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Credit Card Business Policy

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1. Policy Overview

1.1. Reserve Bank of India (RBI) in its Master Directions for Credit Card, 2022 has defined Credit Card as a physical or virtual payment instrument containing a means of identification, issued with a pre-approved revolving credit limit, that can be used to purchase goods and services or draw cash advances, subject to prescribed terms and conditions.
1.2. Credit Card is a type of digital payment instrument providing a convenient & fast way to make immediate payments for any expense in a cashless manner. Bank, as issuer, pays for the goods or services on cardholder's behalf and issues a Credit Card statement to the card holder at the end of the billing cycle.
1.3. Credit Card Business involves issuance of Credit Card and related activities such as development of product & management, grievance redressal, management of delinquency/NPA (Non-performing Asset), etc., Management of Credit Card Business involves various activities, hence the same have been outsourced to third party service providers/vendors to perform these activities on behalf of the Bank.
1.4. Credit Card as a financial product has helped the customers to enjoy cashless purchases even when they are out of cash. Customer is provided with credit limit in form of a plastic/metal card which can be used subject to limit availability and the limit utilized can be repaid after a certain defined time period.
1.5. While it has helped the bank to bring more products to augment customers delight, improve operational efficiency, reduce operational expenses of banking services, etc., but it is equally true that the advent of technology and the digital landscape has also made Bank vulnerable to various Risks.
1.6. Bank shall ensure that the processes involved are appropriate at the inception stage and that it keeps pace with the growth in business or changes in its products, services or activities. Bank shall have policies and procedures for approval of new products, activities, processes and systems ensuring compliance of directions of Regulatory/Statutory bodies.
1.7. There is an inherent need to put in place appropriate Governance mechanisms covering the Functionality, Security and Performance aspects in alignment with the Business objectives and strategy.
1.8. Reserve Bank of India (RBI), through master directions, has advised that Bank/Card issuer shall have a well-documented Board approved policy for the issuance and conduct of Credit Cards. The Board approved Policy shall be in consonance with various instructions on the subject issued by Reserve Bank from time to time as well as the directions contained in the Master Direction.

2. Policy Details

2.1. Background

Bank is in Credit Card Business since 2009 and is working on policy guidelines duly approved by Bank's Board. Credit Card Business Policy has been formulated keeping in mind RBI Master Direction on Credit Card and Debit Card – Issuance and Conduct Directions, 2022 and other Regulatory/Statutory and Bank guidelines issued from time to time.

The guidelines mainly include the following: -

a) Sourcing of credit card application by both physical and digital mode. Digital sourcing of application involves fast and easy process to apply for Credit Card and requires minimal physical documents.
b) Processing of Credit Card applications based on eligibility criteria, completion of documentation, due-diligence and compliance of other Bank guidelines.
c) Issuance & delivery of Credit Cards to the customers.
d) Redressal of Complaints/Disputes raised by the Credit Card holders.
e) Management and Handling of Delinquent & NPA Credit Card accounts.

2.2. Objective

Credit Card Business Policy aims to provide a framework of rules/ regulations/ standards/ practices for the Credit Card issuance, Dispute & Fraud Handling & NPA Management and to ensure that the same are in alignment with the best practices. Bank adopted adequate safeguards and implemented the same in order to ensure that its Credit Card operations work on sound, prudent and customer friendly manner.

2.3. Scope and Applicability

i. Credit Card Business policy will be applicable for PNB, Credit Card Subsidiary - PNB Cards & Services Ltd., Bank's sponsored Regional Rural Banks (RRBs) and other co-branded partners.
ii. Presently Credit Card business of the bank is centralized at Head Office level with processing and sanctioning of Credit Card applications being done centrally at Credit Card Processing Centre (CCPC).
iii. The handling and management of the products and related activities are performed by the Division in coordination with and through support of vendors. All the core functions of the business, viz., internal audit, compliance function, Policy, Risk underwriting, etc., lies with the Division.

2.4. Policy contents

Credit Card Business Policy comprises of following 3 sections:

Section 1: Policy for Credit Card Issuance
Section 2: Policy for Dispute Resolution and Fraud Management in Credit Card
Section 3: Policy for Income Recognition, Asset Classification & Provisioning and Compromise/ Settlement in Respect of Credit Cards

2.4.1. SECTION 1: POLICY FOR CREDIT CARD ISSUANCE

2.4.1.1. Products/Offerings

The Bank offers Credit Card on RuPay and VISA platforms to individuals and Corporate Credit Cards to employees/ executives of corporate. Bank is issuing EMV (Europay, Master Card & VISA) chip plus Magstripe Credit Cards containing enhanced security features in fresh card issuance as well as card renewal cases. Bank has restricted the authorisation of transactions on basis of Magstripe only in all domestic ATM/PoS terminals to mitigate the risk of fraudulent transactions.

PNB issues Credit Cards on the following platforms and variants:

a. RUPAY (NPCI)

Credit Card Variant	***Target Customers***
PNB RuPay Platinum	Salaried/Pensioners/Self-employed
PNB RuPay Select/PNB Millennial	Salaried/Pensioners/Self-employed
PNB Rakshak RuPay Platinum	Customer categories covered under Rakshak Plus Scheme.
PNB Rakshak RuPay Select	
PNB Patanjali Co Brand RuPay Platinum	Salaried/Pensioners/Self-employed
PNB Patanjali Co Brand RuPay Select	Salaried/Pensioners/Self-employed
PNB EMT Co Brand RuPay Platinum	Salaried/Pensioners/Self-employed
PNB General Credit Card RuPay Platinum	Existing CC/OD borrower of the Bank.
PNB Merchant Credit Card RuPay Platinum	Existing CC/OD borrower of the Bank.
PNB Metal Credit Card LUXURA	Salaried/Pensioners/Self-employed

b. VISA

For Individuals

Credit Card Variant	***Target Customers***
PNB Classic	Salaried/Pensioners/Self-employed
PNB Gold	Salaried/Pensioners/Self-employed
PNB Platinum	Salaried/Pensioners/Self-employed
PNB VISA Signature	Elite/super premium customers i.e., HNI/VIP customers of the Bank

For Corporates

Credit Card Variant	***Target Customers***
PNB Corporate VISA Gold/Platinum with Individual liability	Corporate will include Public Ltd. Companies, Pvt. Limited companies, PSUs, Registered societies/ Institutions/Trusts/ Association, Partnership concerns, Defence CSD canteens, Govt. Offices/Institutions, etc.
PNB Corporate VISA Gold/Platinum with Corporate liability	

2.4.1.2.Validity period of Credit Card

The validity period of the Credit Card shall be upto 7 years.

2.4.1.3.Upcoming Offerings:

(A) Bank may launch new Credit Card variant or co-branded Cards with third party entities under VISA/NPCI/Mastercard or other platforms also as per the feasibility. New types of cards will be launched from time to time as per the need of different segments of Existing to Bank (ETB) customers/new to Bank (NTB) customers.

(B) Upgradation of Credit Cards - As per peer banks' practices, we also offer up-gradation of cards depending on card usage/spends, profile of customers and other parameters, after taking due consent from customers, physically or electronically. Bank may also approach eligible customers for enhancement of their Credit Card limit who are regular and timely payer of Credit Card dues and having satisfactory volume of card spends.

(C) Issuance of Co-Branded Credit Cards

Bank may enter into co-branded agreement with banking/non- banking/other entity. Instructions / guidelines on Know Your Customer (KYC) / Anti - Money Laundering (AML) / Combating of Financing of Terrorism (CFT), Bank's Board approved KYC Policy (updated from time to time) and other co-branding guidelines applicable to Banks as issued by RBI from time to time shall be adhered to. Bank may approach any entity (Banking/Non-Banking/Other) to enter into tie-up for issue of co-brand credit card. The information relating to revenue sharing between the Bank and the co-branding partner entity shall be indicated to the cardholder and also displayed on the Bank's website.

(1) Due Diligence

While issuing co-branded Credit Cards, Banks must undertake due diligence on the non-bank entity to protect themselves against the reputation risk to which they are exposed to in such an arrangement. Bank shall ensure that in cases where the proposed co-branding entity is a financial entity, it has obtained necessary approvals from its regulator for entering into co-branding arrangement.

(2) Role of banking/non-banking entity

(a) The role of the co-branding partner entity under the tie-up arrangement shall be limited to marketing /distribution of the cards or providing access to the cardholder for the goods/services that are offered.
(b) The co-branding partner (CBP) shall not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the CBP shall not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances. However, for the purpose of cardholder's convenience, card transaction related

data may be drawn directly from the card-issuer's system in an encrypted form and displayed in the CBP platform with robust security. The information displayed through the CBP's platform shall be visible only to the cardholder and shall neither be accessed nor be stored by the CBP.

(c) The co-branded card shall explicitly indicate that the card has been issued under a co-branding arrangement. The co-branding partner shall not advertise/market the co-branded card as its own product. In all marketing/advertising material, the name of the Bank shall be clearly shown.

(3) Outsourcing of activities

Card-issuers shall also be liable for the acts of the co-branding partner. Bank shall ensure adherence to the Master Direction DoS.CO.CSITEG/SEC.1/31.01.015*2023-24 dated April 10, 2023 on 'Outsourcing of Information Technology Services' and RBI guidelines on 'Managing Risks and code of conduct in outsourcing of financial services by Banks' as contained in the circular DBOD.No.BP.40/21.04.158/2006-07 dated November 3, 2006, as amended from time to time. Bank shall ensure that cash backs, discounts and other offers advertised by a co-branding partner are delivered to the cardholder on time. Bank shall be liable for any delay or non-delivery of the same to the cardholders.

(4) Co-Branded Credit Card with Regional Rural Banks (RRBs)

RBI permits RRBs to issue credit cards in collaboration with their sponsor bank or other banks. Bank may approach bank's sponsored regional rural Banks (RRBs) to enter into tie-up for issue of co-brand credit card.

(D) Business Credit Card: - Bank will explore the feasibility of issuance of business Credit card (may also be issued as charge card, corporate credit card) to the business entities/individuals for business expenses by linking a credit facility such as overdraft/cash credit provided for business purpose as per the terms and conditions stipulated for the facility concerned. Corporate credit cards can be issued together with add-on cards wherever required.

The liability of the corporate/business entity on account of business cards shall form part of their total assessed credits for compliance to instructions issued by the Reserve Bank on Exposure Norms as well as Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

The add-on cards shall be issued only to the persons specifically identified by the principal cardholder under both personal and Business credit card categories. Add-on cards shall be issued with a clear understanding that the liability will be that of the principal cardholder. Similarly, while issuing corporate credit cards, the responsibilities and liabilities of the corporate and its employees shall be clearly specified. The liability of the corporate/business entity shall form part of its assessed credits.

(E) Multicarding:

Bank is already issuing Credit Cards on the RuPay and VISA networks. In line with RBI guidelines, card issuers are required to provide eligible customers with the choice of selecting from multiple card networks i.e. RuPay, VISA & MasterCard at the time of issuance. Accordingly, customers will now have an additional option to avail multiple credit cards within the same sanctioned limit, thereby enhancing flexibility and customer convenience.

2.4.1.4. Sourcing of Credit Card Applications

Presently, sourcing of credit card is done through following channels: -

(a) Through branches by submitting signed applications physically and sending the same to Credit Card processing centre physically by courier or by uploading the application through DMS.
(b) Through Mobile Application-SARAL.
(c) Through DIY (Do It Yourself) link available on Bank's Website – www.pnb.bank.in, www.creditcard.pnb.bank.in).
(d) Through online link available on Bank's digital platforms (PNB One, IBS & Bank's Website) to apply for Pre-Qualified Credit Card for Bank's existing customers.

In line with peer Bank practices, facility of Credit Card will be available to both ETB/NTB customers meeting eligibility criteria and having satisfactory Credit history/CIR.

2.4.1.5. Sourcing of Credit Card applications through other modes

Besides our branches, Credit Card applications will also be sourced through following modes: -

(a) Credit Card Subsidiary – PNB Cards & Services Ltd, (physical & digital mode).
(b) Leads procured through Bank's own digital platform-mobile banking, IBS, etc.
(c) Co-branding tie-ups with leading merchants/organizations in which leads may also be received from the merchants/organizations.

2.4.1.6.Digital onboarding

Customers are on-boarded through digital mode, viz. mobile app, website, etc. It will facilitate branch staff or agents/DSAs/PSAs *(engaged by the Subsidiary - PNB Cards & Services Limited.)* in effective checking of information & documents provided by customers and will ease them instead of manual filling of application, data entry in CBS and scanning and uploading of documents.

Bank will take assistance/services of third-party agents/sales executives (engaged through co-brand arrangements or otherwise) or its sponsored RRBs or subsidiaries for on boarding of customers based on business requirement. The sourcing of customers may be done physically or digitally through mobile app or Bank's other available digital modes.

2.4.1.7.Processing of Credit Card leads received through branches and other physical/digital channels:

Bank will take assistance (wherever required) of Credit Card Subsidiary for mobilization and its conversion including completion of documents and other formalities. The leads and the Credit Card applications received through branches and other physical/digital channels will be processed through Risk Underwriting Model (RUM) for data validation, pre-screening through CICs/UIDAI, etc., and other due diligence. After proper scrutiny of applications, Credit Card limits will be sanctioned subject to fulfillment of policy guidelines.

2.4.1.8.Type of Credit Cards:

(a) **Primary Card**: Credit Cards issued to individual applicants are primary cards. However, in case of Corporate Card, cards issued to different individuals at the behest of corporate are treated as primary cards.
(b) **Add-on cards:** At the request of primary cardholder, maximum two add-on cards can be issued only to spouse, mother, father, major son and daughter (unmarried) of the primary cardholder. The age of add on cardholder should be between 18 and 70 years. If the card is issued against the security of FDR, upper age criteria is waived for Primary cards. However, the liability for add-on cards will be solely of the principal / primary cardholder. Add-on cards are not issued in case of Corporate Credit Cards.
(c) In case of Credit Card issuance against FDR through digital mode, minimum age of card applicant be at least 18 years and upper age criteria is capped at 75 years.

2.4.1.9. PNB Credit Card Schemes/features for different category of customers

Bank may introduce new credit card variants or modify existing product features to meet the needs of different segments of Existing-to-Bank (ETB) and New-to-Bank (NTB) customers. All such proposals shall be routed through CGMBDRC and placed before the EDBDRC for approval.

Further, proposal for approval of charges for any new variant or existing variant shall be routed to EDBDRC through CGMBDRC for consideration.

However, any changes impacting the Risk Under Writing Model will be placed for approval before the competent authority (SPACE/CRMC/RMC) in accordance with the IRMD Policy for new product approval.

For Co- branded credit card, division will obtain approval from the competent authority (SPACE/ORMC/CRMC/RMC) as prescribed under the IRMD Policy for new product approvals.

2.4.1.10. Benefits/Facilities available in Credit Card

(1) Balance Transfer Facility:

Cardholder can get the facility to transfer the outstanding balance from any other bank's Credit Card to PNB Credit Card under Equated Monthly Instalment (EMI) scheme with repayment period of 6 months.

(2) Easy Pay Plan for Retail Purchases

PNB's Credit Card holder on making purchases such as buying a new TV or a computer; or paying for their vacations or any emergency hospital bills can plan their repayment options through EMI Plan formulated for PNB's Credit Card holders. The repayment of dues on account of any such transaction can be made through monthly installments subject to fulfillment of terms and conditions.

Prior to the conversion of credit card transaction into EMI, principal, interest and upfront discount by the merchant/Bank (if any) will be clearly informed to the customer. The same shall also be separately indicated in the credit card bill/statement.

(3) Extending EMI facility to Credit Card holders for conversion of outstanding Credit Card dues into EMIs – Balance EMI facility

To facilitate the Credit Card holders who wants to opt for EMI facility for paying their Credit Card dues, Balance EMI facility is available under which complete outstanding Credit Card dues can be converted into EMIs to ease out the repayment subject to fulfillment of terms and conditions.

Prior to the conversion of credit card transaction into EMI, principal, interest and upfront discount by the merchant/Bank (if any) will be clearly informed to the customer. The same shall also be separately indicated in the credit card bill/statement.

(4) PNB Insta Pay EMI Scheme at POS & E-Commerce

(a) EMI scheme having the features of instant EMI, i.e., the cardholder be provided an option to convert his purchases into EMI at the time of purchases itself. Accordingly, PNB Insta Pay EMI Scheme at Point of Sale (POS) and e-commerce is available to the PNB Cardholders.

(b) PNB's Credit Card holders can make hassle free shopping at merchant / e-commerce sites at lower rate of interest and processing fee without additional documentation through PNB Insta Pay EMI option.

(c) Prior to the conversion of credit card transaction into EMI, principal, interest and upfront discount by the merchant/Bank (if any) will be clearly informed to the customer. The same shall also be separately indicated in the credit card bill/statement.

(5) Credit Card Mobile App – PNB Credit Card App (Genie)

To facilitate the Credit Cardholders for managing certain operations in Credit Card account and a platform through which the users can initiate requests and manage their card transactions, our bank has developed a fully loaded Mobile App: "PNB Credit Card App (Genie)". The app acts as a single point destination for cardholders to operate their Credit Card accounts seamlessly and without hassles.

(6) Long Code Pull SMS facility for Credit Card Customers

To offer more convenience to our Credit Card customers, bank has introduced a SMS based channel (Long Code Pull SMS facility) for undernoted various services through which customers can manage facilities such as Card Hot-listing, Card Pin Generation, Balance Inquiry and Mini Statement on its own.

Customer need to send SMS as per Bank's prescribed format using his/her Registered Mobile Number (RMN) to bank's dedicated number. Suitable response will be received on the RMN of the customer.

(7) PNB e-Credit Card

PNB e-Credit Card is a digital replica of physical Credit Card issued to the customer and is available on PNB Mobile App-Genie. Customers can use their Credit Card without the need of physical Card at any e-commerce platform through e-Credit Card facility available on PNB Mobile App Genie. The Card details (Card number, Expiry Date, CVV) as present on their physical Credit Card can be viewed through PNB Mobile App Genie.

(8) Virtual Credit Card

On the road to digitalization, Bank has come forward with Virtual only Credit Card for customers who do not want physical Credit Card. This type of Card can be opted by those customers who mainly use online platform for making transactions. In case of Virtual Credit Card, CVV will be dynamic, i.e., for every usage a new CVV will be generated. The option of Virtual Credit Card will be available for retail Credit Card variants only and not for Corporate Credit Cards.

(9) Operationalization of Credit Card on UPI

On basis of RBI announcement related to linking of credit cards on UPI platform, our Bank, along with NPCI, is amongst one of the first banks to launch this facility. Credit cards can now be linked to a Virtual Payment Address (VPA) i.e., UPI ID (credit card number cannot be part of this), thus directly enabling safe, and secure payment transactions.

2.4.1.11. Security Measures for safe & secure Card Transactions

For the safety and security of payment systems operated by the bank & various security measures in accordance with this policy to mitigate risks have been formulated & given in the IT security policy of the bank and the same is applicable for

Credit Card also. In terms of RBI guidelines on "Enhancing Security of Card Transactions" circulated vide RBI circular no. DPSS.CO.PD No.1343/02.14.003/2019-20 dated 15.01.2020, at the time of issue/re-issue all cards (physical/virtual) issued by Bank are enabled for use only at contact base points of usage (viz., ATMs and POS devices) within India. Facility is provided to cardholders for enabling card not present (domestic and international) transactions, card present (international) and contactless transactions. Cardholder can get the card activated for card not present (domestic) and international usage through mobile app PNB Credit Card App (Genie). Further, international usage will be activated for those Credit Card holders only whose PAN is linked to the Credit Card account.

2.4.1.11.1. RBI directions on Digital Payment Security controls

RBI vide its circular RBI/2020-21/74 DoS.CO.CSITE.SEC.No. 1852/31.01.015/2020-21 dated 18.02.2021- Master Direction on Digital Payment Security Controls, provides necessary guidelines for the regulated entities to set up a robust governance structure and implement common minimum standards of security controls for digital payment products and services.

The compliance of Paras/Clauses relevant to Credit Card of said RBI guidelines are being ensured by the Division.

Some of the compliance check points are as under:

Check point	Ensuring Compliance at Bank level
Efficient and effective dispute resolution mechanism and handling of customer grievance	Proper dispute resolution mechanism & related Standard Operating Procedures (SOP) as per VISA & NPCI chargeback guidelines has been put in place by the Bank. Under this Dispute resolution mechanism, Credit card disputes are being handled efficiently and effectively.
Cardholder and merchant education techniques to prevent fraud	Awareness SMSs to safeguard Bank's interest are regularly sent to card holders and merchants to prevent fraud.
Scheme/Card operating regulations REs shall adhere to extant instructions, updated from time to time, to put in place system/s for online dispute resolution for resolving disputes and grievances of customers pertaining to digital payments.	The operating guidelines as and when received from regulator/statutory body/ scheme provider are noted and suitable action is initiated by the Division towards their compliance.

2.4.1.12. Fees And Charges:

(i) The fees and charges applicable with Credit Cards are as per "Schedule of Fee and Charges" – Annexure A1

(ii) Changes in charges shall be made only with prospective effect giving prior notice of at least one month. If a cardholder desires to close his/her card on account of any change in charges to his/her disadvantage, he/she shall be permitted to do so without levying any extra charge for such closure, subject to payment of all dues by the cardholder.

2.4.1.13. Credit Card Subsidiary – PNB Cards & Services Ltd

Bank has formed a Credit Card Subsidiary "PNB Cards & Services Ltd" after obtaining RBI's final approval dated 07.12.2020. The Subsidiary was formed to undertake non-financial support services related to Credit Card Business of the Bank.

Following activities are to be managed by the Credit Card Subsidiary:
(a) Sales of Credit Card
(b) Marketing Tie-Ups
(c) Product Development
(d) Collection including Recovery

(1) Bank will take assistance (wherever required) of Credit Card Subsidiary for mobilization and its conversion including completion of documents and other formalities.
(2) PNB Cards & Services Limited may recommend Cards with some facilities (such as waiver of annual/joining fee or such other fee, etc.) for important customers with future business prospects and for VVIP's like established professionals, senior Bureaucrats, police officers, judges, Ministers and other prominent persons, etc.
(3) General Manager- PR&CC Division will be the final authority for approving the same. Powers for waiver for such type of fee to be exercised as per Clause 2.1.4.26.(D). In absence of GM, DGM- Credit Card Department to exercise powers of GM, till GM is posted in HO: Credit Card Department - PR&CC Division.

2.4.1.14. Risk Underwriting Model (RUM)

Risk Underwriting Model (RUM) is the heart & soul of Credit Card business. Peer banks have procured sophisticated risk underwriting model, parameterized it as per their business requirements and improvised it as per ever-changing marketing dynamics and customer behaviours.

Card credit limit shall be assessed by processing of every application through Risk Underwriting Model (RUM). Initially, all the applicants shall go through GO-NOGO analysis to assess their eligibility for Credit Card. An applicant not fulfilling any of the fixed eligibility criteria shall be marked as "NOGO", i.e., ineligible for Credit Card. All the customers' applications found eligible for Credit Card will be passed through Risk Underwriting Model (RUM) for assessment of Credit Card limit.

2.4.1.15. Issue of Form Factor

(a) Bank may issue other form factors in place of/in addition to a plastic Credit Card such as wearables, after obtaining explicit consent from the customer.
(b) Form factors shall be subject to all the specific and general guidelines applicable to Credit Cards.
(c) Bank shall provide options for disabling or blocking the form factor in line with the instructions issued by the Reserve Bank from time to time.

2.4.1.16. Granting Reward Points for customer retention

Customer dissatisfaction can spoil bank's name and image which will result in loss in business. In some scenarios, customers do not want to continue with PNB even after redressal of their complaints or are not satisfied with the resolution provided by the Bank. To compensate those customers and to ensure customer retention, reward points will be granted on case-to-case basis. Grievance Redressal Officer, CCPC/Chief Manger, HO: Credit Card Department - PR&CC Division, shall be the competent authority to exercise this power to grant reward point to the customers. While exercising these discretionary powers, it will be ensured that maximum 500 reward points may be granted per customer per year.

2.4.1.17. Outsourcing

The end-to-end activities in respect of Bank's Credit Card issuance have been outsourced through Request for Proposal (RFP) process for handling various Credit Card operations and software solutions for Credit Card Business. The service provider is selected for a period of five years after concluding the RFP process. The service provider and its sub-service providers are PCI DSS (Payment Card Industry – Data Security System) certified. A separate Confidentiality and Secrecy Certificate has been signed with the service provider.

Besides above, Bank is also availing services of other service providers/vendors for allied Credit Card business activities like Reward Points Management and Electronic Payment & Collection services etc.

While outsourcing the various services, it is ensured that it does not compromise confidentiality of the customers' records, respects customer privacy, adheres to fair practices, does not compromise the quality of the customer service and Bank's ability to manage credit, liquidity and operational risk**.** It will be ensured that industry practices and regulatory guidelines for Credit Card industry are adopted. PCI DSS certificate, etc., wherever applicable, are obtained and kept on record.

2.4.1.18. Reporting To Credit Information Companies (CICs)

Credit Information Companies (CICs): While submitting the information relating to credit history/repayment record of the card holder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the bank will explicitly bring to the notice of the customer that such information is being provided in terms of the Credit

Information Companies (Regulation) Act, 2005. Further, no credit information related to new credit card shall be reported to CIC prior to activation of the card.

Before reporting default status of a Credit Cardholder to a Credit Information Company (CIC), Bank shall intimate the cardholder prior to reporting of the status. In the event the customer settles his/her dues after having been reported as defaulter, Bank shall update the status with CIC within 15 days from the date of settlement. Bank shall be particularly careful in the case of cards where there are pending disputes. The disclosure/release of information, particularly about the default, shall be made only after the dispute is settled. In all cases, a well laid down procedure shall be transparently followed and be made a part of MITC. The Credit Card accounts status shall be uploaded on the CICs portal in text format on fortnightly basis by the Bank.

Bank shall report a credit card account as 'past due' to credit information companies (CICs) or levy penal charges, viz. late payment charges and other related charges, if any, only when a credit card account remains 'past due' for more than three days. The number of 'days past due' and late payment charges shall, however, be computed from the payment due date mentioned in the credit card statement, as specified under the regulatory instructions on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances' amended from time to time. Late payment charges and other related charges shall be levied, only on the outstanding amount after the due date, and not on the total amount due.

National e-Governance Service Ltd (NeSL): Bank has entered into agreement with NeSL for submission of financial information of borrowers as part of obligation under IBC 2016.
Currently, the data relating to corporate debtors (Company/LLP) having outstanding of Rs 1.00 Crore & above only are reported to NeSL centrally at HO level. The reporting and deduction of applicable charges are done centrally at HO level by MISD.

2.4.1.18.1. CIBIL/CIC Charges for issuance of Credit Card

No CIBIL/CIC charges will be levied for issuance of Credit card to the customers.

2.4.1.19. Compliance

(1) The instructions/guidelines related to Credit Card - Issuance and Conduct, Know Your Customer (KYC)/Anti Money Laundering (AML)/Combating of Financing Terrorism (CFT) applicable to banks, issued by RBI from time to time, be adhered to in respect of all cards issued including co-branded, corporate and add on Credit Cards.
(2) As advised by RBI, misuse of the credit cards / online banking facilities offered to customers, for overseas foreign exchange trading or any other prohibited transaction, is strongly discouraged by repeatedly educating our customers on the types of transactions permitted and types of transactions categorized as prohibited. The customers are advised on how effecting / remitting such payments, directly / indirectly outside India, shall make them liable to be

proceeded against with for contravention of the Foreign Exchange Management Act (FEMA), 1999 besides being liable for violation of regulations relating to Know Your Customer (KYC) norms / Anti Money Laundering (AML) standards.

(3) Necessary Credit Card industry related tests be done at regular intervals and certificates, viz. PCI DSS certificate, wherever applicable, be obtained and kept on record.

(4) BCSBI's Code of Bank's Commitment to Customers are complied with. Code of Conduct for Credit Card operations of the bank are displayed on the website of bank and is available to any Credit Card holder and provided to the customers.

(5) Use of Direct Sales Agent (DSAs)/Direct Marketing Agents (DMAs) and other Agents' appointment does not compromise with the confidentiality of the customer's records, respects customer privacy and adheres to fair practices in debt collection.

(6) It will be ensured that the guidelines issued from time to time by Reserve Bank of India, Govt. of India and any other regulatory bodies on Credit Cards are compiled with without fail.

(7) The issue of cards as a payment mechanism shall also be subject to relevant instructions on cash withdrawal, issue of international card, security issues and risk mitigation measures, card-to-card fund transfers, merchant discount rates structure, failed ATM transactions, etc, issued by the Department of Payment and Settlement Systems, Reserve Bank of India under the Payment and Settlement Systems Act, 2007, and the Foreign Exchange Department, Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended from time to time.

2.4.1.20. Business Continuity Plan

Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) is designed to reduce the organizations' business risk arising from an unexpected disruption of the critical functions/ operations necessary for the business. A separate document is in place for BCP and DRP. The BCP is reviewed and approved on annual basis by IT Committee of the Board.

2.4.1.21. Confidentiality of customer information

Bank shall not reveal any information relating to customers obtained at the time of opening the account or issuing the card to any other person or organization without obtaining their explicit consent, with regard to the purpose/s for which the information will be used and the organizations with whom the information will be shared. Banks shall ensure strict compliance to the extant legal framework on data protection. Further, in case where the customers give explicit consent for sharing the information provided by them with other agencies, Banks shall clearly state and explain to the customer the full meaning/implications of the disclosure clause. The information sought from customers shall not be of such nature which will violate the provisions of law relating to maintenance of secrecy in the transactions. The card-issuers shall be

solely responsible for the correctness or otherwise of the data provided for the purpose.

2.4.1.22. Fraud and Risk Management

Acceleration towards card issuance business also amplified fraudulent transactions / misuse of Credit Card by using forged techniques in the Credit Card industry. To safeguard Bank's interest and cardholders' interest, such transactions be looked into on priority and dealt as per "Policy for Dispute Resolution and Fraud Management in Credit Card." Risk Assessment Committee of the Division at regular intervals to analyze the nature of frauds and techniques adopted and security measures to be evolved to control such type of frauds in future. Customers/cardholders may be issued alert messages through SMS/E-mails, advertisement at regular intervals. It should be ensured that wherever chargeback is available, lodgement thereof is not delayed and cardholder be apprised of the progress. To mitigate the loss, adequate insurance cover has been obtained based on Credit Card numbers for all type of cards as per Bank's guidelines.

Bank has implemented Enterprise wide Fraud Risk Management (EFRM) Solution to monitor and prevent the suspicious transactions of CBS, IBS, Mobile Banking, Credit Card & Debit Card. The identified Credit Card scenarios have been implemented in monitoring mode and preventing mode as per the nature of the scenario.

2.4.1.23. Review of Credit Card Operations

Credit Card operations will be reviewed on half-yearly basis by the Audit Committee of the Board of Directors (ACB). The review shall include, inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.

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2.4.2. SECTION 2: POLICY FOR DISPUTE RESOLUTION AND FRAUD MANAGEMENT IN CREDIT CARD

2.4.2.1. Background

Credit Card is emerging as one of the most important payment mechanisms in modern day commerce transactions. Banks play the role of 'issuers' of cards (issuing plastic to card holders) as well as 'acquirers' (facilitating PoS machines at vendors' locations etc.) to complete the financial leg of transactions. VISA, Master Card, Amex (American Express), RuPay (NPCI), etc., are settlement agencies for issuing and acquiring banks which may be at different locations. In the chain of commercial transactions, there is always a possibility of dispute arising between parties concerned. Guidelines of the settlement agency, industry practices and statutory provisions of different geographies

determine the course of resolution of such disputes. Likewise, the possibility of frauds/ fraudulent transactions, in spite of various preventive measures, remains a bane for card industry and a cause for a large number of the disputes. The policy enumerated here under is to codify our policy for dispute resolution and responding to the fraud related issues in Credit Card Business.

2.4.2.2. Objective

The aim of the policy is to put in place a redressal mechanism to resolve cardholder's complaints about disputed transactions in an informed way so that the loss is contained by increasing the awareness and fraud cases are handled properly. The policy covers the whole issue in two parts. The first part deals with Dispute resolution. The second part deals with Fraud handling.

2.4.2.3. Dispute raised by Credit Card holder

(1) The cardholder makes payment to supplier of goods / services by use of card on Point-of-sale terminals (POS) or through payment gateway or by giving standing instructions to merchant to debit his card account at defined interval. Merchant delivers goods / services to the cardholder after receiving the authorization code from the card Issuer's host system.
(2) Most of the disputes are business or services related and arise due to non-fulfilment of the terms of sales viz. settled amount is different or goods /services not supplied /goods of ordered quality were not supplied etc. There may be some unauthorized transactions, which are not done by bonafide cardholder and are made with the intention of cheating the cardholder or the bank.

2.4.2.4. Releasing Open to Buy Limit (OTB) for disputed amount

(1) The Banks involved in card business, increase "Open to Buy" (OTB) limit by amount disputed, so that the cardholder continues the use of sanctioned card limit during the dispute resolution period. Thus, bank's interchange income is not affected.
(2) Presently, in cases where the customer declares the said transaction as unauthorised, the card remains inactive during the dispute resolution period and thus there is loss of interchange fees.
(3) Bank at its own discretion may release Open to Buy (OTB) limit on Credit Card on case-to-case basis at the time of raising chargeback. The OTB will be reduced with disputed amount on receiving presentment from acquiring bank.

2.4.2.5. Fraud management in credit card

(1) The fraud with card industry perspective means obtaining of goods or services via card transaction, which is not authorized by a genuine cardholder. The impact of fraud is financial and on the reputation of the bank.

(2) The authorization for a transaction, flows from merchant to the card account, involving parties like acquiring bank, VISA NET, issuers, issuers host server, acquirer host server, POS terminal / merchant web site and payment gateway. Any breach in security and data theft with ulterior motives at any point of this payment chain may lead to and perpetuates fraud on a very wide scale. Hence, VISA impresses upon issuers and acquirers and their service providers and all others involved in the payment chain to confirm security standards to the level of Payment Card Industry Data Security Standard (PCI DSS) so as to keep the reliability of VISA & RuPay Credit Cards and its brand value. Our Bank / Service provider conforms to these standards to mitigate the risk of data theft. However, responding to malicious emails/ cloning of card at POS still exposes cardholder to data theft. To address this, Bank is issuing EMV Chip based Cards only and educating cardholders through SMS/e-mails/advertisement on adopting necessary precautions to avoid fraudulent transactions.
(3) Bank is issuing EMV chip and pin-based cards to mitigate the risk of fraudulent transactions at POS terminals through counterfeit/cloned and lost/stolen cards. To complete a transaction through EMV chip and pin-based card, user has to first swipe the card and then enter the pin at POS terminal. The EMV chip mitigates the risk of counterfeiting/cloning of card and use of PIN mitigates the risk of fraud on lost/stolen cards.
(4) Bank has restricted the fallback transactions on the basis of magstripe in all the domestic ATM/POS terminals to mitigate the risk of fraudulent transactions.

2.4.2.5.1. Types of Card frauds

The fraudulent activity in cards may happen either at pre embossing of card or after. Banks, VISA or NPCI ensures to take risk mitigation measures at each stage of card production/ delivery and also during authorisation. Broad categories of card frauds may be grouped as under:

(1) Fraudulent credit card applications
(2) Card embossing & delivery of Plastics
(3) PIN generation and PIN mailing
(4) Card / PIN returned undelivered
(5) Blocking of card in lost / stolen cards
(6) Account compromise
(7) Account takeover
(8) Key-entered counterfeit
(9) Card-Not-Present transactions

2.4.2.6. Risk mitigation

The bank has put in place various measures for mitigating risk of frauds in Credit Card transactions. Some of the risk mitigation strategies are as under:

(1) Sourcing of credit card applications is done by the branches after due diligence.

(2) For mitigation of identity theft risk, our bank / service provider changes address of cardholder only when it is in writing and is supported by address proof or on the recommendation of branch officials. The card activation request is serviced only when call is emanating from registered mobile number of cardholders.
(3) Bank sends SMS alerts for each transaction. This enables cardholder to take appropriate steps to prevent further loss.
(4) Bank has subscribed on- line fraud monitoring tool, which detects the transactions with higher risk on real time basis, and enables decision to approve / reject the transaction.
(5) Bank has implemented Enterprise-wide Fraud Risk Management (EFRM) Solution to monitor and prevent the suspicious transactions of CBS, IBS, Mobile Banking, Credit Card & Debit Card. The identified Credit Card scenarios have been implemented in monitoring mode and preventing mode as per the nature of the scenario.
(6) Under monitoring mode, suspicious transactions are allowed to happen but monitored by EFRM cell of FRMD, HO and taken up with concerned customers and branches telephonically for verification.
(7) Under prevention mode of Alternate Delivery Channels (ADC) scenarios, the transactions are declined and SMS is sent to originator of the transaction on registered mobile number to contact on given contact number for help. In order to handle preventive mode scenarios, a 24X7 EFRM Cell with customer care Toll free number has been set up by the Bank.
(8) The transactions are authorized by Issuers host switch. Sometimes, the issuer host / switch is down for a brief period and is not available for authorization requests. In down time, merchant considers authorization request as OK if no decline message is received in prescribed response time. VISA has a system capability to minimize down time risk by setting up "stand in processing authorization" (STIP) limit. VISA NET does not authorize the transactions above the STIP limit in case host system is down. At present, no STIP limit has been set up by our bank.
(9) VISA has made it mandatory for card issuing banks to maintain Payment Card Industry Data Security Standards (PCIDSS) for safekeeping of data on work floor or in network. Our service provider maintains hardware /software systems, connectivity, work floor, websites, manpower details as per these standards. The third-party assessor conducts yearly audit to ensure maintenance of these standards.

2.4.2.7. Liability of card holder on detection of fraudulent transaction

The cardholder's agreement in User Guide elaborates cardholder's liability in case of card loss or card misuse detected by him. The issue has been discussed in relevant clauses of cardholder's agreement given in User Guide supplied to cardholder along with the card.

2.4.2.7.1. Limited Liability of Customer

With the increased thrust on customer protection and considering the surge in

customer grievances relating to unauthorised transactions resulting in debits to their Credit Card accounts, the criteria for determining the customer liability in these circumstances have been reviewed by RBI. RBI vide their Circular RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated 06.07.2017 has directed as under:-

(A) Zero Liability of a Customer in the transactions occurred in the following events

(i) Contributory fraud/negligence/deficiency on the part of the Bank (irrespective of whether or not the transaction is reported by the customer).
(ii) Third party breach where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

(B) Limited Liability of a Customer

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

(i) In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the Bank.

(ii) In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the bank) on the part of the customer in notifying the Bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower:

(Table-1)

Type of Account	Maximum Liability (Rs.)
Credit Card with limit upto Rs 5.00 Lakh	10,000/-
Credit Card with limit above Rs 5.00 Lakh	25,000/-

2.4.2.7.2. Credit Card complaints received through Banking Ombudsman

As a service organization, imparting good customer service and enhancing level of customer satisfaction is our prime concern. Providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Customer dissatisfaction would spoil bank's name and image which will result in loss in business. Complaints/queries received through various channels are dealt earnestly and

resolved within 24 hours if viable. If the customer is not satisfied with the resolution provided by the Bank, he/she may approach Banking Ombudsman.

In terms of RBI's Banking Ombudsman Scheme 2021, Bank, on receipt of the complaint, file its written version in reply to the averments in the complaint enclosing therewith copies of the documents relied upon, within 15 days before the Ombudsman for resolution.

2.4.2.7.3. Closure of Banking Ombudsman complaints related to Credit Card in Bank records

(i) Presently after submission of Bank's reply to Ombudsman, the complaint is closed in record after receipt of confirmation of closure from respective Bank's nodal Ombudsman officer or through RBI directly. However, despite follow up by the Division complaint cases remain open in case confirmation is not received from the nodal officer or any response from RBI.

(ii) The complaints where full & final reply stands submitted by the Bank, should be closed on receipt of closure confirmation from ombudsman/ Nodal officer ombudsman of the bank else those will be closed in Bank's records after period of 90 days from the date of submission of Bank's reply. If RBI approaches the Bank on such closed cases, the complaint will be reopened in Bank records and reply will be submitted by the Bank on immediate basis.

2.4.2.8. Invoking insurance claim

The risk of card misuse due to cloned / counterfeit card or through fraudulent key entered / internet transaction has been mitigated by taking special contingency Insurance policy obtained from the Insurance Company. The Bank will invoke and lodge insurance claim with the Insurance Company in eligible cases.

2.4.2.9. Reporting to CIBIL and other CICs

All the contents of the statement will be deemed to be correct and accepted if the credit card holder does not inform Punjab National Bank of the Discrepancies within 60 Days of the Statement Date in writing. Upon receipt of such information, Disputed Credit Card transactions will be marked and shall not be considered for CIC's reporting till its resolution. Further, no charges shall be levied till its resolution. In case the dispute is not settled in favor of credit card holder all applicable charges will be levied on the credit card from the date of transaction and the same will also be reported to CICs after 15 days of issuance of notice to the concerned customer by the Bank in case of non-payment of outstanding dues by the Card Holder.

2.4.3. SECTION 3: POLICY FOR INCOME RECOGNITION, ASSET CLASSIFICATION & PROVISIONING AND COMPROMISE/SETTLEMENT IN RESPECT OF CREDIT CARDS

2.4.3.1. Asset Classification

All Credit Card accounts are classified in following two categories:

i. **Standard Credit Card Account**: Credit Card account will be standard account so long as the Cardholder pays the Minimum Amount Due (MAD) by the due date.

Credit Card account under Standard Category is further classified as Delinquent/Irregular if an account is overdue as under:

Delinquency Category	Period of financial irregularity
D-1 (SMA - 0)	Upto 30 days
D-2 (SMA - 1)	More than 30 days and upto 60 days
D-3 (SMA - 2)	More than 60 days and upto 90 days

(*D stands for Delinquent or irregular)

ii. **NPA Credit Card account:** A Credit Card account is treated as non-performing asset if the Minimum Amount Due (MAD), as mentioned in the statement, is not paid fully within 90 days from the due date of the bill.

NPA Credit Cards are further categorised as under:

(a) Sub-Standard Credit Card Account: The Credit Card account which has remained in NPA category for a period less than or equal to 12 months is classified as sub-standard account.
(b) Loss Credit Card Account: The Credit Card account which has remained in NPA category for more than 12 months is classified as Loss account.

2.4.3.2. Percolation of Credit Card in other borrowal accounts and vice-versa:

In terms of RBI Prudential norms on 'Income Recognition, Asset Classification and Provisioning pertaining to Advances', borrower-wise asset classification is being done, accordingly if a Credit Card account is classified as NPA, all other credit facilities in same capacity granted to the Cardholder will also be treated as NPA, similarly Credit Cards in STANDARD Category will be classified as NPA due to percolation effect of other credit facilities availed by the customer from our Bank.

2.4.3.3. Recorded Interest and Charges:

For the period the card account remains in NPA category, interest (finance charges) and other charges (service charges etc.) are calculated separately and noted in Memoranda records. Recorded interest and other charges including service tax/GST are part of the total Memoranda dues recoverable from the respective Cardholder.

2.4.3.4. De-recognition of Income:
Upon classification of Credit Card as NPA, the interest and other charges credited to the Bank's income account in the past periods and has not been realized (excluding service tax/GST), stands reversed and credited back in the respective account by debiting to Profit & Loss Account of the bank.

2.4.3.5. Appropriation of Recoveries:
The appropriation of recoveries in NPA accounts (irrespective of the mode/status/stage of recovery actions) are appropriated in the following order of priority:
(i) Expenditure/out of Pocket expenses, incurred for recovery (earlier recorded in Memorandum Dues);
(ii) Interest irregularities/accrued interest;
(iii) Thereafter towards the principal Irregularities/ Outstanding, i.e., Ledger balance outstanding at the time of classification of Credit Card account as NPA after reversal of DI (De-recognized Income).

The above are as per guidelines of appropriation of recoveries of Bank's other NPA accounts. Further, any modification in appropriation of recoveries in Bank's other NPA accounts will be applicable to NPA Credit Card accounts also.

2.4.3.5.1. Appropriation of recoveries in Credit Card OTS accounts:
Appropriation of Recoveries in OTS accounts (irrespective of the mode/ status/stage of recovery actions) shall be regulated in the following order of priority:

(i) Principal irregularities, i.e., NPA outstanding in the account.
(ii) Interest irregularities/accrued interest.
(iii) Thereafter towards the expenditure/Out of Pocket Expenses incurred for Recovery (earlier recorded in Memorandum Dues)
The above are as per guidelines of appropriation of recoveries of Bank's other NPA accounts. Further, any modification in appropriation of recoveries in Bank's other NPA accounts will be applicable to NPA Credit Card accounts also.

2.4.3.6. Upgradation of Credit Card from NPA to Standard Category:
An NPA Credit Card account is upgraded to Standard Category after the cardholder makes payment of following amount: -

(A) Minimum Amount Due (MAD) as per last bill (before classification of account as NPA) + De-recognized Income (DI) + Finance & other charges levied in the account after date of NPA.

OR

(B) Payment of total outstanding dues (TAD) as on date.

AND

(C) Other Conditions:
Upon receipt of the amount as mentioned in (A) or (B), the outstanding balance in the Credit Card should be within card credit limit.
(After upgradation, the Card limit will be restored automatically by the system as per guidelines)

2.4.3.7. Automation of Income Recognition, Asset Classification and Provisioning processes in Credit Card Accounts

In terms of RBI and Bank's guidelines, Automation of Income Recognition, Asset Classification and Provisioning in system with respect to NPA Credit Cards has been done since 24.09.2021 and accordingly the following activities are being done by the system automatically:

a) Down gradation and Upgradation of Credit Card accounts.
b) De-recognition of Income and Provisioning.

2.4.3.8. Exercise of Right of Lien/Set off:
Upon classification of a credit card account as NPA, to recover the default amount, lien is marked in the related account of the cardholder and to recover the dues the bank will exercise the right of set-off.
The NPA credit cards where the recovery is not affected despite all-out efforts, the bank may hand over such cases to recovery Agents/Agencies for recovery of dues.

2.4.3.9. Recovery through Recovery Agents/Agencies:
The NPA Credit Card accounts which are difficult to recover may be allocated by the respective Circles through Bank approved Recovery Agents/Agencies adhering to the regulatory guidelines.

2.4.3.10. Recovery of SMA-II accounts through Business correspondent Agents (BCAs)
To avoid fresh slippage in Credit Card accounts and its percolation effect with other CBS loan accounts, as an early measure, the Delinquency-3(SMA-II) Credit Card accounts can be allocated by the concerned Circles to BCAs.

2.4.3.11. One Time Settlement (OTS):
In order to reduce the increasing NPA portfolio of Credit Cards, One Time Settlement (OTS) is an effective tool of recovery which is utilized on merits of the cases.

2.4.3.12. Updation of CIC's record of Cardholder closed under OTS
Upon closure of NPA Credit Card under OTS, the same is updated with CICs as 'settled'. In these 'settled' Credit Card accounts several references are received from the Cardholders requesting for updation of their CIC's record as 'normal closure' instead of closed as 'settled' with payment of amount.

2.4.3.13. Credit Bureau Notification:

The policy and procedures approved by the Board for reporting of status of a Credit Cardholder to the Credit Information Bureau of India Ltd. (CIBIL) or any other credit information company authorized by RBI will be adhered to in this regard. Status of NPA Cards is reported to CIC's regularly, presently, on fortnightly basis.

2.5. Disclosure of the Policy

In line with RBI Master Directions on Credit Card 2022, The Board approved Policy (Part-I) shall be made available on the Bank's website.

2.6. Validity and Review of Policy

The Policy shall remain valid for twelve months from the date of approval and shall be subject to annual review.
Further, Credit Risk Management Committee (CRMC) shall be authorised to:

(a) Incorporate any changes necessitated in the policy for the interim period upto the next review, due to regulatory pronouncements made during the validity period of the policy; and
(b) Extend the validity of the Policy (Part-I) for a period upto three (3) months and the Board will be informed of such extensions subsequently at the time of annual review.

**************************************End of Policy Document********************************

Appendix

A. Glossary

Section 1: Policy for Credit Card Issuance	
1.	NPA – Non-performing Asset
2.	KYC – Know Your Customer
3.	QAB – Quarterly Average Balance
4.	MITC - Most Important Terms and Conditions
5.	RRB - Regional Rural Bank
6.	EMI - Equated Monthly Installment
7.	RFP – Request for Proposal
8.	CCPC – Credit Card Processing Centre
9.	SOP – Standard Operating Procedure
10.	CIC – Credit Information Company
11.	NeSL- National e-Governance Service Ltd
12.	BCP – Business Continuity Plan
13.	PoS – Point of Sale
14.	EFRM - Enterprise wide Fraud Risk Management
15.	MAD - Minimum Amount Due
16.	TAD – Total Amount Due
17.	ETB – Existing to Bank
18.	NTB – New to Bank
Section 2: Policy for Dispute Resolution & Fraud Management in Credit Card	
Charge-slip	The printout, which is generated after a card, is swiped in a PoS machine.
Charge back	Is the process wherein upon contesting a transaction by the cardholder the matter is referred on his behalf by the issuer bank to the acquiring bank through settlement agency (VISA).
Representment	On denial of chargeback against the cardholder if he furnishes further submissions and/ or documents for consideration by the settlement agency, it is considered a case of representment.
Pre-arbitration	Pre-arbitration is an attempt to resolve the dispute before filing an arbitration case with settlement agency (VISA) for a ruling.
Arbitration	Arbitration allows Visa to assign financial liability for a disputed transaction when chargeback and representment has failed to resolve the dispute.
Pre-Compliance	Compliance allows the Issuer Bank that has no chargeback, representment, pre-arbitration, or arbitration right to file a complaint against the Acquirer for a violation of the Visa International Operating Regulations. In Pre-compliance, the Issuer has to attempt to resolve the dispute with the Acquirer before filing for compliance.

Good faith	The phrase used in VISA Dispute Settlement Process can be better explained in the following contextual manner: "The cardholder contacted the issuer stating that he did not recognize the transaction. The issuer made a good faith effort to identify the transaction for the cardholder, but the cardholder still did not recognize it. The issuer processed a chargeback. The acquirer processed a representment providing documentation that showed the cardholder's name and address, and that the cardholder had purchased merchandise online. The issuer filed the arbitration case with VISA, which included a second letter that stated the cardholder did not authorize any online charges."
STIP	Stand In Processing Authorization
FMC	Fraud Management Committee
FMR	Fraud Monitoring Returns
Section 3: Policy for Income Recognition, Asset Classification & Provisioning and Compromise/Settlement in respect of Credit Cards	
MAD	Minimum Amount Due
TAD	Total Amount Due
SMA	Special Mention Account
D	Delinquent
GST	Goods & Service Tax
NPA	Non-Performing Asset
DI	De-recognised Income
SLBC	State Level Bankers Committee
NCLT	National Company Law Tribunal
OTS	One Time Settlement
CM	Chief Manager
AGM	Assistant General Manager
DGM	Deputy General Manager
GM	General Manager
CBC	Corporate Business Correspondent
BCA	Business correspondent Agent
RBI	Reserve Bank of India
CICs	Credit Information companies
ZO	Zonal Office
CO	Circle Office
ZOCC	Zonal Office Compromise Committee
COCC	Circle Office Compromise Committee
WLA	Waiver of Legal Action
IAD	Inspection & Audit Division
ETB	Existing to Bank
NTB	New to Bank

B. List of references including related policies/forms, RBI circulars etc.

(i) RBI Master Direction -Credit Card and Debit Card – Issuance and Conduct Directions, 2022 - RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 dated 21.04.2022(updated as on March 07, 2024) & RBI Clarification – DOR.AUT.NO.S2225/24.01.009/2022-23 dated 07.07.2022.
(ii) RBI Circular on Issuance of EMV Chip and PIN Cards - RBI/2015-2016/163 DPSS.CO.PD.No.448/02.14.003/2015-16
(iii) RBI Advisory No: 6/2018 - Dated: August 13, 2018 Securing Card Transactions - Setting of Robust Risk Based Transaction Limit and Monitoring for Credit Card Transactions
(iv) RBI Circular on Enhancing Security of Card Transactions – RBI/2019-20/142 DPSS.CO.PD No. 1343/02.14.003/2019-20 dated 15.01.2020
(v) RBI Circular on Prudential Norms on Income recognition, Asset Classification and Provisioning pertaining to Credit Card accounts – RBI/2023-24/06 DOR.STR.REC.3/21.04.048/2023-24 dated 01.04.2023
(vi) RBI Circular on Limited/Zero Liability of customer in case of fraudulent transactions -RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated 06.07.2017
(vii) RBI Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Banks – RBI/2006/167 DBOD.NO.BP.40/21.04.158/2006-07 dated 03.11.2006
(viii) Master Direction on Outsourcing of Information Technology Services - DoS.CO.CSITEG/SEC.1/31.01.015/2023-24 dated 10.04.2023
(ix) Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 RBI/DoR/2024-25/125 DoR.FIN.REC.No.55/20.16.056/2024-25