

## NDML Payment Aggregator - Merchant Policies

MEITY's (Ministry of Electronics and Information Technology), Govt. of India has collaborated with NSDL Database Management Ltd (NDML) to facilitate various Govt. to Citizen service initiatives to seamlessly avail a centralised payment gateway (PayGov India) service which enables citizens to make online payments for availing various government services. NDML assists Government / other merchants by providing online payment aggregation services through PayGov / SurePay. NDML is committed to providing services in the most **Efficient, Compliant, Secure and Transparent** manner with a wide bouquet of payment options. NDML has formed policies and procedures which are designed to achieve the above objectives and ensure the achievement of customer objectives and delight. In line with the regulatory vision of RBI, NDML is committed to ensuring the security and safety of payment systems and the protection of consumer interests using its services. Accordingly, NDML has designed its merchant-related policies to achieve the above objectives. These policies are focused on the following aspects of merchant engagement:

1. Categories of merchants to be accepted for online payment collection services:
  - a. Central & State Govt. Departments, Corporations, Undertakings, Local Bodies and any services/products operated by any form of Govt. formation;
  - b. Regulatory bodies;
  - c. Public Sector Undertakings;
  - d. CSC Services;
  - e. Education Institutes;
  - f. Banking & Financial Services;
  - g. Insurance Services;
  - h. Travel & Hospitality Services;
  - i. e-Commerce/ Retail sector;
  - j. Utility Bill Payments;
  - k. Any other merchant categories that are not prohibited by the regulator, card schemes or government of India and its ministries.
2. Ensuring due diligence and verification of the details of the merchants in line with regulatory specifications and internal requirements:
  - a. Identity & KYC documentation of the merchant and key promoters
  - b. Review of kind of products and services being provided by the merchant and its compliance with legal requirements
  - c. Merchant policies for information security, data privacy, customer services, customer refunds and grievance redressal
  - d. Review that the merchant is declaring all essential information, terms & conditions of service on its website
  - e. Review that the merchant is not engaged in dealing in any counterfeit/fake/prohibited products
  - f. Review of merchant's IT system implementation from an Information Security perspective
  - g. Merchant checks from risk, fraud & legal antecedent perspectives
3. Information and details to be collected from the merchants and subjected to verification at NDML end:
  - a. KYC Forms and documents;
  - b. Gateway Registration Forms;
  - c. Details of key personnel;
  - d. Website links for products and policies;
  - e. Bank letter for the account in which funds are to be settled/ an undertaking from the merchant on the bank account details accompanies by a cancelled cheque of the account;
  - f. Merchant agreement;
  - g. UAT & Production sign-off;

Additional forms and information may be needed and collected on a case-to-case basis.

4. Review of policies, procedures and systems adopted by the merchants to ensure safety and satisfactory servicing of the needs of consumers availing the products/services;
5. Agreement to be signed with the merchants to ensure systemic safeguards and consumer protection;
6. System integration including various extended services and testing to be done with the merchants to ensure that the merchant can effectively and efficiently avail the payment platform and provide products/services to its consumers:
  - a. Query API;
  - b. Server to Server API;
  - c. Refund API;
  - d. Cancellation API;
  - e. Settlement API.
7. Monitoring to be deployed on merchant activities/transactions after “go live” as a matter of continued diligence and risk management:
  - a. Merchant transaction limits in terms of the value of a single transaction or total value for a given period;
  - b. Initial limits for a new merchant and gradual review of the same;
  - c. Transaction cycles and respective volumes for the merchant;
  - d. Refund / Charge-back / Grievance track record of the merchant.

Relationship managers are assigned to the merchants to co-ordinate with the merchant to include their suggestions, business cycles and concerns in the above review mechanism.

8. Settlement assurance services to ensure that payments made by the consumers of the services to each merchant are efficiently settled with the merchant in an efficient and accurate manner as per the settlement period agreed with the merchant; This also ensures that charges levied for transactions are as per the agreement with the merchant.
9. Efficient reporting system to ensure that transaction and settlement data is provided to the merchants in an efficient and secure manner by using the report formats and delivery channels as agreed with the merchants;
10. Refund and Chargeback management services to facilitate the merchant to efficiently manage refunds to be made to its customers, wherever needed and respond to the charge-back requests as received from the customers through participating banks;
11. Query management & Grievance Redressal System to ensure that all queries and grievances received from the consumers/merchants through various channels such as letters/emails/messages/calls are adequately recorded, responded to, addressed and reported. An escalation mechanism is provided for ensuring customer satisfaction with the response/resolution provided. NDML also attempts to co-ordinate with merchants/participating gateways/banks for resolving customer grievances. Customer grievance reporting is done internally at various management levels as well as in line with regulatory requirements;
12. Service Charter: NDML aspires to respond to each communication within 3 working days of receipt of the same with an initial response and will try to resolve/serve the requirement within 7 working days where there is no external dependency and no system development or procedure change or policy change is needed and the request is as per NDML policies.

NDML has received In-principal approval to act as PA by RBI and it strictly adheres to the PA-PG guidelines and the Know Your Customer (KYC) Direction, 2016 Guidelines.

### **Important Contacts at NDML Payment Aggregator:**

New Merchants/Merchant Solutions/Merchant Relationships/Bank Alliances:  
[info\\_ndml@nsdl.com](mailto:info_ndml@nsdl.com)

Nodal Officer for Regulatory/Compliance Matters:  
[ndml.nodalofficer@nsdl.com](mailto:ndml.nodalofficer@nsdl.com)

Grievance Redressal Matrix:  
[surepaygrievance@nsdl.com](mailto:surepaygrievance@nsdl.com)

Operations & Settlement Functions:  
[NDML-Settlement-Recon@nsdl.co.in](mailto:NDML-Settlement-Recon@nsdl.co.in)

## **Merchant Onboarding Process**

### **Assignment of a Relationship Manager:**

You can express interest in Payments Services of NDML by sending an email to [info\\_ndml@nsdl.com](mailto:info_ndml@nsdl.com). Our Relationship Management team shall get in touch with you.

At NDML, a Merchant shall be assigned a dedicated Relationship Manager during the Onboarding process. Based on understanding the Entity type and nature of your business, the Relationship manager shall guide Merchant on the KYC requirements.

### **Document Submission:**

Merchant/s can submit duly signed Customer Information Form (CIF) and other requisite supporting documents to the RM. The RM will verify these documents and initiate the Customer Due Diligence as per NDML KYC, AML & CFT policy.

### **Points to be kept in mind by Merchants while providing KYC documents:**

While submission of documents - Merchant/Legal entity to take care of the following:

1. Documents to be attested by Authorized Signatory of legal entity. A copy of the Board resolution/Office Order/resolution by designated partner/letter by partners of partnership firm or other legal entity and/or Power of Attorney required
2. Legal entity to provide details of the Beneficial Owner who is (are) the natural person(s) who has/have a controlling ownership in the entity [As per clauses 3(a) (iv) and 34 of RBI Master Direction]
3. Legal entity to submit KYC documents of the Authorized Signatory and Beneficial Owners
4. Merchant/s can download/refer- [KYC documentation - Merchant Onboarding list](#) – to identify relevant KYC documents pertaining to Merchant/Authorized signatory/Beneficial Owner or contact the Relationship Manager for guidance

### **Beginning of the Journey:**

NDML PA shall carry additional Due Diligence/verification, before Go-Live of a Merchant on NDML Payment System:

- PAN Verification
- GST Verification
- Negative Database Verification
- Bank Account Verification

- Background Check
- Merchant Website Verification
- Compliance Checks
- PA-PG Guidelines

**UCIC / MID Generation:**

A Unique Client Identification Code (UCIC) and Merchant ID (MID) shall be issued to Merchant after the completion of the KYC process.

**Post Activation:**

NDML PA shall perform regular checks and risk categorization as per its internal process. NDML PA may also undertake Re-KYC for existing merchants on a periodic basis. NDML PA shall monitor transactions done through the merchant portal to ensure compliance with the PMLA Act and the Rules. These background activities are conducted on a periodic basis while NDML PA shall ensure a seamless experience for the Merchant/s and the end Citizen/s to use our Paygov and Surepay services with complete transparency and trust.

**Warranties by the Merchant:**

Merchant/Organisation is legally providing products/services to its customers and is ensuring the following towards customer safety and servicing:

- 1.1 Customers are informed about products/services, their features, usability, warranties, charges, rights & obligations before they place the orders or avail of the services
- 1.2 All products/services are complying with the description and are not counterfeit/fake/duplicate and are suitable for the intended purpose
- 1.3 Customers are kept informed about the status of product/service delivery, timelines of delivery and delivery mechanism and evidence of product/service delivery is maintained
- 1.4 Invoices and documentation as may be applicable are provided to the Customers through appropriate channels
- 1.5 Merchant/Organisation has adequate assurance mechanism to ensure satisfactory fulfilment of customer orders as per the terms and conditions of purchase
- 1.6 Merchant/Organisation has an adequate mechanism to identify/authenticate the customers and has a suitable mechanism to prevent services to customers from UNSC Sanction lists/FATF jurisdictions
- 1.7 Merchant/Organisation has an adequate mechanism to ensure compliance with provisions of the Prevention of Money Laundering Act and provisions made there under
- 1.8 Merchant / Organisation has made adequate arrangements in respect of the following:
  - 1.8.1 Ensuring the data security and data privacy of Customers, their transactions and their personal information
  - 1.8.2 Informing the customers about their data security and data privacy
  - 1.8.3 Informing the customers about website policies
  - 1.8.4 Informing the customers about policies for claiming Refund for their payments and for returning the products/services availed
  - 1.8.5 Informing the customers about the Grievance resolution mechanism and escalation matrix for the same
- 1.9 Merchant / Organisation does not collect/store any of the following data for the customers
  - 1.9.1 Aadhaar number
  - 1.9.2 Customer Card & related data except as per RBI approved mechanism and with certification for payment data security i.e., PCI DSS & PA DSS Certification
- 1.10 Merchant / Organisation is compliant with all applicable legal / tax provisions with reference to its establishment and operations
- 1.11 Further, the Merchant/Organization shall undertake that minimum Baseline security controls as recommended by PA-PG guidelines are adhered to and shall provide complete access to NDML Payment Aggregator to undertake comprehensive security assessment during merchant onboarding process or as and when required
- 1.12 Merchant/Organisation and its promoters/management are fit and proper persons to be introduced in the payment system

- 1.13 Merchant/Organization and its designated employees are expected to adhere to the timelines and guidance on dispute/chargeback related issues raised by the customer (Payer)
- 1.14 NDML and merchant/ organization may decide that the merchant/organizations deposit's security amount as mutually agreed upon to ensure refund/dispute/chargeback cases are managed and handled within the regulatory framework and timeline