

Merchant Application Form for Digital Payment Services

Machhapuchchhre Bank Limited (MBL)

Date:

Instructions:

- Please fill out this form completely and accurately. Incomplete forms may delay processing.
- Attach all required supporting documents as listed at the end of this form.
- Please update the Bank immediately on any change of contact information.

Please read and understand the Terms and Conditions provided separately before signing this application.

By signing, you agree to be bound by those Terms and Conditions.

I/We hereby request the Bank to enroll me/us to accept QR/POS/E-commerce based payment based on the following information.

Merchant Details:

CIF ID/Account Number: _____

Doing Business as (Trade Name): _____

Contact Person Details: (Please update Bank immediately on any change of contact person):

Name: _____

Designation: _____ Mail: _____

Mobile No: _____

Services Required (Please tick):

I/We would like to register to: ☐ Fonepay ☐ Nepal QR ☐ Smart QR ☐ We Chat Pay ☐ MOCO ☐ UPI
☐ POS ☐ E-commerce ☐ QR Sound Box **Others:** _____

Register As: ☐ Retail Merchant ☐ Master Merchant**

**If enrolled as a Master Merchant, please provide the details of the sub-merchant in the annexure 1 attached. **

Please specify: (in number)

POS ☐ Preferred Model: ☐ Android POS ☐ MBL POS

QR standee: ☐ Fonepay ☐ Nepalpay ☐ Smart QR ☐ We Chat Pay ☐ MOCO ☐ UPI

Additional Services:

- Settlement Bank Account Details: (MBL Account preferred)

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If settlement other than MBL: (Additional Fee may be applicable)

Business information (For MSF consideration)

Particulars	POS	QR (Combined)	E-Commerce
Estimated Annual Turnover (NPR)			
Estimated Annual Digital Sales (NPR)			
Average Transaction Value (NPR)			

For USD POS, Estimated annual POS sales USD _____

For Bank's use only

Merchant Service Fee (MSF): To be filled by Bank representative

Category	POS	Fonepay	Nepal Pay	WeChat	MOCO	Smart QR	E-commerce
On-US							
Off-US							
International							

Application received by: _____ Received date: __/__/____

KYC status: [☐] Pending [☐] Verified Approved/Rejected: _____

Reason for rejection: _____

Merchant ID: _____ Outlet ID: _____

MSF agreed: [☐] YES [☐] NO MCC: _____

Authorized signature: _____ Authorized date: __/__/____

TERMS AND CONDITIONS:

Definitions:

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Definitions:

- "QR Network" refers to the payment network provided by national or international payment network service provider, where MBL is a direct member or participating bank.
- "Card" means unexpired card issued by any issuer licensed to issue Visa, MasterCard, Union Pay International or any other standard payment card brands as communicated by the Bank to the Merchant.
- "Cardholder" means the authorized person to whom the Card belongs.
- "Customer" refers to the party who makes digital Payment/s to the Merchant for purchase of goods and/or services.
- "Acquirer" refers to the Bank or non-Bank licensed by the Payment Network that facilitates merchants in accepting digital payments such as Card, QR, and E-commerce transactions.

- **“Digital Payment”** refers to any payment made electronically through digital channels, including but not limited to Card transactions, QR payments, and E-commerce payments.
- **“Issuer”** refers to the Bank or non-Bank licensed by the Payment Network who issued the digital payments such as card, QR, Ecommerce to the Customer.
- **“Machhapuchchhre Bank Limited” or “MBL” or “The Bank”** refers to Machhapuchchhre Bank Limited, an A class commercial Bank, who is the service provider for digital payment and settlement services to merchants as an acquirer bank.
- **“Merchant Slip”** means the invoice generated by the POS device after performing a transaction with the amount matching the invoice of Valid Charge bearing the signature of the Cardholder as appearing on the Card. It also denotes electronic copy of slip or payment acknowledgement.
- **“Merchant”** refers to entity acquired as a Merchant by Machhapuchchhre Bank Limited, who accepts digital payments against the sale of goods and/or services.
- **“MSF” / “MDR”** means the commission charged by the Bank for facilitating acceptance of payment using the Visa, MasterCard, Union Pay International, Wechat, Nepalpay, fonepay, MOCO, SmartQR, Ecommerce etc. to the Merchant.
- **“Payment Network”** refers to the network managing payment switch with specific brand names including but not limited to Visa, MasterCard, Union Pay International, Wechat, Nepalpay, fonepay, MOCO, SmartQR etc.
- **“POS”** means an electronic data capture device provided by the Bank to the Merchant for the purpose of performing transactions.
- **“QR Payments”** refers to payments from the customer into the Merchant’s account using QR Scan and Pay. Customers make payment by scanning the Merchant’s QR Code using the Application.
- **“Settlement”** means a process to be run in POS/QR/E-Com for the purpose of transferring data captured in POS/QR/E-Comm to the Bank’s system. It can be either automated or manual based on the merchant's preference or Network Rules.
- **“Sub Merchant”** refers to entity/division acquired/created by Merchant, who accepts QR Payment/s against the sale of goods and/or services.
- **“Valid Charge”** means the transaction amount authorized by the Issuer and charged to the cardholder as per the sales slip acceptable to the Bank and Cardholder’s signature as appearing on the Card or entering Personal Identification Number (PIN).

- Merchant Discount Rate/Merchant Service Fee: A service fee levied by Bank to Merchant based on the charges, fees determined by QR /POS/E-commerce network or as prescribed by Nepal Rastra Bank.

Merchant Responsibilities

- Any fraudulent activity observed by the merchant should be immediately notified to the bank.
- Merchants are responsible for ensuring correct amounts and customer information for QR/POS & E-commerce and other such digital payments. MBL is not obligated to verify these details.
- Merchants must display promotional materials supplied by the bank at a conspicuous place.
- Merchants must download and install the designated Merchant Apps provided by MBL to set up and use QR/POS/E-commerce payment acquirer service.
- Merchant agrees for the safekeeping of the POS device, charger, and SIM Card, Standee or other such devices or instruments provided by the bank which is under their custody. Merchant shall be liable for any kind of damage to the devices/instruments/chargers/QR standees under their custody. Bank reserves the right to repair or replace POS device, Standee, or any other devices or instruments provided by Bank to facilitate payments on the cost of the merchant. Merchant is liable to pay the cost of device/instruments/chargers/QR standees on actual basis.
- Merchant must maintain proper records of POS terminal devices acknowledged and returned.
- Merchant should not use any third-party software/hardware to process the card transaction without the prior approval of Bank.
- The Merchant agrees to honor the customer presented valid payment instrument for the purpose of payment for purchase of its goods and services by the Customer. Any surcharge cannot be levied to the Customer unless permitted by the Bank explicitly.
- The Merchant shall print Merchant Slip in two copies, get merchant copy signed by the Cardholder in case of signature verification required, provide customer copy to the cardholder, and retain the merchant copy for at least 6 months from the transaction date.
- 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 the merchant. The Bank reserves the rights to settle such amount either through debit to the 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 3 (three) 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 merchandise 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.
- Any adjustment for recovery of short amount.
- Tax liability of transactions shall be borne by the merchant.

Settlement Process

- E-commerce transactions, POS transactions (batch settled txn) settlement is done after the transaction file is received from switch on T+1 basis (working day) or as per the network settlement process.
- For POS transactions, merchants must perform batch settlement either daily or within 3 working days to claim funds for transactions performed using the POS device. To enable auto settlement, Merchants must inform Bank in writing.
- Generally domestic QR payments will be settled as per the network settlement rules, whereas International QR Payments settlements may take longer than standard time based on network rules and working day. For any customized settlement, merchant will be charged and settled as per the network rules
- The Bank is entitled to set off or adjust outstanding amounts at any period of time against the payment due in the event a dispute is raised by the Customer as per the Dispute Resolution Manual of respective Payment Networks.

- The Bank will process transactions of such settlements and make payments to merchants through the mode specified, after deducting the Merchant Service Fee (MSF) as mentioned in this Merchant application form for digital payment services.

Transaction Limits

- Maximum daily accumulated purchase transaction limits for MBL QR/Card payments are subject to issuer/acquirer policies. The bank reserves the right to change these limits.
- Merchants can enroll sub-merchants by following Bank/acquirer policies and completing the prescribed Sub-merchant form as per Annexure 1.

Indemnity and Liability

- In case of any merchant payments (Card, QR, or E-Com), if the charge is found to be 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 a charge is found to be valid, payment will be released; otherwise, it will not be released.
- Merchants are liable for any fraudulent transactions or chargebacks resulting from their negligence or failure to comply with the agreement's terms.
- 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.

E-commerce Transactions:

- E-commerce transactions are card-not-present (CNP) transactions subject to risk. Merchants should present sufficient transaction documents for any disputes raised by the issuing bank regarding the transactions processed. Merchants shall be liable to submit sufficient documents to claim the transactions processed.
- Merchants shall not proceed with E-commerce transactions via phone calls by asking for card details. If any disputes are received from the issuing bank, merchants should be liable for those transactions.

Dispute Resolution

- All disputes related to card transactions, QR transactions, E-commerce transactions is governed by respective network rules.

- Disputes between customers and merchants regarding payment amounts, service quality, or goods are to be resolved between them. MBL will not be involved in such disputes or reverse successful digital payments.
- Merchant shall be liable to provide the documents required in case of disputes as requested by bank within 3 working days.

Device and Security

- Any form of tampering/maintenance of the POS device without knowledge of the bank is strictly prohibited.
- Merchants must immediately report any loss or theft of QR standee or POS equipment to the bank.
- Merchants must maintain the security of POS devices, QR code setups, and other equipment provided by the bank. Unauthorized tampering or maintenance is prohibited.
- Merchants must not use third-party software or hardware to process transactions without the bank's approval.
- The Bank will provide POS devices, QR Standees, and other devices and instruments to merchants on request, which must be returned on termination of this agreement. In failing to return such devices/instruments, merchants shall bear the charge/cost in full amount.

Indemnification:

- In case of any suspicious activity, the Bank reserves the right to hold the settlement amount.
- The merchant agrees to indemnify and hold bank harmless from any issues occurred in Dynamic QR integration in billing software.
- The Merchant agrees to indemnify and hold the bank harmless from any claims, losses, damages, or liabilities arising out of or related to the Merchant's use of POS services. The bank reserves the right to recover the loss, if any, due to mishandling/tampering of the POS devices, chargers, etc.
- The **Merchant** agrees to perform reconciliation of transactions. In case of any issues during reconciliation, the Merchant may request the Bank to verify the transactions within **30 days**. The **Bank shall not be liable** for any transaction reconciliation requests made by the Merchant after **30 days**.

Chargebacks and Fees

- Merchants are responsible for uncollectable charges under specific circumstances, including invalid charges, charges beyond valid dates, and fraudulent transactions.
- The merchant agrees that if the monthly POS transaction does not exceed the transaction threshold of NPR 100,000/-, it shall pay the rental fee for the POS device of NPR 1,500/- per month. Such transaction threshold can be altered at the Bank's discretion, with or without prior information to the merchant. Monthly Rental Fee shall be deducted from the account maintained in the Bank or from any due payments.
- The Merchant shall bear full liability for any fraudulent transactions or chargebacks/disputes resulting from the Merchant's negligence, misconduct, or failure to comply with the terms of this Agreement. Further, if the Merchant fails to provide the Merchant Slip and other required documents within 3 days, the Merchant's bank account shall be debited with the disputed amount to refund the charge back to the cardholder/issuer bank.

Termination and Modification

- The bank reserves the right to terminate the agreement immediately in the event of a breach or unacceptable activities by the merchant.
- The Bank, at its own discretion, is entitled to add, alter, delete, or modify any of the terms and conditions contained herewith, but changes will be superseded by statutory or regulatory guidelines.

Non-Transferability:

- The rights obtained under this agreement are not transferable without written approval from the Bank.

Compliance and AML/CFT Regulations & Consumer Protection:

- Merchant must comply with Foreign Exchange (Regulation) Act, 2019, unified foreign exchange directive, 2079, NRB directives as issued by Nepal Rastra Bank.
- Merchants must comply with the Assets Laundering Prevention Act, 2063, and AML/CFT regulations as issued by Nepal Rastra Bank.
- Merchants must comply with the Consumer Protection guidelines and regulations as issued by Nepal Rastra Bank or Government of Nepal
- The Bank holds the right of inspecting bills and sales of the merchant as deemed required by the Bank.

Important Notes:

- Approval of this application is subject to MBL's internal policies and procedures.
- MBL reserves the right to request additional information or documentation.
- This form is subject to change without prior notice. Please refer to MBL's website for the latest version.

By signing the declaration and agreement section of the Merchant Application Form, the merchant acknowledges and agrees to adhere to all the Terms and Conditions outlined.

On behalf of Merchant:

Signature

Name:_____

Designation:_____

Company seal:

Witness:

1.

On behalf of bank:

Signature

Name:_____

Designation:_____

Company seal:

Witness:

1.