

MERCHANT ESTABLISHMENT AGREEMENT FORM

This Agreement is signed between Machhapuchchhre Bank Limited (hereinafter called “the Bank”), Corporate Office, situated at Lazimpat, Kathmandu, Nepal and _____ (hereinafter referred as “Merchant”), _____ registered office situated at _____ on _____. By signing this Agreement, both parties, the Bank and Merchant agree to abide by the terms and conditions, as mentioned set forth for the acceptance of Card.

1. Definitions:

- a. “Card” means unexpired card issued by any issuer licensed to issue Visa, MasterCard, China UnionPay or any other standard payment card brands as communicated by the Bank to the Merchant. It should possess the signature of the person whose name is printed on the card.
 - b. “Cardholder” means authorized person to whom the Card belongs to.
 - c. “Valid Charge” means the transaction amount authorized by the Issuer and is charged to the cardholder as per sales slip acceptable to the Bank and Cardholder’s signature as appearing on the Card.
 - d. “Issuer” refers to the Bank or non-Bank licensed by Payment Network who issued Card to the Cardholder.
 - e. “Payment Network” refers to the network managing payment switch with specific brand name including but not limited to Visa, MasterCard, Union Pay International etc.
 - f. “MSF” means the commission charged by the Bank for facilitating acceptance of payment using the Card to the Merchant.
 - g. “POS” means electronic data capture device provided by the Bank to the Merchant for the purpose of performing transactions.
 - h. “Sales Slip” means the invoice generated by POS device after performing transaction with amount matching with invoice of Valid Charge bearing signature of the Cardholder as appearing on the Card.
 - i. “Settlement” means a process to be run in POS for the purpose of transferring data captured in POS device to the Bank’s system.
2. The merchant shall display the promotional material supplied by the Bank from time to time at the conspicuous place.
 3. The Merchant agrees to honor the Card if presented for the purpose of payment for purchase of its goods and services by the Cardholder. Any surcharge cannot be allowed to levy to the card holder until or unless permitted by the Bank explicitly.
 4. The Merchant shall print Sales Slip in two copies, get merchant copy signed by the Cardholder, verify signature signed by the Cardholder on Sales Slip with Signature on the Card, provide cardholder copy to the cardholder and retain the merchant copy for at least 6 months from the

transaction date. In case of EMV ATM card and EMV POS machines, PIN shall authenticate the cardholder and transactions.

5. If the transaction amount is NPR 100,000.00 or more, Merchant can ask customers their identity card for verification.
6. Merchant must perform Settlement either on a daily basis or within 3 calendar days' time period in order to claim fund for the transactions performed using POS device. The Bank will process transactions of such Settlement and make payment to the Merchant through the mode and after deducting MSF as mentioned in Merchant Establishment Application Form.
7. The payment to Merchant will be made next working day after Settlement except under circumstances beyond the control of the Bank. However, payment does not mean the admission of charges as valid. The Bank is entitled to set off or adjust outstanding at any period of time against the payment due in the event dispute is raised by the Cardholder as per the Dispute Resolution Manual of respective Payment Networks.
8. In case the Charge is found incurred fraudulently on a Valid Card or counterfeit Card, the Bank is entitled to hold the payment related to such charge for the period of one year. If such charge is found to be valid, payment will be released and invalid payment will not be released at all.
9. Any fraudulent activity observed by merchant should be immediately notified to the bank.
10. The merchant agrees that unless permitted by the Bank, it shall not accept any payment in the form of cash/cheque from any cardholder in respect to the payment of sales.
11. The merchant agrees that in case the monthly POS transaction does not exceed the transaction threshold of NRs. 100,000/-, it shall pay the rental fee for the POS device of NPR 1,500/- per month. Such transaction threshold can be altered any time at Bank's discretion, with or without prior information to the merchant.
12. The merchant agrees that any charge accepted by the Bank is proved to be uncollectable on any of the following circumstances; the financial responsibility will be of merchant. The Bank reserve the rights to settle such amount either through debit to nominated account or adjusting in future payments:
 - Charges are not Valid Charge as defined above.
 - Charges were incurred beyond the date indicated as valid on the card.
 - Charges incurred outside the authorized territory.
 - Charges incurred involving forgery signature on the slip.
 - Charges incurred on the card listed in warning bulletin at the date of transaction.
 - Charges incurred that involved incomplete or illegible details such as cardholder name, card number, expiry of the card.

- Charges were submitted after 7 (seven) days of its occurrence.
 - Charges without approval in case of above floor limit transaction.
 - Charges in excess to the tagged price.
 - Charges that were previously billed.
 - Charges for undelivered merchandise or services.
 - Charges for merchandised or services purchased were not as promised or defective.
 - Any charges with respect to which cardholder's complaint or request for an adjustment has not been resolved by the merchant.
 - Transaction slip prepared in any other currency than Nepalese Rupees.
 - Merchant fails to comply with any other terms and conditions spelled in this Agreement.
13. Any form of tampering / maintenance of the POS device without knowledge of bank is strictly prohibited.
14. The merchant will indemnify and not hold the Bank responsible for any claims, demands, actions, proceedings, losses, cost, expenses, legal fees or damage asserted against the Bank by any cardholder on account of acts and omissions by the merchant in connection to the sales made and performance of this agreement.
15. Tax liability of transactions shall be borne by the merchant.
16. The Bank holds the right of inspecting bills and sales of the merchant as deemed required by the Bank.
17. Any uncollected debit / credit card/s by customers shall be informed to the Bank within 3 working days by the Merchant.
18. CCTV camera installed at merchant premises (with 90 days back up) shall not be allowed to capture PIN entered by customers while performing transactions. PIN cover in POS device should be installed if possible.
19. Bank reserves the right to recover the loss, if any due to mishandling of the POS device.
20. The Bank will provide POS device to merchant on request that must be returned on termination of this agreement.
21. Mail Order and Telephone Order (MOTO):
- If any order is through mail or telephone (subject to permission of such service by bank), the merchant agrees it has not received a Valid Charge. In case of acceptance of such orders, the Bank will process such transactions in normal manner. However, it is understood that in event of any dispute by the cardholder, the merchant shall be held liable and not the Bank.

22. The merchant shall be fully responsible to comply with the provisions of AML / CFT guidelines issued by payment network instruction of bank
23. The rights obtained under this agreement are not transferable without written approval from the Bank.
24. The Bank, at its own discretion, is entitled to add, alter, delete or modify any of the terms and conditions contained herewith by prior written intimation to merchant.
25. All disputes and differences relating to charges or claim arising out of card transaction or as to the interpretation of this Agreement shall be subject to the exclusive jurisdiction of the courts at Kathmandu, Nepal.
26. This Agreement replaces all previous agreement between the Bank and merchant and shall remain in effect until terminated by either party by a written notice in advance of 30 (thirty) days. In the event of merchant failing to comply the terms of this Agreement or committing breach hereof or the activities not acceptable to the Bank, the Bank reserves the right, without any notice or required to prove actual breach, to terminate this Agreement immediately.
27. By signing this Agreement, the merchant represents that the signatory hereof has full authority to do so and execution of this Agreement by the signatory hereof creates a fully binding obligation on the merchant.

On behalf of Merchant:

On behalf of Machhapuchchhre Bank Limited

Signature

Signature

Name: _____

Name: _____

Designation: _____

Designation: _____

Company Seal: _____

Company Seal: _____

Witness:

Witness:

Signature: _____

Signature: _____

Name: _____

Name: _____