

**Merchant Payments Collection Service**

**Cellulant's Obligations**

- 1.1. Subject to the Merchant observing all provisions of the Agreement (including those as to payment) Cellulant undertakes to perform the following obligations in respect of the Services:
- (a) Integrate the Payment Gateway with the Merchant's system and those of the MNOs for the purpose of facilitating Bill Payment transactions between the Merchant and the Customers;
  - (b) Define and implement a settlement mechanism and process between the Merchant and Cellulant as set out in Second Schedule;
  - (c) In accordance with the provisions of this Agreement, undertake reconciliation with the Merchant in relation to Payments collected and settled;
  - (d) Co-ordinate, supervise and decide upon all activities relating to the Services;
  - (e) Ensure confidentiality of all information submitted by the Customers via the Payment Gateway. Cellulant shall ensure that there are proper encryption and security measures to prevent any hacking of the information of the customers and other confidential data **PROVIDED THAT** if there are lapses in such encryption and security measures on the part of Cellulant and the Merchant suffers loss and/or damage arising out of hacking of the information of the Customers and other confidential data, Cellulant shall indemnify the Merchant to the extent of such loss and/or damage subject to any limitation that may be set out in this Agreement;
  - (f) Ensure that necessary licenses and registrations, if any, required by Cellulant are in full force and effect to enable Cellulant to carry on the business of mobile payment services and premium rate service provider. Cellulant assures and guarantees the Merchant that Cellulant shall comply with the provisions of all enactments, rules, byelaws, and standards set by the statutory bodies;
  - (g) Ensure that it is acting in compliance with and shall at all times act in compliance with all laws, rules and regulations and shall at all times comply with the guidelines set by the Payment Facility Providers;
  - (h) Perform the Services and carry out its obligations with all due diligence, efficiency, and economy in accordance with generally accepted professional standards and practices and shall observe sound management practices and employ appropriate technology and safe methods.

**Merchant's Obligations**

- 1.2. The Merchant hereby declares, assures, undertakes and covenants to do as follows:
- (a) take suitable steps to integrate the Payment Gateway with its systems so that Customers can make Payments to the Merchant through the Payment Gateway;
  - (b) promote the Services through promotion, marketing & communication through a proper medium so that Customers can use the Payment Gateway to make Payments to the Merchant;
  - (c) be solely responsible for dealings with Customers including (where necessary) the validation of their identity and authority to use the Payment Gateway. Cellulant will not be liable to the Merchant or Customers for any liability arising out of defect in the Merchant Services;

- (d) help define and implement the payment mechanism and smooth flow of funds;
- (e) provide the required API for integration between the Payment Gateway and the Merchant's systems. The Merchant will do the necessary customization in the system to enable integration, if required, and provide all the help necessary to complete integration, including development and testing, as per the agreed timelines or otherwise agreed as mentioned elsewhere in the agreement;
- (f) recognize all Transactions in accordance with instructions from Customers;
- (g) prior to accepting any instructions from the Customer ensure that appropriate agreements have been executed with the Customer or acknowledgement(s) has been received by the Customer in accordance with the requirements of applicable law and regulations;
- (h) carry out all verifications for the Customer as may be required on an independent basis. The Merchant acknowledges and agrees that it aware that Cellulant and its Payment Facility Providers are not guaranteeing any transactions with the Customers in any manner whatsoever.
- (i) in the event of any Customer complaining of any deficiency in the Service, in consultation with Cellulant, shall take such measures as may be required to rectify the same;
- (j) ensure that all licenses and registrations required by the Merchant are in full force and effect to enable the Merchant to carry on the business of provision of the Merchant Services. The Merchant assures and guarantees to Cellulant that it shall comply with all rules, byelaws and standards set by the statutory bodies;
- (k) ensure confidentiality of all information submitted by the Customers via the Payment Gateway. The Merchant shall ensure that there are proper encryption and security measures to prevent any hacking into the information of the Customers and other data;
- (l) ensure that it is acting in compliance with and shall at all times act in compliance with all laws, rules and regulations and shall at all times comply with the guidelines set by the Payment Facility Providers;
- (m) bear and be responsible for the payment of all relevant taxes (including any applicable withholding taxes) due upon the Payments received through the Payment Gateway.
- (n) not describe itself as agent or representative of Cellulant or the MNO. The Merchant shall not make any representations to Customers or any third party or give any warranties, which may require Cellulant to undertake to or be liable for, whether directly, or indirectly, any obligation and/or responsibility to the Customer or any third party;

**General**

- 1.3. For the avoidance of doubt, Cellulant and the MNO shall not be party to the Agreement between the Customers and the Merchant in any manner whatsoever.
- 1.4. Cellulant reserves the right to impose limits on the value of a single Transaction in consultation with the Merchant during any time period and reserves the right to refuse to make payments in respect of transactions exceeding such limit.
- 1.5. Cellulant has the right to cancel/reject a transaction or payment in respect of any order, which purports to be a suspected fraud and therefore such transaction cannot be authorized by Cellulant and/or the MNO. In such a case Cellulant shall refund payment on the said transaction in accordance with the provisions of the Second Schedule hereto.
- 1.6. Notwithstanding the aforesaid, the Merchant assures and guarantees to Cellulant the due performance of all its obligations to Customers who make Payment.
- 1.7. The Merchant assures and guarantees that it shall not sell or deal with any of the following goods & services through the Payment Gateway unless it holds such valid permissions, licenses and authorizations as may be required by law to sell or deal in the said goods and services: i) any goods and services which includes pornography, ii) Alcohol and Drugs & drug paraphernalia, iii) Counterfeit and unauthorized goods, (iv) Gaming/gambling, (v) Hacking and cracking materials, vi) Tobacco and cigarettes (vii) Weapons which includes firearms, ammunition, knives, brass knuckles, gun parts, and other armaments, (viii) Any goods or service which is not in compliance with the applicable laws and regulations whether federal, state, local or international or which is prohibited by any judicial authorities. Cellulant reserves the right at any time to request the Merchant to provide proof that the Merchant holds valid permissions, licenses or authorizations that may be required to sell or deal in the goods and services listed above and if the Merchant fails to provide such proof within such time period as Cellulant may specify, Cellulant may terminate the agreement with the Merchant forthwith.
- 1.8. The Merchant further confirms, undertakes and assures Cellulant that in the event of violation of any of the byelaws and standards of any authority by the Merchant resulting in any penalty being imposed on Cellulant, the Merchant shall on receipt of the claim from Cellulant undertake forthwith pay to Cellulant, the amount of the penalty / fine imposed.
- 1.9. The Merchant hereby grants to Cellulant, a non-exclusive, royalty-free, limited license to use, display and reproduce the trademarks, service marks and logos of the Merchant solely in connection with the marketing of the Payment Gateway. The Merchant shall prominently display, on its marketing materials, a statement/logo/image of the Payment Gateway may be agreed from time to time.
- 1.10. Cellulant shall be entitled to prohibit the display of any material on the Merchant's system/ marketing materials if the act or manner of such display is contrary to any applicable law, regulation, government policy, order or guideline including all applicable laws and regulations or which is detrimental or harmful to the interest of Cellulant.
- 1.11. The Merchant shall use and shall procure that the Customers shall use the Services only for the purposes set out this Agreement and not for any other purpose unless agreed otherwise by both the Parties.

**Merchant Aggregation Service: Biller Aggregation**

**Cellulant's Obligations**

2.1 In providing the Services, Cellulant shall:

- (a) Facilitate any integration necessary between its systems and those of the Merchant for purposes of facilitating Payment transactions as envisaged in this Agreement and to allow transactions to be tracked and serviced in accordance with the provisions of this Agreement;
- (b) Provide the required API for integration into the Merchant's system;
- (c) Notify the Merchant if the float amount in the Cellulant Account falls below the minimum funds levels herein determined to enable the Merchant to facilitate payments to Cellulant Merchants;
- (d) Provide second level support for in respect of Payments provided that the Merchant shall be responsible for first level support to the Customers;
- (e) Advise the Merchant from time to time of the Cellulant Merchants whom it has signed up for purposes of receiving Payments from Customers;
- (f) Ensure that it shall not access or permit access to the Merchant's system for any reason save for the purpose of performing its obligations under Agreement;
- (g) Comply with all rules, by-laws and standards set by the statutory bodies;

**Merchant's Obligations**

2.2 Pursuant to the Agreement, the Merchant shall be responsible for the following:

- (a) Integrating the Merchant's core, the Merchanting system with the Payment Gateway and of such other third parties as may be agreed for purposes of facilitating Payments to Cellulant Merchants;
- (b) Providing the required API for integration into the Payment Gateway;
- (c) Credit the Cellulant Account with funds, as pre-paid amounts, for the purpose of facilitating Payment transactions carried out by Customers in accordance with the provisions of this Agreement;
- (d) Maintain such minimum funds levels in the Cellulant Account as agreed between the Parties;
- (e) Providing real-time visibility of Payments to Cellulant Merchants;
- (f) Ensuring that the Merchant's systems shall function correctly at all times, except for where system downtimes are beyond the control of the Merchant and the Merchant shall notify Cellulant immediately on the occurrence of a system downtime and expend best efforts towards resolving the downtime within the shortest possible time;
- (h) Ensuring that the internet shall at all times be available for all business functions,
- (i) Facilitating the registration by Customers for the purpose of using the Services;

- (j) Providing relevant and adequate technical information to Cellulant on Service-related incidents which require system support;
  - (k) Provision of all necessary hardware in respect to the Services contemplated under this Agreement;
  - (l) Complying with all rules, by-laws and standards set by the statutory bodies;
  - (m) In the event of violation of any of the by-laws and standards of any authority by the Merchant resulting in any penalty being imposed on Cellulant, the Merchant shall on receipt of the claim from Cellulant undertake forthwith pay to Cellulant, the amount of the penalty / fine imposed;
  - (n) To pay Cellulant's fees in accordance with the Merchant Agreement.
- 2.3 In deploying the Services, the Parties shall adhere to such timelines as the Parties may mutually agree in writing. Each Party shall afford all necessary cooperation to the other so as to ensure that the said timelines are met.
- 2.4 The Parties understand that the Payment services may require some changes, or particular components of the Services, from time to time, at the discretion of Cellulant. The Parties shall work together to agree a process for notification of changes to the Services and implementation of the changes agreed.

**Merchant Aggregation Service: Cellulant to Merchant Clients**

**Cellulant's Obligations**

- 3.1 Subject to Merchant observing all provisions of the Agreement (including those as to payment) Cellulant undertakes to perform the following obligations in respect of the Services:
- (a) Integrate the Payment Gateway with Merchant's systems and those of the MNOs for the purpose of facilitating the Transactions and settlement of Payments;
  - (b) Define and implement a settlement mechanism and process between Merchant and Cellulant as set out in Second Schedule;
  - (c) In accordance with the provisions of this Agreement, undertake reconciliation with Merchant in relation to Payments collected and settled;
  - (d) Co-ordinate, supervise and decide upon all activities relating to the Services;
  - (e) Ensure confidentiality of all information submitted by the Customers via the Payment Gateway. Cellulant shall ensure that there are proper encryption and security measures to prevent any hacking of the information of the customers and other confidential data **PROVIDED THAT** if there are lapses in such encryption and security measures on the part of Cellulant and Merchant suffers loss and/or damage arising out of hacking of the information of the Customers and other confidential data, Cellulant shall indemnify Merchant to the extent of such loss and/or damage subject to any limitation that may be set out in this Agreement;
  - (f) Ensure, at its own cost, that necessary licenses and registrations, if any, required by Cellulant are in full force and effect to enable Cellulant to provide the Services to the Merchant. Cellulant assures and guarantees Merchant that Cellulant shall comply with the provisions of all enactments, rules, byelaws, and standards set by the statutory bodies;
  - (g) Ensure that it is acting in compliance with and shall at all times act in compliance with all laws, rules and regulations and shall at all times comply with the guidelines set by the MNO as a payment facility provider;
  - (h) Perform the Services and carry out its obligations with all due diligence, efficiency, and economy in accordance with generally accepted professional standards and practices and shall observe sound management practices and employ appropriate technology and safe methods;
  - (i) in the event of any Customer complaining of any deficiency in the Service, in consultation with the Merchant, shall take such measures as may be required to rectify the same.
  - (j) Indemnify Merchant against any and all costs or expenses incurred by reason of the failure by Cellulant to provide the Services in accordance with this Agreement and the Third Schedule subject always to any limitations (financial or otherwise) of Cellulant's liability set out in this Agreement.

### **Merchant's Obligations**

3.2 Merchant hereby declares, assures, undertakes and covenants to do as follows:

- (a) take suitable steps to integrate the Payment Gateway with its systems so that Customers can make Payments in respect of the Merchant Client Services through the Payment Gateway;
- (b) promote the Services through promotion, marketing & communication through a proper medium so that Customers can use the Payment Gateway to make Payments in respect of Merchant Client Services;
- (c) be solely responsible for dealings with the Merchant Clients and Customers including (where necessary) the validation of their identity and authority to use the Payment Gateway. Cellulant will not be liable to Merchant, Merchant Clients or Customers for any liability arising out of defect in the Merchant Client Services;
- (d) help define and implement the payment mechanism and smooth flow of funds;
- (e) provide the required API for integration between the Payment Gateway and Merchant's systems. Merchant shall do the necessary customization in the system to enable integration, if required, and provide all the help necessary to complete integration, including development and testing, as per the agreed timelines or otherwise agreed as mentioned elsewhere in the agreement;
- (f) recognize all Transactions in accordance with instructions from Customers;
- (g) prior to accepting any instructions from the Merchant Clients or the Customers ensure that appropriate agreements have been executed with the Customers or acknowledgement(s) has been received by the Customers in accordance with the requirements of applicable law and regulations;
- (h) carry out and/or procure that the Merchant Clients carry out all verifications of Customers as may be required on an independent basis. Merchant acknowledges and agrees that it is aware that Cellulant and its Payment Facility Providers are not guaranteeing any transactions with the Customers in any manner whatsoever.
- (i) in the event of any Customer complaining of any deficiency in the Service, in consultation with Cellulant, shall take such measures as may be required to rectify the same;
- (j) ensure, at its own cost, that all licenses and registrations required by the Merchant and the Merchant Clients are in full force and effect to enable Merchant the Merchant Clients respectively to carry on their respective businesses. Merchant assures and guarantees to Cellulant that it shall comply and shall procure that the Merchant Clients comply with all rules, byelaws and standards set by the statutory bodies;
- (k) ensure confidentiality of all information submitted by the Customers via the Payment Gateway. Merchant shall ensure that there are proper encryption and security measures to prevent any hacking into the information of the Customers and other data;
- (l) ensure that it is acting and procure that the Merchant Clients shall act in compliance with and shall at all times act in compliance with all laws, rules and regulations and shall at all times comply with the guidelines set by the MNO as a payment facility provider;
- (m) bear and be responsible for the payment of all relevant taxes (including any applicable withholding taxes) due upon the Payments received through the Payment Gateway.

- (n) not describe itself as an agent or representative and shall procure that the Merchant Clients shall not describe themselves as agents or representatives of Cellulant or the MNO. Merchant shall not and shall procure that the Merchant Clients shall not make any representations to Customers or any third party or give any warranties, which may require Cellulant to undertake to or be liable for, whether directly, or indirectly, any obligation and/or responsibility to the Customer or any third party;

**General**

- 3.3 For the avoidance of doubt, Cellulant and the MNO shall not be party to the Agreement between the Customers and the Merchant Clients or Merchant and the Merchant Clients in any manner whatsoever.
- 3.4 Cellulant reserves the right to impose limits on the value of a single Transaction in consultation with Merchant during any time period and reserves the right to refuse to make payments in respect of transactions exceeding such limit.
- 3.5 Cellulant has the right to cancel/reject a transaction or payment in respect of any order, which purports to be a suspected fraud and therefore such transaction cannot be authorized by Cellulant and/or the MNO. In such a case Cellulant shall refund payment on the said transaction in accordance with the provisions of these terms and conditions and any agreement between the Merchant and Cellulant.
- 3.6 Notwithstanding the aforesaid, Merchant assures and guarantees to Cellulant the due performance of all its obligations to Customers who make Payment.
- 3.7 Merchant assures and guarantees that it shall not sell or deal with (and shall procure that the Merchant Clients shall not sell or deal with) any of the following goods & services through the Payment Gateway unless it holds such valid permissions, licenses and authorizations as may be required by law to sell or deal in the said goods and services: i) any goods and services which includes pornography, ii) Alcohol and Drugs & drug paraphernalia, iii) Counterfeit and unauthorized goods, (iv) Gaming/gambling, (v) Hacking and cracking materials, vi) Tobacco and cigarettes (vii) Weapons which includes firearms, ammunition, knives, brass knuckles, gun parts, and other armaments, (viii) Any goods or service which is not in compliance with the applicable laws and regulations whether federal, state, local or international or which is prohibited by any judicial authorities. Cellulant reserves the right at any time to request Merchant and/or the Merchant Clients(as the case may be) to provide proof that the Merchant and/or the relevant Merchant Client(as the case may be) holds valid permissions, licenses or authorizations that may be required to sell or deal in the goods and services listed above and if Merchant and/or the relevant Merchant Client (as the case may be) fails to provide such proof within such time period as Cellulant may specify, Cellulant may terminate the agreement with Merchant forthwith.
- 3.8 Merchant further confirms, undertakes and assures Cellulant that in the event of violation of any of the byelaws and standards of any authority by Merchant and/or the Merchant Clients resulting in any penalty being imposed on Cellulant, Merchant shall on receipt of the claim from Cellulant undertake forthwith pay to Cellulant, the amount of the penalty / fine imposed.
- 3.9 Merchant hereby grants to Cellulant, a non-exclusive, royalty-free, limited license to use, display and reproduce the trademarks, service marks and logos of Merchant solely in connection with the marketing of the Payment Gateway. Merchant shall prominently display, on its marketing materials, a statement/logo/image of the Payment Gateway as may be agreed from time to time.
- 3.10 Merchant shall procure that the Merchant Clients shall grant Cellulant non-exclusive, royalty-free, limited license to use, display and reproduce the trademarks, service marks and logos of the relevant Merchant Clients solely in connection with the marketing of the Payment Gateway and further that the Merchant Clients shall prominently display, on its marketing materials, a statement/logo/image of the Payment Gateway may be agreed from time to time.



- 3.11 Cellulant shall be entitled to prohibit the display of any material on Merchant's and/or the Merchant Clients' systems/ marketing materials if the act or manner of such display is contrary to any applicable law, regulation, government policy, order or guideline including all applicable laws and regulations or which is detrimental or harmful to the interest of Cellulant.
- 3.12 Merchant shall use and shall procure that the Merchant Clients and Customers shall use the Services only for the purposes set out this Agreement and not for any other purpose unless agreed otherwise by both the Parties.



## **Merchant Disbursement Service (Payouts)**

### **Cellulant's Obligations**

4.1 In providing the Services, Cellulant shall:

- a) Cellulant shall take all necessary and reasonable actions to integrate into the Payment Account and any other relevant system of the Merchant for purposes of enabling the services.
- b) Manage the Payment Account in accordance with the Merchant's instructions, but subject always to the Merchant's compliance of its obligations to Cellulant as set out in this Agreement.
- c) Where practicably reasonable and deemed necessary by the Parties, Cellulant shall facilitate the opening of the Payment Account on behalf of the Merchant.
- d) Where practicably reasonable and deemed necessary by the Parties, Cellulant shall take ownership of the Payment Account provided that Cellulant shall transfer ownership of the said accounts to the Merchant upon the Merchant's request subject always to the Merchant's compliance with its obligations to Cellulant as set out in this Agreement.
- e) Cellulant shall perform the Services and carry out its obligations with all due diligence, efficiency, and economy in accordance with generally accepted professional standards and practices and shall observe sound management practices and employ appropriate state of the art technology, security, and safety methods.
- f) Cellulant shall always act, in respect of any matter relating to this Agreement or to the Services, as faithful adviser to the Merchant, and shall at all times support and safeguard the Merchant's legitimate interests in any dealings with third parties.

### **Merchant's Obligations**

4.2 Merchant hereby declares, assures, undertakes and covenants to do as follows:

- a) The Merchant shall instruct the MNO to authorize Cellulant to directly manage the Payment Accounts on behalf of the Merchant.
- b) The Merchant shall ensure that at all times there is enough e-value balance in the Payment Account for purposes of making all payments required.
- c) The Merchant shall be solely responsible for transmitting funds from its pay bill account to (i) the Payment Account; and (ii) the relevant local currency account.
- d) The Merchant shall further be solely responsible for facilitating foreign exchange conversions in respect of the payment where necessary and shall bear the risk of such foreign exchange conversions (where applicable).

**Bulk SMS Service**

**Cellulant's Obligations**

5.1 In providing the Services, Cellulant shall:

- a) Cellulant shall perform the Services and carry out its obligations with all due diligence, efficiency, and economy in accordance with generally accepted professional standards and practices and shall observe sound management practices and employ appropriate state of the art technology, security, and safety methods.
- b) Cellulant shall always act, in respect of any matter relating to this Agreement or to the Services, as faithful adviser to the Merchant, and shall at all times support and safeguard the Merchant's legitimate interests in any dealings with third parties.

**Merchant's Obligations**

5.2 Merchant hereby declares, assures, undertakes and covenants to do as follows:

- a) The Merchant shall ensure that it properly uses the SMS service and shall be responsible for ensuring that data sent by it is accurate and technically compatible in all respects and in accordance with such guidelines and format as may be prescribed by Cellulant and/or any governmental or regulatory authority from time to time.
- b) The Merchant shall be responsible for the content to be transmitted to the Customers and other persons and shall ensure that the content and all associated marketing materials comply with the provisions of this Agreement and all applicable laws and regulations. For the avoidance of doubt the provisions of this Agreement will not in any way limit or qualify the Merchant's obligations under any applicable laws or regulations.
- c) Pursuant to Clause b, the Merchant shall ensure that the content therein shall not be used:
  - (a) for the transmission of any message or communication which is illegal, unauthorized, unacceptable or calculated to annoy or injure any person or which is in contravention of applicable law in Zambia or any subsequent amendments thereto or any other law or statutory enactment in force at any time during the currency of this Agreement;
  - (b) to convey to Customers any content, message, or any transmission whatsoever that is in the sole and reasonable opinion of Cellulant considered to be morally repugnant and/or pornographic and/or is prejudicial in any manner to Cellulant's business interests;
  - (c) In any manner which may infringe the copyright, patent, trademark, trade secret or other proprietary rights of any third party; or
  - (d) To interfere with damage, disrupt or unlawfully gain access to any service, equipment or computer network belonging to Cellulant or any other third party.
- d) The Merchant will indemnify Cellulant against any criminal and/or civil actions and/or costs reasonably incurred and necessarily that arise specifically from the breach of the provisions of Clauses (a), (b) and (c).
- e) The Merchant shall Prefund its account with Cellulant for purposes of receiving the Services. For these purposes, the Merchant shall make an initial agreed upon prefund of and shall thereafter maintain a minimum agreed upon float amount.



- f) In the event that Cellulant receives complaints that any content transmitted is in breach of this Agreement then Service Provider may terminate this Agreement forthwith or any particular service if Cellulant in its sole determination is reasonably satisfied that having investigated the complaint, the Merchant has breached the prohibitions of this Clause.

**MERCHANT SETTLEMENT MODEL  
(Applicable to Merchant Payment Collection Services)**

**General Terms**

<b>Term</b>	<b>Description</b>
<b>Bill</b>	Amount of money paid by the customer for items or services provided by a merchant.
<b>Channel</b>	Mode of access the customer will use to access the Payment Gateway including but not limited to ATM, USSD and Internet.
<b>Collection Account</b>	Bank accounts opened by Cellulant with Bank for purposes of collecting payments for bill (including transaction charges)
<b>Commission</b>	Amount charged to the customer for a bill payment done on Payment Gateway way.
<b>Commissions Account</b>	Account operated by the Bank for purposes of collecting commissions for bills paid
<b>Customer</b>	Person making a payment for a bill on the Payment Gateway
<b>Merchant</b>	Seller of the good or service for which the customer is paying for which in this Agreement shall refer to the Merchant.
<b>Merchant Account</b>	Merchant's bank account

**Descriptions of various status on the Payment Gateway**

<b>Term</b>	<b>Description</b>
<b>Escalated</b>	Incomplete transaction due to a system timeout, failure of sending out SMS pending status confirmation from reconciliation team.
<b>Manual Failure</b>	A transaction acknowledged as failed with manual intervention by Reconciliation Team.
<b>Manual Success</b>	A transaction acknowledged as successful with manual intervention by Cellulant and/or the Bank.
<b>Merchant Requested Reversal</b>	A successful transaction that is marked for reversal by Merchant due to a customer error.
<b>Pending Positive</b>	A transaction on the Payment Gateway that is in progress
<b>Pending Negative</b>	A transaction that is rejected and is pending reversal by the Payment Gateway
<b>Time Out</b>	<p><b>Acknowledgement time out</b> The Merchant does not acknowledge payment within 30 minutes.</p> <p><b>System time out</b> The Payment Gateway not able to reach the merchant due to a network or hardware issue.</p>
<b>(Transaction) Failure</b>	A transaction on the Payment Gateway that is not completed, and reversal performed successfully.
<b>(Transaction) Success</b>	A transaction on the Payment Gateway that is started and completed successfully( Fund Debited and customer notified)

**A. Settlement Process: Successful Transactions**

- (1) Customer/ Merchant initiates a transaction
- (2) Bank:
  - (i) Debit Customer Account with relevant amount
  - (ii) Credit Suspense Collection account

- (iii) Instruct the Payment Gateway to relay payment details to Merchant (relevant amount + Payment details)
- (3) The Payment Gateway:
  - (i) Create transaction with Bill amount.
  - (ii) Inform Merchant that the Bill is paid.
  - (iii) Inform Bank that Merchant has acknowledged.
  - (iv) Confirmation sent to Customer.
- (4) Bank (this process will be repeated hourly)
  - i) Debits the Suspense account
  - ii) Credit Cellulant Collection Account with relevant amount.
- (5) Cellulant reconciles transactions with the Merchant.
- (6) Payment is made to Merchant as per the agreed settlement period.

**B. Settlement Process: Failed Transactions**

- (1) Customer/Merchant initiates a transaction – If there is failure at this point Customer is not debited.
- (2) Bank:
  - (i) Debit Customer Account with relevant amount
  - (ii) Credit Suspense Collection account
  - (iii) Instruct the Payment Gateway to relay payment details to Merchant (relevant amount + Payment details)
    - If cannot reach the Payment Gateway, system auto reverses (Execute above steps in reverse order)
    - If no acknowledgment is sent by the merchant system, use fetch bill status to confirm.
- (3) Payment Gateway:
  - (i) Create transaction with Bill Amount.
  - (ii) Inform merchant that Bill is paid.
    - If Merchant cannot be reached mark transaction as failed, inform Bank and auto reversal is done by Bank.
    - If no acknowledgement from Merchant, then the transaction is escalated.
    - If Merchant rejects bill, mark transaction as failed, inform Bank and auto reversal is done by Bank.
  - (iii) If ultimately successful inform Bank that Merchant has acknowledged.

**Notes to Settlement Process**

- Banks must support auto-reversal.
- All transactions will be done in local currency.
- Automatic time out will be done after thirty (30) minutes (this is due Infrastructure or network)
- Cellulant reconciliation team available 5 days a week (8:00 am - 6:00 pm) except on holidays. Any complaints raised over weekends will be handled by the support team.
- Reversing successful transactions will not be allowed without mutual consent from the Parties.