

MERCHANT ON-BOARDING POLICY

Introduction

The Reserve Bank of India (“**RBI**”) has vide its ‘Guidelines on Regulation of Payment Aggregators and Payment Gateways’ dated March 17, 2020 (“**Payment Aggregator Guidelines**”) has necessitated every Payment Aggregator to have a merchant on-boarding policy which shall be approved by its Board of Directors (“**Board**”). Accordingly, Board of Finlogic Technologies India Private Limited (“**Company**” or “**Finlogic**”) in its meeting dated 28th January 2021 has adopted this Merchant On-boarding Policy (“**Policy**”) to provide the minimum requirements pertaining to the procedures that the Company has implemented while associating with any merchant.

Objective

The Policy has been prepared with the objective to establish a framework for the implementation of adequate merchant on-boarding processes, procedures and controls and to ensure that the merchants on-boarded do not have any mala-fide intention of duping their customers or to sell fake / counterfeit / prohibited products, etc.

Principles

Our assessment and evaluation processes of the merchants are primarily based on: (i) the guidelines and rules framed by the RBI under its Payment Aggregator Guidelines; (ii) advice and counsel of our banking partners and renowned consultants; (iii) prevailing industry best practices; and (iv) our own zeal to provide our merchants and customers a safe, trusted, reliable and a secure platform to allow exchange of payments all across. These assessments, evaluations and processes shall be updated from time to time as per the regulatory guidelines formulated and enforced.

Merchant Evaluation & Risk Assessment

A simultaneous process of evaluating and assessing a prospective merchant as well as a detailed risk assessment of the prospective merchant’s based on variety of factors including but not limited to the pre-screening, merchant history check, business details, model and functioning, business owners check, Website check, credit report and checking for ‘restricted business’ activities etc. is undertaken to provide efficiency, remove bias and cross-verify the assessments of each team. It is imperative for a merchant that its website shall clearly indicate the customer grievance redressal mechanism.

Further Documentation (need basis): In addition to the documents required under Policy on KYC, AML and CFT Measures and documents pertaining to compliance of Payment Card Industry-Data Security Standard (PCI-DSS) and Payment Application-Data Security Standard (PA-DSS) pertaining to the infrastructure of the merchant to be onboarded, additional documentation and clarifications if required are to be sought from the prospective merchant for their onboarding. Also, every merchant to be on-boarded will have to additionally submit an undertaking to the Company that it does not save customer card and other confidential data. Company may, carry out a security audit of the merchants to check compliance by them, as and when required.

Interim Discussions & Approval: Once the documentation has all been submitted and a preliminary check conducted, discussions are now entered into with the prospective merchant seeking clarifications and concluding any discrepancies (if any). Pursuant to preliminary review undertaken, an interim decision may be rendered to the prospective merchant in regard to the Company's services.

Final scrutiny: Pursuant to final discussions and successful completion of the review of the prospective merchant and their compliance to the satisfaction of the Company, the prospective merchant is then required to execute the on boarding agreement along with the required KYC documents in accordance with Company's Policy on KYC, AML and CFT Measures, signed as true-copy by the authorized signatories.

Furthermore onboarding screening of directors, individual promoters, shareholders with more than 25% of holding and senior management of the prospective merchant will be carried out as per company's KYC, AML and CFT Measures policy.

In case of prospective merchant is a regulated entity registered with any of the regulator viz SEBI, RBI, PFRDA, IRDAI, etc. and local / governmental body, the AML onboarding screening shall not be required.

Reports & Portal to the registered Merchant

On successful completion of verification process & registration of the Merchant, a Secured Portal shall be provided to the Merchant which can be accessed through the login details sent on the registered email id of the Merchant. The portal shall provide different reports related to the transactions carried out at the Merchant level along with the status of the transaction and funds.

Ongoing Merchant Monitoring

The Company shall on an ongoing basis monitor the merchant already on-boarded by keeping a reasonable watch on the activities, including but not limited to spike in activities, exceeding any threshold prescribed earlier, unusual cross border activities, changes in the website products, frequent updation in merchant profile and adverse media attention.

In case of merchant who is a regulated entity registered with any of the regulator viz SEBI, RBI, PFRDA, IRDAI, etc. and local / governmental body, the on going screening checks shall not be required.

Take Notice

If any merchant is found to be availing our services for a business / operation that is categorized as restricted business under any law of India or as per direction of concerned regulator the services rendered to the said merchant will be terminated with the immediate effect.

Amendments/Review

This Policy shall be reviewed by the Board on an annual basis.