

APPENDIX H
(To Merchant Services Terms and Conditions)
Applicable to QR Code Transactions

1. ADDITIONAL UNDERTAKINGS/PROVISIONS RELATING TO QR CODE TRANSACTIONS

For QR Code Transactions:-

- (a) The Merchant must only use the QR Code (Static) to collect monies for its own sales and not share or duplicate the QR Code (Static) for use by any other third party. If the Merchant believes that their QR Code (Static) has been tampered with or damaged, the Merchant must immediately notify the Bank to reprint and replace the same.
- (b) The Merchant must not generate any QR Code (Dynamic) at any location which exceeds a certain distance (*as prescribed by the Bank*) from the Merchant's outlet address ("**Unauthorised Location**"). The devices used by the Merchant to generate QR Code (Dynamic) are installed with an anti-fraud geo location feature. If a QR Code (Dynamic) is generated at any Unauthorised Location, a fraud alert will be triggered.
- (c) Where a Merchant only carries out QR Code Transaction using a QR Code (Static) and does not use any other Payment Channels:-
 - (i) a report of QR Code Transactions carried out for each day will be provided to the Merchant by the next Business Day. The Merchant will receive a notification when the report is ready for review and the Merchant shall log into the CIMB Merchant Electronic Online Portal (e-Access) to review said report;
 - (ii) the Bank shall pay the settlement fund due to the Merchant within (i) one (1) Business Day following the QR Code Transaction performed before 8p.m., and (ii) two (2) Business Days for QR Code Transaction performed after 8p.m. unless the Bank receives notice from the Card Companies, PayNet and/or eWallet Operators requiring the Bank to withhold payment to the Merchant;
 - (iii) if the Bank does not receive the settlement fund from the eWallet Operator, the Bank and the Merchant shall agree to defer the Bank's payment to a date to be mutually agreed between the Bank and subject to these terms and provisions. Any discrepancies or errors arising from the settlement process, must be notified to the Bank in writing within seven (7) Calendar Days from the date of the Bank's payment, failing which the Merchant shall be deemed to have waived its right to make any claim against the Bank in respect of such discrepancies or errors;
 - (iv) if any dispute between the Cardholder / eWallet Users / customers and the Merchant arise in the course of a QR Code Transaction using a QR Code (Static), the process used to resolve the disagreement between the Cardholder / eWallet Users / customers and the Merchant shall be based on the rules prescribed by the Card Companies, PayNet or the operator of the platform upon which the QR Code Transaction was carried out and in the absence of any such rules, the Merchant shall solely be responsible for resolving the dispute amicably with the Cardholder / eWallet Users / customers without involving the Bank.
- (d) The Merchant and their Sales Reps shall observe all security measures prescribed by the Bank from time to time relating to QR Code Transactions.

- (e) The Merchant shall comply with all procedures as communicated by the Bank to the Merchant from time to time, which are necessary to prevent and mitigate potential risks (such as fraud and settlement risks).
- (f) The Merchant shall bear the risks of loss where there is:
 - (i) interception of transactions which may result in transactions being made to an unintended and unauthorised third party;
 - (ii) any unauthorised transactions where the security of the transaction has been compromised;
 - (iii) any unauthorised manipulation of any QR Code;
 - (iv) tampering of the displayed QR Code (Static) which may result in payment to an unintended third party other than the Merchant; and/or
 - (v) delay and/or failure in payments being effected to the Merchant and/or failure of transactions due to:
 - 1. technical error, malfunction or omission on the part of the Bank, Card Companies, PayNet and/or eWallet Operators;
 - 2. maintenance activity being conducted in respect of the relevant system infrastructure;
 - 3. telecommunications network congestions, network failure, systems failure or any other reason beyond the reasonable control of the Bank;
 - 4. an unauthorised person or third party having accessed the Merchant's Terminal or any other related computer or electronic systems; and/or
 - 5. any data loss or theft due to any virus or malware.

2. ADDITIONAL TERMS AND CONDITIONS FOR DUITNOW QR SERVICES

When using DuitNow QR Services, the Additional Terms and Conditions for DuitNow QR Services set out in **Schedule 1** shall also apply.

3. APPENDIX H (INCLUDING SCHEDULE 1) IS TO BE READ WITH MERCHANT SERVICE TERMS AND CONDITIONS

This Appendix H (including Schedule 1) is to be read together with the Bank's Merchant Services Terms and Conditions. If QR Codes and/or DuitNow QR Services are used in conjunction with other Payment Channels, the respective terms and conditions governing those Payment Channels shall apply in addition to this Appendix H (including Schedule 1). Where there is inconsistency, Appendix H (including Schedule 1) shall override the Merchant Services Terms and Conditions, in so far as it relates to QR Codes and/or DuitNow QR Services.

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Schedule 1 - Additional Terms and Conditions for DuitNow QR Services

1A. Definition

“Account” means an eWallet Account offered by eWallet Operators and all types of banking accounts offered by banks, except for fixed deposit accounts. This shall include, but is not limited to, all types of conventional and/ or Islamic investment accounts, Islamic deposit account, current accounts, virtual internet accounts. Additionally, means all line of credit accounts tied to payment cards where transaction is made.

“Beneficiary of Fraud” means party who ultimately benefits from the unauthorised or fraudulent payment.

“Cash Out” means a value-add feature of DuitNow QR Services which allows Payers to withdraw cash from the Merchant’s physical acceptance points. The maximum limit set for Cash Out withdrawal is RM500 per transaction.

“Credit Transfer” means an order from a Payer to the Debiting Participant to debit the Payer’s Account and facilitate fund transfer to a Recipient’s Account.

“Crediting Participant” means banks and non-banks where the Merchant or Recipient maintains an account to receive incoming proceeds from Payment Instructions.

“DuitNow QR Services” or “DuitNow QR” means a service offered by PayNet, including Cross-Border QR, which facilitates country or region-wide ubiquitous payments or credit transfers.

“Cross-Border QR Service” or “Cross-Border QR” is an electronic fund transfer service that facilitates point-of-sale payments that are routed using information obtained from scanning QR codes compliant with the DuitNow National QR Standard or QR codes issued by the Participating Switches.

“Customer” is a term used to collectively refer to Payers, merchants, Recipients and other clients of a Participant.

“Debiting Participant” means banks and eWallet Operators participating in RPP where the Payer maintains account(s).

“DuitNow QR Brand” means brand, icon, logo, trademark and service mark for the DuitNow QR.

“DuitNow QR Intellectual Property” means all intangible intellectual assets for the DuitNow QR Services.

“Paynet QR Rules” means the set of rules set out in PayNet’s prevailing Overlay Service Procedures for DuitNow QR and Cross-Border QR and the Operational Procedures for Real-Time Retail Payments Platform, which governs the operations of DuitNow QR Services.

“DuitNow QR Owner & Operator or PayNet ” means Payments Network Malaysia Sdn. Bhd. (Company No.: 200801035403 [836743-D]).

“Foreign Merchant” means an individual, company, body corporate, business (including sole proprietor and partnership) incorporated outside Malaysia that accepts payments via

Cross-Border QR service, for purchase of goods and/or services.

“Participant” means banks and non-banks that have been granted approval by PayNet to access the RPP to enable clearing and settlement of DuitNow QR and Cross-Border QR transactions.

“Participating Switch” means a foreign institution that provides the Cross-Border QR service in its respective country to its Acquirer or Issuer (as the case may be) and performs switching functions to receive, process and transmit the transactions across the country to PayNet.

“Payer” means individuals, companies, body corporates, businesses (including sole proprietors and partnerships), government agencies, statutory bodies, societies and other Customers who transfers funds via DuitNow QR Service.

“Payment(s)” means an order from Payer to the Debiting Participant to debit the Payer’s Account and facilitate fund transfer to a Merchant’s Designated Account as payment for purchase of good and/or services.

“Payment Instruction(s)” means an order by the Payer to the Debiting Participant to raise a Payment, Credit Transfer and/or Cash Out transaction using DuitNow QR Service.

“Recipient” means individuals who receive funds from Payers via the DuitNow QR and who have accounts with any Participant.

“RPP” means Real-Time Payments Platform, a shared payment infrastructure developed and established by PayNet, which facilitates instant and interoperable payments and collections.

“Unrecoverable Loss” means the portion of funds transferred and credited to the wrong party due to erroneous, mistaken, unauthorised or fraudulent payments that cannot be retrieved after Participants have exhausted the recovery of funds process.

1. Introduction

- 1.1 The Bank is the Crediting Participant and the Merchant is a registered Merchant under the DuitNow QR Services.
- 1.2 In consideration of the fees paid to the Bank, the Bank agrees to facilitate the participation of the Merchant in DuitNow QR Services in accordance with the Merchant Services Terms & Conditions (*which includes Appendix H and these Additional Terms and Conditions for DuitNow QR Services*).
- 1.3 By registering for DuitNow QR Services, the Merchant agrees to observe all Paynet QR Rules including DuitNow QR operating procedures issued by the DuitNow QR Owner & Operator which is applicable to the Merchant, as reflected in these Additional Terms and Conditions for DuitNow QR Services including any future revisions communicated by the Bank to the Merchant.
- 1.4 Merchant registered for DuitNow QR Services will be able to receive funds from a Payer and/or Foreign Merchant by scanning the QR codes issued by PayNet and/or Participating Switches..

2. Obligations Of Merchant

- 2.1 If the Merchant wishes to receive funds via DuitNow QR, the Merchant:
 - 2.1.1 Shall not impose any fees for point of sale payments made by Payers using DuitNow QR Service; and
 - 2.1.2 Shall not deduct any RPP fees from the Cash Out withdrawal and ensure the Payer is paid in full amount.
- 2.2 The Merchant shall accept Payments or Cash Out that draw funds from eWallet Account offered by eWallet Operators and all types of deposit accounts offered by banks, except for fixed deposit accounts. This shall include, but is not limited to, all types of conventional and/ or Islamic investment account, Islamic deposit accounts, current accounts, virtual internet accounts and/or line of credit accounts tied to payment cards.
- 2.3 The Merchant must not make any warranty or representation in respect of goods or services supplied which may bind the Bank, DuitNow QR Owner & Operator, Debiting Participant, or any other Participants in the service.
- 2.4 The Merchant must establish and maintain a fair policy for correction of errors and facilitate recovery of funds for erroneous or mistaken payments and/or unauthorised or fraudulent payments. The Merchant shall ensure compliance with and shall fully observe all applicable rules, guidelines, regulations, circulars and laws related to DuitNow QR including but not limited to the Paynet QR Rules.
- 2.5 The Merchant shall update its Terms and Conditions for DuitNow QR so that they are extended to cover use of the Cross-Border QR Service;
- 2.6 The Merchant shall consent and allow the Bank to disclose its information pertaining to the payment processes as the DuitNow QR Owner & Operator may reasonably require for DuitNow QR Services.
- 2.7 The Merchant who has been granted a non-transferable license to use the DuitNow QR Brand shall not license or assign the said right to use to any other third party. The Merchant shall comply with the DuitNow Brand Guidelines at all times.
- 2.8 For the purpose of **Clause 2.7**, the Merchant will be liable for any claims, damages and expenses arising out of or caused to arise from misuse or unauthorised usage of the DuitNow QR Brand. In the event of such breach, the Merchant sub-licensed rights of using the DuitNow QR Brand shall automatically be revoked and ceases immediately, whereupon the Bank may terminate the Merchant's participation in the DuitNow QR Services, without affecting accrued rights of parties. Upon termination, **Clause 2.9** shall apply accordingly.
- 2.9 This **Clause 2** shall survive termination of the Merchant's participation in the DuitNow QR Services. Termination does not affect either party's rights accrued, and obligations incurred before termination.

3. Obligations of the Bank

- 3.1 The Bank shall credit and make funds from incoming Payment Instructions available in the

Merchant's Designated Account within:

(i) one (1) Business Day following the DuitNow QR transaction performed before 8p.m.; and

(ii) two (2) Business Days for the DuitNow QR transaction performed after 8p.m.,

unless the Bank receives notice from the Debiting Participant and/or PayNet requiring the Bank to withhold payment to the Merchant. If the Bank does not receive the settlement fund from the Debiting Participant, the Bank and the Merchant shall agree to defer the Bank's payment to a date to be mutually agreed between the Bank and subject to these terms and provisions. Any discrepancies or errors arising from the settlement process must be notified to the Bank in writing within seven (7) Calendar Days from the date of the Bank's payment, failing which the Merchant shall be deemed to have waived its right to make any claim against the Bank in respect of such discrepancies or errors.

3.2 Any refunds by the Bank must be made together with transaction fees to the Merchant if fees were incurred due to Payer's disputes that are not caused by the Merchant. However, if the Merchant opts to partially refund overpayments to Payers, the Merchant shall bear the transaction fees for executing such refund.

3.3 The Bank shall implement reasonable measures to detect, mitigate, resolve and prevent actual and suspected fraudulent or unauthorised acts.

4. Recovery of Funds

4.1 The Merchant shall:

4.1.1 Assist the Bank in any investigation of erroneous or mistaken payments as stated in **Clause 5**;

4.1.2 Assist the Bank in any investigation on unauthorised or fraudulent payments as stated **Clause 6**; and

4.1.3 Effect refund(s) to the Payers or Debiting Participants, as the case may be, if it is found that the Merchant is responsible for such erroneous, mistaken, unauthorised or fraudulent payment, as the case may be.

4.2 In the event erroneous or mistaken payment is caused by the Merchant, after verification and confirmation from the Merchant with respect to such erroneous or mistaken payment, the Bank shall immediately reverse out all credits erroneously posted to the Merchant's Designated Account regardless of whether funds have been recovered from other affected parties.

5. Erroneous or Mistaken DuitNow QR Transaction

5.1 The Bank shall inform the Merchant once the Bank receives a request to recover funds that is wrongly credited to the Merchant due to an erroneous or mistaken payment. The Merchant must facilitate the recovery of funds process stated in **Clause 5.2**.

5.2 Upon receiving a recovery of funds request for erroneous or mistaken payment, the Bank has the right to debit the Merchant's Designated Account to recover funds within five (5) Business Days provided the following conditions are met:

5.2.1 If the recovery of funds request is received within ten (10) Business Days from

date of the erroneous/mistaken payment:

- 5.2.1.1 The Bank is fully satisfied that funds were erroneously or mistakenly credited to the Merchant's Designated Account;
 - 5.2.1.2 The Bank has notified the Merchant regarding the proposed debiting of Merchant's Designated Account and the reason for the debiting; and
 - 5.2.1.3 There is sufficient balance in the Merchant's Designated Account to cover the recovery amount.
- 5.2.2 If the recovery of funds request is received between eleven (11) Business Days and seven (7) months from date of erroneous/mistaken payment:
- 5.2.2.1 The Bank is fully satisfied that funds were erroneously or mistakenly credited to the Merchant's Designated Account;
 - 5.2.2.2 The Bank has provided written notification to the Merchant where the erroneous/mistaken payment will be recovered through debiting the Merchant's Designated Account within ten (10) Business Days of the notifications unless the Merchant provides reasonable evidence to substantiate ownership of the funds in question; and
 - 5.2.2.3 There is sufficient balance in the Merchant's Designated Account.
- 5.2.3 If recovery of funds request is received after seven (7) months from the date of erroneous or mistaken payment:
- 5.2.3.1 The Bank must seek the Merchant's prior written consent to debit the Merchant's Designated Account to recover funds, and the Merchant must give its consent to debit the Merchant's Designated Account within ten (10) Business Days of receiving the request to debit from the Bank.
- 5.3 When the Merchant receives a request for consent from Bank as described in **Clause 5.2.3.1**, Merchant shall not unreasonably withhold consent to debit the Merchant's Designated Account when there is a legitimate recovery of funds request.

6. Unauthorised or Fraudulent DuitNow QR Transaction

- 6.1 The Bank shall inform the Merchant once the Bank receives a request to recover funds that was credited to the Merchant due to an unauthorised or fraudulent payment. The Merchant must facilitate the recovery of funds process stated in **Clause 6.2**.
- 6.2 If the Merchant receives unauthorised or fraudulent payment, the Merchant shall:
- 6.2.1 Immediately take all practicable measures to prevent or block further misuse, unauthorised or fraudulently transferred funds for the benefit of the Beneficiary of Fraud;
 - 6.2.2 Furnish to the Bank with information, including but not limited to the name, address, contact information and/or national identity card number/passport number to conclusively identify the Beneficiary of Fraud within seven (7) Business Days of detecting the unauthorised or fraudulent payment;

- 6.2.3 Take all practicable measures to the extent permitted by law to recover funds from the unintended recipient of funds including but not limited to reversing out credits, drawing on deposits or other financial guarantees that the Beneficiary of Fraud placed/ places with the Merchant, stopping delivery of goods, suspending services that the Beneficiary of Fraud has paid for, repossessing goods delivered to the Beneficiary of Fraud and/or taking legal action against the Beneficiary of Fraud; and
- 6.2.4 Immediately provide such information required in **Clause 6.2.2** to the Bank to facilitate the Debiting Participant's investigation.
- 6.3 In the event that the Bank receives a payment request from the Merchant which the Bank believes to be an unauthorised or fraudulent payment, the Bank shall do the following (upon becoming aware of the suspected unauthorised payment/fraud):
- 6.3.1 The Bank shall conduct investigation to determine:
- a. whether the Merchant is implicated in the unauthorised payment/fraud; or
 - b. whether there is sufficient grounds to conclude that the Merchant is involved, or has benefited, directly or indirectly from the unauthorised payment/fraud; and
- the Bank shall prevent or block withdrawal and/or further use of the remaining funds in the Merchant's Designated Account with the Bank until there is satisfactory resolution of Unrecoverable Loss.
- 6.3.2 The Merchant shall facilitate and cooperate with the Bank to complete the investigation.
- 6.4 In the event the Merchant is responsible for unauthorised or fraudulent payment, **Clause 10** shall apply accordingly.

7. Dispute Resolution

- 7.1 The Merchant shall, in good faith, attempt to settle all disputes or conflicts with the Bank arising in connection with the DuitNow QR Service amicably and by mutual agreement.
- 7.2 Since the Merchant has recourse via industry mediation and arbitration bodies such as the Financial Ombudsman Scheme, the DuitNow QR Owner & Operator will not arbitrate nor mediate disputes between the Bank and the Merchant.
- 7.3 However, the Merchant shall have the right to lodge a complaint with the DuitNow QR Owner & Operator if there are allegations of the Bank's non-compliance to the Paynet QR Rules as reflected in these Additional Terms and Conditions for DuitNow QR Services.
- 7.4 The DuitNow QR Owner & Operator shall review of such complaints and allegations in accordance with **Clause 7.5**.
- 7.5 The Merchant shall have the right to refer their disputes to the DuitNow QR Owner & Operator if there is an allegation of Participant's non-compliance to the Paynet QR Rules. The DuitNow QR Owner & Operator will review such complaints and allegations, but such review will be confined to:

- 7.5.1 Determination whether there has been non-compliance;
 - 7.5.2 Stipulating remedies for Participant to correct or address the non-compliance; and
 - 7.5.3 Determination if penalties are applicable for the non-compliance.
- 7.6 All decisions rendered by the DuitNow QR Owner & Operator in response to complaints from Merchant shall be prima facie binding on the Bank.
- 7.7 Lodging complaints of non-compliance with the DuitNow QR Owner & Operator does not preclude the right of the Merchant to take the dispute to the respective industry arbitration or mediation bodies.

8. Indemnity

8.1 In addition to Clause 17 of the Merchant Services Terms and Conditions, subject to the other party's compliance with **Clause 8.2**, each party ("**Indemnifying Party**") agrees to indemnify and hold the other party and its servants, agents, employees and contractors harmless on a full indemnity basis against all claims, liabilities, penalties, expenses, costs, loss or damage of whatever nature (including legal costs on a full indemnity basis incurred by the other party) suffered or incurred by the other party as a result of any of the following:

- 8.1.1 Any negligence, misrepresentation or fraud on the part of the Indemnifying Party, its servants, agents, employees or contractors with respect to the performance of its obligations or the exercise of any of its rights under these Additional Terms and Conditions for DuitNow QR Services;
- 8.1.2 Any claim by a Payer, the Bank, Debiting Participant, DuitNow QR Owner & Operator or any other person for any breach by the Indemnifying Party of any applicable laws;
- 8.1.3 The failure of the Indemnifying Party to observe any of its obligations under these Additional Terms and Conditions for DuitNow QR Services; or
- 8.1.4 Any use of the DuitNow QR Brand by the Indemnifying Party other than as permitted by these Additional Terms and Conditions for DuitNow QR Services,

except to the extent that such liability arises or is incurred by the other party by reason of any act or omission on its part mentioned in **Clause 8.1.1 to Clause 8.1.4**.

8.2 In the event a claim is made against a party in respect of which it is entitled to be indemnified pursuant to **Clause 8.1**, that party must:

- 8.2.1 Give notice of any such claim to the other party;
- 8.2.2 Consult with the other party in relation to any such claim; and
- 8.2.3 Not to settle any claim without obtaining the prior written consent of the other, such consent not to be unreasonably withheld.

8.3 The Bank is not liable to the Merchant for any loss or damage suffered by the Merchant as

result of:

- 8.3.1 A missing or erroneous payment; and
- 8.3.2 The delay or disruption caused by any system failure beyond the Bank's reasonable control.

9. Suspension

9.1 The DuitNow QR Owner & Operator or the Bank, as the case may be, reserves the right to suspend the Merchant's access to the DuitNow QR Services under the following circumstances, which includes, but not limited to:

- 9.1.1 The Merchant breached these Additional Terms and Conditions for DuitNow QR Services or applicable rules, guidelines, regulations, circular or laws related to DuitNow QR including the Paynet QR Rules that was communicated to the Merchant by the Bank;
- 9.1.2 The Merchant has inadequate operational controls or insufficient risk management processes, resulting in potential threats to the stability, integrity, safety and efficiency of DuitNow QR and/or RPP; or
- 9.1.3 The Merchant is suspected on reasonable grounds that it has committed or will commit fraudulent act in connection with the DuitNow QR.

9.2 Upon suspension of the Merchant's access to the DuitNow QR Services:

- 9.2.1 The services provided to the Merchant under the DuitNow QR Services will be suspended immediately;
- 9.2.2 The Merchant must cease all promotional and advertising that is related or can be perceived to be related to DuitNow QR;
- 9.2.3 The Merchant shall remove all DuitNow QR Brand from the Merchant's marketing collaterals, channels and website and return to PayNet all DuitNow QR Intellectual Property; and
- 9.2.4 The Merchant must take all reasonable steps to comply with any directions of the Bank to minimise the impact on Payers of the suspension or termination.

10. Termination

10.1 The DuitNow QR Owner & Operator or the Bank, as the case maybe, reserves the right to terminate the Merchant's participation in the DuitNow QR Services or DuitNow QR Services under the following circumstances, which includes, but not limited to:

- 10.1.1 These Additional Terms and Conditions for DuitNow QR Services between the Merchant and the Bank is terminated or expired;
- 10.1.2 The Merchant breached these Additional Terms and Conditions for DuitNow QR Services or applicable rules, guidelines, regulations, circulars or laws related to DuitNow QR including the Paynet QR Rules that was communicated to the Merchant by the Bank;

- 10.1.3 The Merchant fails to remedy or take adequate steps to remedy its default under these Additional Terms and Conditions for DuitNow QR Services to the satisfaction of the Bank or the DuitNow QR Owner & Operator, as the case maybe, within the timeframe specified by the Bank;
 - 10.1.4 The Merchant has inadequate operational controls or insufficient risk management processes resulting in potential threats to the stability, integrity, safety and efficiency of the DuitNow QR and/or RPP;
 - 10.1.5 Court order(s) affecting the Merchant's or the Bank's membership and/or legal status;
 - 10.1.6 Directive(s) issued by regulatory or government authority affecting the Merchant's or the Bank's membership and/or legal status;
 - 10.1.7 The Merchant's insolvency;
 - 10.1.8 The Bank's membership in DuitNow QR, RPP or Real-Time Electronic Transfer of Funds and Securities System (RENTAS) is terminated or suspended and the Merchant has not appointed a replacement Crediting Participant; or
 - 10.1.9 Such other detrimental circumstances or reasons that PayNet considers necessary to suspend or terminate such Merchant's access to DuitNow QR.
- 10.2 Upon termination of DuitNow QR Services:
- 10.2.1 The Merchant's participation in the DuitNow QR Services is automatically terminated and the Merchant will no longer have access to DuitNow QR and the services provided under DuitNow QR;
 - 10.2.2 The Merchant must cease all promotional and advertising that is related or can be perceived to be related to DuitNow QR;
 - 10.2.3 The Merchant shall remove all DuitNow QR Brand from the Merchant's marketing collaterals, channels and website and return to PayNet all DuitNow QR Intellectual Property; and
 - 10.2.4 The Merchant must take all reasonable steps to comply with any directions of the Bank to minimise the impact on Payers of the suspension or termination.

11. Crediting To Merchant

- 11.1 The Bank will credit the Merchant's Designated Account with funds from incoming Payment Instructions and make the incoming funds available in the manner stated in **Clause 3.1**.
- 11.2 The Merchant shall pay the Merchant Discount Rate and/or Fee on transactions at the rate notified by the Bank and agreed to by the Merchant from time to time. The Bank is expressly authorised to deduct the relevant Merchant Discount, Fee and/or other sums of money (if any) owed to it, arising from the merchant services, from the payment proceeds due to the Merchant.

12. Dispute Management and Recovery of Funds

- 12.1 The Merchant shall respond to any dispute raised in accordance with the Dispute Management and Recovery of Funds sections in PayNet's Overlay Service Procedures for DuitNow QR.
- 12.2 In the event the Merchant fails to resolve the dispute or complaint to the satisfaction of the Payer and the Bank receives the Payer's complaints and disputes, the Merchant authorizes the Bank to investigate and resolve Payers' complaints and disputes in accordance with the Participation Rules for Retail Payment Services, BNM guidelines as well as the Paynet QR Rules.
- 12.3 If the Payer requests for a refund of their DuitNow QR Payment or Cash Out due to the Merchant failing to deliver goods, services or cash withdrawals for which the DuitNow QR transaction were made, which the Payer can substantiate, the Merchant shall effect such refund(s) to the Payer. If the Merchant fails to effect such refund(s) to the Payer, the Merchant expressly authorizes the Bank to deduct such sums from the Merchant's sales proceeds and also expressly authorizes the Bank to debit or cause to be debited from the Merchant's Designated Account all such sums to effect such refund(s) to the Payer.

13. Provision of Reconciliation Information

- 13.1 The Bank shall make available to the Merchant the following minimum information, for the purpose of facilitating the Merchant's reconciliation processes and accounting for payment of receipts and fees:
 - 13.1.1 Reference No. or Business Message Identifier;
 - 13.1.2 Payer's name;
 - 13.1.3 Recipient Reference;
 - 13.1.4 Other Payment Details, where applicable;
 - 13.1.5 Transaction amount;
 - 13.1.6 Transaction date and time;
 - 13.1.7 Debiting Participant's name;
 - 13.1.8 Account type;
 - 13.1.9 Gross total transaction value;
 - 13.1.10 Total transaction volume; and
 - 13.1.11 Total fees/ commissions charged.
- 13.2 The Bank shall deliver to the Merchant, the information described in **Clause 13.1**, at the minimum in the following manner:
 - 13.2.1 Mobile application;
 - 13.2.2 Internet banking;
 - 13.2.3 Data files or electronic files;
 - 13.2.4 Statements and/or e-statements; or
 - 13.2.5 Reports, either electronic or in hardcopies.

14. Liability for Unrecoverable Loss

- 14.1 For erroneous payment, mistaken, unauthorised and/or fraudulent payment that cannot be fully or partially recovered, the amount that cannot be recovered will be deemed as Unrecoverable Loss and the party causing or who could have reasonably prevented the Unrecoverable Loss will be liable to bear that loss.
- 14.2 If, after completing its investigations, the Bank has reasonable grounds to believe that the

Merchant caused could have reasonably prevented the Unrecoverable Loss, the Bank shall notify the Merchant and shall have the right to freeze funds in the Merchant's Designated Account until there is satisfactory resolution of Unrecoverable Loss. The amount frozen shall be no more than the amount of the Unrecoverable Loss.

- 14.3 The Merchant agrees to take all measures to recover the Unrecoverable Loss if the Unrecoverable Loss is due to its fault or negligence. Notwithstanding the aforesaid, the Bank shall not be prevented from taking legal action against the Merchant to make good the Unrecoverable Loss to the extent permitted by law.
- 14.4 The Bank shall fully refund DuitNow QR fees incurred for erroneous, mistaken, unauthorised and /or fraudulent payment, if the error was not due to the Merchant except in situations where the Merchant decides to partially refund an overpayment. If the Merchant opts to partially refund overpayments to the Customer, the Merchant shall bear the transactions fees for executing the refund.

15. Representation and Warranty

- 15.1 The Merchant acknowledges and agrees that the obligation of confidentiality extends but not limited to those specified in **Clause 17**, the disclosure of fees and charges contained in these Additional Terms and Conditions for DuitNow QR Services; and any technology or know-how related to the DuitNow QR Services or the performance of these Additional Terms and Conditions for DuitNow QR Services.
- 15.2 The Merchant agrees to comply with the Personal Data Protection Act 2010 of which it is bound and shall not do any act that will cause the Bank, Debiting Participant and the DuitNow QR Owner & Operator to breach any personal data protection laws.

16. Disclaimer

- 16.1 The DuitNow QR Owner & Operator and the Bank shall not be liable for any claims, actions, demands, costs, expenses, losses, and damages (actual and consequential) including legal costs that are incurred or suffered by the Merchant arising out of or caused by the Bank in connection with the operations and services provided by the Bank in the DuitNow QR Services. The Merchant agrees that it will communicate and resolve any dispute in relation to the aforesaid matters with the Bank.

17. Confidentiality

- 17.1 The Merchant shall treat any information it receives or possess as result of these Additional Terms and Conditions for DuitNow QR Services, as confidential and will not use such information other than for the purposes which it was given.
- 17.2 **Clause 17.1** shall not apply to information which:
 - 17.2.1 Is or has at the time of use or disclosure become public knowledge without any breach of these Additional Terms and Conditions for DuitNow QR Services by the Merchant;
 - 17.2.2 Is or has at the time of use or disclosure become generally known to companies engaged in the same or similar business(es) as the party on a non-confidential basis through no wrongful act of the Merchant;
 - 17.2.3 Is lawfully obtained by the Merchant from third parties without any obligation by the Merchant to maintain the information proprietary or confidential;
 - 17.2.4 Is known by the Merchant prior to disclosure hereunder without any obligation to keep it confidential and such information was not disclosed by the Bank

- 17.2.5 under these Additional Terms and Conditions for DuitNow QR Services;
Is independently developed by the Merchant without reference to or use of the Bank's information; or
- 17.2.6 Is required to disclose or divulge by any court, tribunal, governmental or authority with competent jurisdiction or by any statute, regulation or other legal requirement, take over panel or other public or quasi-public body as required by law and where the Merchant is required by law to make such disclosure. The Merchant shall give notification to the Bank as soon as practical prior to such disclosure being made.

18. Variation and Waiver

- 18.1 PayNet has the right to limit, add or amend the DuitNow QR Services. The Bank may change the terms of these Additional Terms and Conditions for DuitNow QR Services at any time to ensure compliance with the operational procedures of the DuitNow QR Owner & Operator and such change shall take effect from the date specified in the notice issued by the Bank.
- 18.2 Any provisions herein cannot be waived except in writing signed by the party granting the waiver.

19. Force Majeure

- 19.1 The Bank shall not be liable to the Merchant for any loss or damage (including direct or consequential), for failure to observe or perform its obligations under these Additional Terms and Conditions for DuitNow QR Services for reasons which could not by reasonable diligence be controlled or prevented by the Bank, including but not limited to, strikes, acts of God, acts of nature, acts of government not limited to movement control order, fire, flood, storm, riots, power shortages or power failure, power disruption by war, sabotage or inability to obtain sufficient labour, fuel or utilities.

20. Additional Terms and Conditions for DuitNow QR Services to be read with Merchant Services Terms and Conditions (including Appendix H)

- 20.1 These Additional Terms and Conditions for DuitNow QR Services are to be read together with the Bank's Merchant Services Terms and Conditions (including Appendix H) but applicable only to DuitNow QR Services utilized by the Merchant. Where there is inconsistency, these Additional Terms and Conditions for DuitNow QR Services shall override the Merchant Services Terms and Conditions (including Appendix H) in so far as it relates to the use of the DuitNow QR Services.

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