponsored User may only be removed from the UDOA List if it demonstrates 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.



9.7.5 Details' for purposes of clause 9.7.2 in respect of each of the following means:

- 9.7.5.1 'Company': Name, registration number and domicilium citandi et executandi, as well as the name, identity number and physical address of each of its directors;
- 9.7.5.2 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; and
- 9.7.5.3 Natural person: Name, identity number and physical address.

## SECTION 10: DEFINITIONS

The below listed terms will have the meanings assigned to them and similar expressions will have corresponding meanings. Unless otherwise indicated:

- Any one gender includes the other and are neutral;
- The singular includes the plural and *vice versa*; and
- Natural persons include Legal Entities and *vice versa*.

TERM	DEFINITION
<b>Abbreviated Name</b>	The mandatory field within the User reference field of the standard NAEDO payment instructions record reflecting the User's trading name.
<b>Accountholder</b>	A person who holds the bank account.
<b>Action Date</b>	The date on which the payment instruction must be processed on the account.
<b>Bank Account</b>	The account held at a bank which can be credited or debited as a result of an NAEDO payment Instruction.
<b>CIM 900</b>	The consolidated bank table which provides Users with a means to verify specific data prior to the submission of payment instructions.
<b>Credit Tracking</b>	The process whereby payment instructions are held over and re-presented as a result of the initial presentment being unsuccessful.
<b>Crucial Criteria</b>	1. Abbreviated Short Name of the originator, 2. User Name, 3. Deduction date, 4. Deduction amount, 5. Surname, Initial and Bank Account Number of accountholder
<b>Debit Order</b>	Debit Order Debit Payment instruction or transaction
<b>Debit payment instruction</b>	An instruction to collect money from the accountholder.
<b>Deficient Mandate</b>	A mandate that does not contain any one or more of the crucial criteria.
<b>Disputed Item</b>	The authority of the processed payment instruction has been disputed by the accountholder.
<b>Dispute Ratio</b>	The total monthly disputed payment instructions as a percentage of the total monthly input.
<b>Item</b>	Payment instruction
<b>Item Limit</b>	The maximum monetary value of a payment instruction that may be submitted by a User.



TERM	DEFINITION
<b>Mandate</b>	The authorisation given by an account holder to a debit order originator to initiate payment instructions against their account.
<b>No Mandate or without a Mandate</b>	<ol style="list-style-type: none"> <li>1. no physical written, electronic or voice Mandate; or</li> <li>2. the absence of any explicit authority given by the account holder to the User to debit his bank account in a purported mandate; or</li> <li>3. a falsified mandate, whether or not the intention was to defraud the account holder.</li> </ol>
<b>Nominated Account</b>	An account as specified by the User for the purposes of transacting via the NAEDO Service.
<b>PASA</b>	Payment Association Of South Africa
<b>Payment Instruction</b>	The instruction to collect funds.
<b>PCH PG</b>	<p>PCH PG-Payment Clearing House Participant Group</p> <p>PCH means an arrangement between two or more system participants governing the Clearing and Settlement of payment instructions between payment system participants.</p> <p>PCH PGs manage operational matters via PCH Agreements, Clearing Rules and Service Level Agreements.</p>
<b>Public Holiday</b>	Non-business days as declared by Government. Such days are not valid action dates.
<b>Recall</b>	The request to withdraw a payment instruction not yet posted to the account of the account holder.
<b>Reversal</b>	A request to withdraw a payment instruction which has been processed to the account.
<b>System Operator (SO)</b>	Any person who provides payment services to two or more persons in respect of payment instructions.
<b>Sorting at Source</b>	Where Users sort each bank's payment instructions and submit those directly to each bank, where the proceeds of such payment instructions are credited to the User's nominated account.
<b>Sponsoring Bank</b>	Means the Participant Bank with which the User has entered into a User agreement.
<b>Stop Payment</b>	An instruction by the account holder to their bank to stop future payment instructions from being processed on that account.
<b>Third Party Payment Provider (TPPP)</b>	Any person who provides payments to third persons and who processes payment instructions, including the delivery to and/or receipt of payment instructions from a bank and/or a PCH system operator on their own behalf.
<b>Transaction</b>	Means Debit or Credit payment instruction
<b>Trigger Of UDOA</b>	Those pre-defined triggers listed in clause 9.2
<b>Unpaid Ratio</b>	The total monthly unsuccessful payment instructions as a percentage of the total monthly input.
<b>User</b>	The person or body that submits payment instructions directly or indirectly for processing.



## Appendix A

RESPONSE CODES		
Code	Description	Action to be Taken
<b>02</b> Not provided for	There are insufficient funds in the account.	The User must advise the accountholder that the payment instruction has been returned. The payment instruction may only be re-presented subject to Sections 5, 7.3 and 7.4. If not, the User cannot re-present the payment instruction unless a new mandate has been obtained from the accountholder in terms of sections 2.1.1 and 3.
<b>03</b> No Debit / Credit transactions allowed against this account	No debit or credit payment instructions may be processed against this account.	The User may not re-present payment instructions using the bank account details as outlined in the existing mandate unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>04</b> Payment stopped	The accountholder has instructed their bank to stop all future debit payments being processed on their bank account from the User in terms of the debit order authority granted to the User.	The payment instruction may not be re-presented unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>05</b> Account Dormant	The bank account that the payment instruction has been issued against is dormant	The User may not re-present payment instructions using the bank account details as outlined in the existing mandate unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>06</b> Account frozen	No payment instructions may take place on this bank account at all.	The User may not re-present payment instructions using the bank account details as outlined in the existing mandate unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>08</b> Account in liquidation	The bank account is not accessible due to liquidation of Legal Entity that holds it.	The User may not re-present payment instructions using the bank account details as outlined in the existing mandate unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>10</b> Account in sequestration	The bank account is not accessible due to sequestration of the Individual that holds it.	The User may not re-present payment instructions using the bank account details as outlined in the existing mandate unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.



<b>12</b> Account closed	The bank account in question has been closed.	The payment instruction may not be re-presented unless a new mandate is obtained from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>18</b> Accountholder deceased	The accountholder is deceased.	The payment instruction may not be re-presented and all future payment instructions removed from processing.
<b>22</b> Account effects not cleared	The accountholder's funds have not been cleared i.e. there may be a cheque awaiting clearance, therefore there are insufficient funds in the bank account to meet the obligation.	The User must advise the accountholder of this and may not re-present the payment instruction unless the accountholder has confirmed that the funds have been cleared or that the hold on the bank account has been removed.
<b>26</b> No such account	The bank account does not exist at the specified Bank.	The payment instruction may not be re-presented and all future payment instructions removed from processing.
<b>40</b> Item limit exceeded	The NAEDO item limit has been exceeded.	The User may only re-present the payment instructions with the correct item limit. As per section 10.3, payment instructions must not be split in order to circumvent the item limit.
<b>56</b> Not FICA compliant	The bank account does not comply with the requirements as set out by FICA.	The payment instruction may only be re-presented once confirmation is received from the accountholder that they are FICA compliant.
<b>E1</b> Payer request to stop presentations	The accountholder has instructed their Bank to stop all future debit payment instructions from the User.	Upon receipt, all future payment instructions removed from processing as per Section 8.
<b>F2</b> Payment instruction disputed by accountholder	The accountholder has disputed the payment instruction at their Bank.	The payment instruction may not be re-presented and all future payment instructions removed from processing as per Section 8. The User must obtain a new mandate from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.



## DISPUTE REASON CODES AND ACTIONS

Code	Description	Action to be Taken
<b>30</b> No authority to debit	The accountholder has disputed the User's authority to debit funds from their bank account.	The current payment instruction, as well as all future payment instructions, must be removed from processing. The User must obtain a new mandate from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>32</b> Debit in contravention of payer's authority	The accountholder has disputed the payment instruction based on the fact that the User is debiting their bank account in contravention of their authority.	The current payment instruction, as well as all future payment instructions, must be removed from processing. The User must obtain a new mandate from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>34</b> Authorization cancelled	The accountholder has disputed the payment instruction based on the fact that the authority given has been cancelled.	The current payment instruction, as well as all future payment instructions, must be removed from processing. The User must obtain a new mandate from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.
<b>36</b> Previously stopped via stop payment advice	The accountholder is disputing the payment instruction based on the fact that they have previously issued a stop payment instruction on their account.	The current payment instruction, as well as all future payment instructions, must be removed from processing. The User must obtain a new mandate from the accountholder prior to submitting any new payment instructions in terms of Sections 2.1.1 and 3.



## Appendix B

### Specimen and Minimum Requirements for Written Authority and Mandate for Debit Payment Instructions

#### A. Authority

Given by (*name of Accountholder*) \_\_\_\_\_  
Address \_\_\_\_\_  
Bank \_\_\_\_\_  
Branch and Code \_\_\_\_\_  
Account Number \_\_\_\_\_  
Type of Account (**delete that which is not applicable**) Current (cheque) / Savings / Transmission  
Amount \_\_\_\_\_  
Date \_\_\_\_\_  
To (*name of beneficiary*) \_\_\_\_\_  
Abbreviated Name as Registered with the Bank \_\_\_\_\_  
Beneficiary's Address \_\_\_\_\_

This signed Authority and Mandate refers to our contract dated \_\_\_\_\_ (“the Agreement”).

I/We hereby authorise you to issue and deliver payment instructions to your Banker for collection against my/our above-mentioned account at my/our above-mentioned Bank (or any other bank or branch to which I/we may transfer my/our account) on condition that the sum of such payment instructions will never exceed my/our obligations as agreed to in the Agreement and commencing on \_\_\_\_\_ and continuing until this Authority and Mandate is terminated by me/us by giving you notice in writing of not less than 20 ordinary working days, and sent by prepaid registered post or delivered to your address as indicated above.

The individual payment instructions so authorised to be issued must be issued and delivered as follows: monthly, bi-monthly, three monthly, six monthly, annually, weekly, bi-weekly (**delete that which is not applicable**).

In the event that the payment day falls on a Sunday, or recognised South African public holiday, the payment day will automatically be the preceding ordinary business day. Furthermore, if there are insufficient funds in my account to meet the obligation, you are entitled to track my account and represent the instruction for payment as soon as sufficient funds are available in my account. 1

Payment Instructions due in December may be debited against my account on \_\_\_\_\_.

I/We understand that the withdrawals hereby authorised will be processed through a computerised system provided by the South African Banks. I also understand that details of each withdrawal will be printed on my bank statement. Such must contain a number, which must be included in the said payment instruction and if provided to me should enable me to identify the Agreement. This number must be added to this form in Section E before the issuing of any payment instruction.



**B. Mandate**

I/We acknowledge that all payment instructions issued by you shall be treated by my/our above-mentioned Bank as if the instructions have 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 shall not be entitled to any refund of amounts which you have withdrawn while this Authority was in force, 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, but in the absence of such assignment of the Agreement, this Authority and Mandate cannot be assigned to any third party.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
(Signature as used for operating on the account)

\_\_\_\_\_  
(Assisted By)

**E. Agreement Reference Number**

This Agreement reference number is \_\_\_\_\_

<sup>1</sup> *EFT Users may not use the tracking option and must exclude the option from their Authority and Mandate.*





## Appendix C

### Specimen and Minimum Requirements for a 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.  
Mr/Mrs/Miss \_\_\_\_\_, the purpose of this call is \_\_\_\_\_  
Can I take you through the process of how it works? I will need a few minutes of your time to explain.

**User:**

Yes/No

**Consultant:**

*(Explain the product or service you are selling)*

If the Users agree, confirm their personal details and ensure that they agree to the declaration below.

Contact Details

Name and Surname \_\_\_\_\_

Bank Code \_\_\_\_\_

Account Number \_\_\_\_\_

Amount \_\_\_\_\_

ID Number \_\_\_\_\_

Address \_\_\_\_\_

Abbreviated Name as it will appear on your statement \_\_\_\_\_

Pay 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 in your contract/agreement?

This method will commence effective **<date>** and will continue monthly, bi-monthly, three monthly, six monthly, annually, weekly, bi-weekly **<select the appropriate option>** thereafter until your obligation has ended or the Authority and Mandate is terminated by yourself by giving us notice of not less than one month/week.

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

Payment instructions due in December may be debited against my account on \_\_\_\_\_.

If there are insufficient funds in the nominated account to meet the obligation, you are entitled to track my account and re-present the instruction for payment as soon as sufficient funds are available in my account. <sup>1</sup>



This Authority and Mandate may be cancelled by me/us however; such cancellation will not cancel the Agreement. I/We shall not be entitled to any refund of amounts which you may have withdrawn while this Authority was in force, if such amounts were legally owing to you.

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

Mr/Mrs/Miss \_\_\_\_\_ we will confirm your Authority and Mandate in writing prior to processing the debit order against your account.

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

Thank You  
Goodbye

**No User may process payment instructions in terms of this mandate against the accountholder's account unless prior confirmation has been sent to the accountholder, as specified in the respective Terms of Use.**

**<sup>1</sup> EFT Users may not use the tracking option and must exclude the option from their Authority and Mandate.**



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## Appendix D

### Specimen and Minimum Requirements for Confirmation to the Client

Name and Surname

Contract / Agreement Number

Commencement / Pay Date

Amount

Abbreviated Name *(must appear on your Client's statement)*

User Contact Details

Date of Confirmation

**Specimen**



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## Appendix E

### Specimen and Minimum Requirements for Notification of Cession or Assignment

Date

Name and Surname

Contract / Agreement Number

Current User Abbreviated Name

New Abbreviated Name *(which will appear on your statement)*

Commencement / Pay Date

Amount

User Contact Details

Email Address

**Specimen**