

RMB Namibia, a division of First National Bank
of Namibia Limited
Registration Number: 2002/0180
Transactional Banking
1st Floor, @Parkside,
130 Independence Ave, Windhoek,



NAMPAY CREDITS (EnCR)

Terms of Use

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Disclaimer: These Terms of Use form part of the agreement which governs the use of the NamPay Credits (EnCR) payment stream and further regulates the relationship between First National Bank of Namibia Limited (hereafter known as “FNB/ RMB”) and the Enhanced EFT credit Payment Originator (hereafter known as the “User”).

Important Note: *Some service offerings mentioned in the document will not be available on the first release of EnCR.*

Document is subject to change; *this will be communicated.*

SECTION 1: QUALIFYING CRITERIA

PROSPECTIVE USER

For a prospective User to be sponsored into the NamPay Credits (EnCR) Payment System, FNB/RMB must be satisfied regarding the following:

1. The User must not introduce any risk into the Namibian National Payments System (NPS). This risk includes, but is not limited to, reputational risk and financial risk.
2. The User must have had their business processes relating to the processing of NamPay Credits (EnCR) payment instructions assessed by FNB/RMB.
3. The User must have understood and accepted the FNB/RMB NamPay Credits (EnCR) Terms of Use. If the FNB/RMB ENCR Terms of Use have not been understood in whole or part, the User is under an obligation to approach the FNB/RMB representative to gain clarity.
4. The User must submit payment instructions as per the technical specifications provided to them (the Channel Manual/ Section 6) by FNB/RMB.

GENERAL RULES AND COMPLIANCE

1. The User may not circumvent the specified item limit by splitting payment instructions.
2. The User may not sort at source.
3. The User must ensure that the latest BPI 100 is implemented into their business systems.
4. Non-compliance with these Terms of Use may result in administrative penalties being levied against the User as provided for in PSD 8.
5. FNB/RMB will not be held liable for the above-mentioned administrative penalties/ sanctions.
6. The NamPay Credits (EnCR) Limit is set as follows:
 - 6.1 Credit Item Limit - N\$ 5,000,000-00 (Five Million Namibian Dollars)
7. The above limit amount applies to each individual Enhanced EFT Credit payment instruction delivered to the Service Provider for clearing.
8. The Enhanced EFT services will be based on the XML ISO 20022 message standards

NamPay CREDITS (EnCR) - Extensions

1. Same day EnCR's
No extension on this service shall be allowed.
2. Dated EnCR's
No extension on this service shall be allowed.
3. Extension on all EnCR Response
 - 3.1 Non-Financial
Extension shall be granted up until 19h00 provided that the Service Provider has been given sufficient notice of an extension request.
 - 3.2 Financial
No extension on this service shall be allowed



SECTION 2: ENCR RULES AND PRINCIPALS

CLEARING TIMEFRAMES

These Rules are set out to the clearing timeframes for Start-of-Day ('SOD') and End-of-Day ('EOD'). In addition to what, the following general principals shall also apply:

- a) EnCR transactions can be submitted to the Service Provider up to a maximum of 360 Business Days before Action Date. The Service Provider will warehouse these transactions for distribution to the receiving banks on day zero (Business Day prior to action date).
- b) Input files must only contain one Action Date per file.
- c) All Same-day EnCR transactions must be submitted on Action Date (Day one).
- d) Mondays to Saturdays are Business Days for acceptance of sets of payment instructions for EnCR.
- e) Public Holidays and Sundays are not considered as business days.

Note:

Warehousing of transaction will only be available mid to end 2021.

DUE DATE FOR PAYMENTS

EnCR service Payment Instructions will only contain credit instructions, which fall due for payment on different dates over a 360 Business Day period. Only Business Days are valid payment days.

Note:

Warehousing of transaction will only be available mid to end 2021

RECALLS - CANCELLATION REQUEST

General Principles for Recalls

The following principals shall apply in respect of cancellation requests which result in recalls for credits:

- a) The User must submit a cancellation request containing details of the transaction(s)
- b) Successful recalls will be return with an appropriate credit message that triggers settlement.
- c) "Not sufficient funds" recalls will be declined with a message.

Type of Cancellation Requests Handling:

Manual Cancellation Request Handling (Credits):

- a) Upon receipt the Receiving Participant will execute the instruction and confirm in writing that they have received the instruction and executed the transaction.
- b) The Receiving Participant will engage with the receiving customer to validate the recall and obtain permission to return the funds. Should the receiving customer challenge the recalled credit, a resolution of investigation notice will still need to be delivered to the Submitting Participant, indicating that the recall shall be resolved between the sender and receiver.

Automated Cancellation Request Handling (Credits):

The Submitting Participant will initiate a request for cancellation that notifies the Receiving Participant of the dispute. Upon receipt of the message the Receiving Participant will automatically reserve funds for the agreed holding period.

Processing of Payment Instructions containing Bona Fide Errors

- a) Participants may request the Service Provider to withdraw an entire file for a particular User after acceptance of the files by the Service Provider but prior to output distribution to the Originator. This may only be done for future dated EnCR transactions and is not applicable to Same day EnCR transactions, which will be handled as a Cancellation Request. Such cancellation request must be sent to the Service Provider by 15:00 on day before action date.
- b) A Participants will comply with a request for cancellation and reservation of funds based on the cancellation request reason code received on a best effort basis without accepting liability for any potential non-compliance. All cancellation requests are at the sole risk of the Submitting Participant who initiated the request. Should a Sponsoring Participant suffer any loss as a result of a failure by the Submitting Participant to comply with any cancellation request, they shall have no claim against the Homing Participant.

Cancellation Request after Settlement

The following principals shall apply in respect of cancellation requests submitted after Settlement has already occurred:

- a) The Participant must submit a cancellation request containing the details of the transaction/s to be withdrawn.
- b) Cancellation requests after settlement may be processed for EnCR on a best effort basis by the Receiving Participant.
- c) No cancellation requests will be actioned on non-Business Days.
- d) Requests for recalls will only be entertained up to 45 Business Days after Settlement Date.
- e) In the event of a cancellation request emanating from a Customer Error, permission must be obtained by the Receiving Participant from their affected customer before attempting a reversal, irrespective of the value thereof.
- f) A cancellation requests can be processed for credits.
- g) In the event that a cancellation request is unsuccessful, the only acceptable reasons for non-compliance with a request for reversal would be (1) ***“insufficient funds”*** and (2) ***“no authority to debit”***.

Customer Error (Full Amount Returned)

Notwithstanding the provisions of Rule above, Participants shall be required to adhere to the following Rules as it relates to ***Customer Errors*** Reason:

- a) When the Submitting Participant requests a cancellation due to a Customer Error on a submitted EnCR transaction after receiving a response, a response will be generated and sent to the Service Provider, who in turn passes this on to the Receiving Participant.



- b) The Submitting Participant should include the specific reason code for the cancellation request which will determine the manner in which the cancellation request and the reservation of funds should be handled.
- c) Upon receiving the response, the beneficiary bank will reserve the funds for 14 business days, and obtain debit authority from the receiving customer, before returning the funds. The Receiving Participant must respond with a response.

Over Collection of Funds

If the funds have been cancelled by the beneficiary bank due to customer or system error or if the amount returned is higher than the outstanding cancellation amount, the payment return will be rejected by the Service Provider.

Fraudulent Transactions

All suspected fraudulent transactions must be reported.

Reservation of Funds:

- a) Cancellation message sent by the Submitting Participant should be accompanied with a reason code which will determine the reservation of funds period.
- b) Depending on the reason code, the funds should either be returned as soon as the full amount is available provided that any attempted return happens within the designated reservation period.
- c) For customer and fraud scenarios, an industry incident report should be opened.
- d) The Receiving Participant is required to complete the return process based on the decision made.

NON-COMPLIANCE TO CLEARING RULES

Non-compliance with the provisions of these Rules will be subject to such administrative penalties as may be imposed under the provisions of Payment System Determination 8 ('PSD8').

SECTION 3: 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
National Payment System (NPS):	The payment system as a whole as defined in the Payment System Management Act, 2003 (Act No. 18 of 2003).
Nominated Account	An account as specified by the User for the purposes of transacting via the NamPay Credit (EnCR) / NamPay Instant Pay (NRTC) Service.
One-day service	A subservice of Namclear EFT processing where files have to be delivered to Namclear for processing one day prior to Action Date.
Originator	The person or entity that issues an EFT instruction.
Outward Clearing	The process which sorts, and bundles EFT transactions received from a particular Bank's customers and which have to be paid by another bank, including capture of associated payment data.
PAN	Means the Payment Association Of Namibia recognised as a Payment System Management Body (PSMB) in terms of the Act. Is a Payment System Management Body whose operation is authorised by the Bank in terms of the Payment System Management Act, 2003 (Act No. 18 of 2003).
Participant	A participant is an agent bank engaging with the CSO to clear and settle inter-bank EFT transactions.
Paying Bank	Agent responsible for sending a credit transfer to the requestor of an EnCR
PCH PG	PCH PG-Payment Clearing House Participant Group PCH means an arrangement between two or more system participants governing the Clearing and Settlement of payment instructions between payment system participants. PCH PGs manage operational matters via PCH Agreements, Clearing Rules and Service Level Agreements.
Public Holiday	Non-business days declared as public holidays in Namibia by Government. Such days are not valid action dates.
Proof Set	A Proof-set can be is a single transaction consisting of one or more credit vouchers followed by one or more debit vouchers.
Recall	The request to withdraw a payment instruction not yet posted to the account of the accountholder.
Referral	A referral happens when an EFT instruction overdraws an account without limits or when an EFT instruction exceeds the accounts limits
Reversal	A request to withdraw a payment instruction, which has been processed to the account.
Same day EFT service	A subservice of Namclear EFT processing allowing for delivery of EFT files on the same day as Action Date.
Settlement	Funds between participants in an EFT funds transfer scenario are settled (accounted for) between banks



System Operator (SO)	Any person who provides payment services to two or more persons in respect of payment instructions.
Sorting at Source	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.
Sponsoring Bank	Means the Participant Bank with which the User has entered into a User agreement.
Stop Payment	An instruction by the account holder to their bank to stop future payment instructions from being processed on that account.
Transaction	Means payment instruction
User	The person or body that submits payment instructions directly or indirectly for processing.

TERM	DEFINITION
Account holder	A person who holds the bank account.
Action Date	The date on which the payment instruction must be processed on the account.
Bank Account	The account held at a bank, which can be credited or debited as a result of a NamPay Credit (EnCR) payment Instruction.
Beneficiary	A beneficiary is a person or entity that is identified as the person or entity in the originator's credit transfer instruction to whom the payment must be made to.
BPI 100	The consolidated bank table which provides Users with a means to verify specific data prior to the submission of payment instructions.
Cancellation	A cancellation request submitted as a cancellation message from participant to another. A cancellation may be either a dispute or a recall.
Clearing (Clear)	The process of transmitting, reconciling and, in some cases, confirming payment orders prior to settlement and possibly including netting of instructions and the establishment of final positions for settlement
Clearing Cycle	The timeframe within which the settlement obligations are calculated. This may be within a single business day or over more than one business day.
Contra	Transaction acting as the balancing entry to one or a group of transactions submitted to the clearing house.
Creditor	Refers to the beneficiary of the credit transfer instruction
Dated EFT service	A subservice of Namclear EFT processing allowing for transactions to be generated with an action date up to 30 days in advance, and in which the files are sent to the homing bank one day prior to Action Date.
Debtor	The person or entity that issues a credit transfer instruction to an Originating Bank
FNB/ RMB	First National Bank Namibia (hereafter known as FNB)
Homed back transactions	Transactions received by Namclear from a Participating Bank which validation at Namclear and are returned to the same Bank before clearing settlement takes place.
Homing bank/branch/ account	The bank/branch/account into which credits will be paid.



Inward Clearing	The process which sorts, and bundles EFT transactions received from other banks via the ACH and which have to be paid by the receiving bank.
Item	Payment instruction
Item Limit	The maximum monetary value of a payment instruction that may be submitted by a User.

SECTION 4: APPENDIX A: RESPONSE CODES

Appendix A

[\(Separate document\)](#)

SECTION 5: GLOSSARY

Acronyms

Term	Description
ACH	Automated Clearing House
AML	Anti-Money Laundering
AXS	HTML ActiveX Script. File Format As generated By Bankserv for Inward C EFTs
CDV	Check Digit Verification. This is a form of redundancy check used for e detection on numbers entered manually, for example account numbers. A ch digit is a single digit (sometimes more than one) which is computed by algorithm from the other digits (or letter) in the number.
CHG	Clearing House Gateway solution offered by Finteq. Responsible for integration and management of file and message transfers between the Clea House (Namclear) and the customer as a participant bank. FPG will implemented as the CHG solution at the customer.
CMMS	Central Mandate Management System
EFT	Electronic Funds Transfer. The electronic exchange or transfer of money fr one account to another, either in the same financial institution or across mult financial institutions.
EnCR	Enhanced Credits service
EOD	End of Day
EOS	End of service. This refers to the End of Service Control Record which generated as part of the last transaction file for the clearing session. This rec



Term	Description
	gives totals of all transactions delivered for the subservice for a particular c This ensures that all files transmitted to the ACH were received.
FMAS	Finteq Monitoring and Alert Service
FPG	Finteq Payments Gateway
FXS	Finteq File format replacing legacy AXS
ISO	International Standards Organisation
NSF	Not Sufficient Funds
PCH	Payment Clearing House
QDMS	The Query and Dispute Management System is a service provided by Namc to be used by participating members, in raising disputes or queries related to Card, Cheque and existing EFT payment streams, on behalf of their custome
RTGS	Real Time Gross Settlement
RWH	Reconciliation Warehouse
SOD	Start of Day
SLA	Service Level Agreement
STP	Straight Through Processing
SWIFT	Society for Worldwide Interbank Financial Telecommunications
TWH	Transaction Warehouse
XML	Extensible Mark-up Language

SECTION 6: CUT OFF TIMES

NamPay Credits - EnCR	Same- Day (SDV)	One-Day
Submissions	Anytime	One Business day Prior to action date
Cut- off Times- Weekdays	All Banks: 04h00 to 13h00	All Banks: 04h00 to 14h30
Cut- off Times- Weekends	All Banks: 04h00 to 08h45	All Banks: 04h00 to 09h45
Sunday & Public Holidays	Not applicable - Not a Business Day	