

## TERMS AND CONDITIONS OF JOMPAY

### Definitions

In these Terms and Conditions, unless the context requires otherwise, the following words and expressions shall have the following meaning:

Terms	Definition
Account(s)	One or more of your savings, current, financing, investment or any other accounts with Bank Islam.
Affected Bank Customer	A Customer whose bank account has been erroneously debited or credited due to erroneous or Fraudulent Payment Instructions caused by other Participants, Customers or PayNet.
Affected Biller	A Biller that received erroneous or Fraudulent Payment Instructions and/or funds due to errors of other Participants, Customers or PayNet.
Affected Participant	A Participant that received Erroneous or Fraudulent Payment Instructions and/or funds due to errors of other Participants, Customers or PayNet.
Bank	A financial institution that is licensed under Financial Services Act 2013, Islamic Financial Services Act 2013 and/or Development Financial Institutions Act 2002.
Bank Islam	Bank Islam Malaysia Berhad (no. 98127-X), a company incorporated in Malaysia having its registered office at 32 <sup>nd</sup> Floor, Menara Bank Islam, No. 22 Jalan Perak, 50450 Kuala Lumpur and includes its successors-in-title and assigns.
Batch Payment	Payments made to one or more Billers by grouping and bundling individual Payment Instruction(s) and collectively transmitting these Payment Instruction(s) at scheduled times
Bill	An itemised statement of money owed, or a request to pay, for purchase goods, provision of services and/or any other business transaction.
Biller	Government agencies, statutory bodies, sole proprietor or partnership businesses, a company or an organisation, societies, charities participating in the Scheme to collect Bill payments.
Biller Bank	A Participant appointed by a Biller to facilitate the Biller's collection of Bill payments via JomPAY.

<b>Terms</b>	<b>Definition</b>
Biller Code	An alpha numeric code uniquely identifying either: <ul style="list-style-type: none"> <li>• a Biller; or</li> <li>• a Biller's product or service category</li> </ul> for purposes of routing Payments to the Biller.
Business Day	Any calendar day from Monday to Friday, except a public holiday or bank holiday in Kuala Lumpur.
Cards	Credit card –i
Customer	A term used to collectively refer to Billers, Payers and other clients of a Participant.
Erroneous Payment Instruction	A Payment Instruction that is initiated wrongly or is incorrect as follows: <ul style="list-style-type: none"> <li>• Participants post erroneous entries to Billers'/Payers' bank accounts, or generate invalid, incorrect, misdirected or duplicated Payment Instructions on behalf of Billers'/Payers' due to technical errors or operational errors;</li> <li>• Technical or operations errors at the Scheme Operator that results in incorrect or duplicated Payment Instructions; and</li> <li>• Mistaken Payment Instruction which is directed to the wrong Billers/Payers, contains incorrect recipient reference numbers, carries the wrong amount, or is duplicated.</li> </ul>
Fraudulent Payment Instruction	A Payment which has been induced by dishonest or fraudulent means and which the Payer requests be refunded. It includes cases where a Payer makes a Payment as a result of a fraudulent invoice issued by a third party who purports to be a Biller (and is not in fact a Biller) or a third party who impersonates a Biller.
Interbank GIRO or IBG	An interbank payment and funds transfer system that facilitates payments and collections via the exchange of digitized transactions between banks.
IBG Same Day Cut-Off Time	The deadline on a Business Day whereby funds from a Payment Instruction: <ul style="list-style-type: none"> <li>• Initiated before this deadline would be credited on the same Business Day</li> <li>• Initiated after this deadline would be credited on the next Business Day.</li> </ul>
JomPAY Brand	The brand, icon, logo and marks for the JomPAY Scheme.
Scheme	Is a service offered by PayNet which facilitates industry wide ubiquitous Bill payments through the use of standard Biller Codes and Recipient Reference Numbers.

<b>Terms</b>	<b>Definition</b>
Mistaken Payment Instruction	A payment that is made, or not made, to a person or for an amount which is not in accordance with a Payer's Payment Instructions or contains an error in the Payment Instructions from the Payer resulting in payments which: <ul style="list-style-type: none"> <li>• are directed to the wrong Customers</li> <li>• contain incorrect Recipient Reference Numbers</li> <li>• carry the wrong amount; or</li> <li>• are duplicated.</li> </ul>
Participant	A Bank that is a member of the Scheme.
Payer	Individuals, companies, body corporate, businesses (including sole proprietors and partnerships), government agencies, statutory bodies, societies, and other Bank customers that make payments to Billers using the Scheme.
Payer Bank	A Participant in the Scheme who offers services that allow Payers to initiate Payment Instruction.
Payer-not-present	Payer is not physically present during the transaction initiation process.
Payment Instruction or Payment	An order from a Payer to its Payer Bank directing the Payer Bank to: <ul style="list-style-type: none"> <li>• Draw funds from the Payer's bank account; and</li> <li>• Transmit an IBG entry to transfer funds to the Biller Bank to pay a Biller for a Bill.</li> </ul>
PayNet	Payment Network Malaysia Sdn Bhd
Reversal	A transaction that : <ol style="list-style-type: none"> <li>a) is initiated by a Biller to cancel an Erroneous Payment Instruction;</li> <li>b) may involve the making of a debit or credit adjustment to the account of the Payer to which the Erroneous Payment Instruction relates; and</li> <li>c) may involve an adjustment to the bank account(s) of the Biller named in the Erroneous Payment Instruction, if funds from the Erroneous Payment Instruction has been applied to the bank account(s).</li> </ol>
Scheme Operator or SO	The owner and the operator of the JomPAY Scheme.
Real-time Notification or RTN	A form of electronic message sent to a Biller to provide advance notice of incoming payment from a Payer once the Payer's bank account has been successfully debited for a Payment Instruction to the Biller.

Terms	Definition
You / you, Your / your	Any person or entity using the JomPAY service and having an account with Bank Islam as Bank Islam's customer, unless otherwise stated;
<b>1. Payments</b>	
1.1	Bank Islam will process payment to Biller in accordance with your Payment Instructions based on the following timelines:
1.1.1	Payment made before 5pm on a business day will be processed within the same day.
1.1.2	Payment made after 5pm on a business day will be processed on the next business day.
1.2	Bank Islam will not accept orders to stop Payment Instructions once you have instructed Bank Islam to make the Payment Instructions except when:
1.2.1	Bank Islam has reasonably concluded that the Payment Instructions were fraudulent or unauthorised; or
1.2.2	The Payment Instructions are future dated payments that Bank Islam has not transmitted to IBG.
1.3	You shall notify Bank Islam immediately if you become aware that you have made a mistake (except for underpayment) when instructing Bank Islam to make a payment, OR if you did not authorise a payment that has been made from your account. Recovery of funds for such payments shall be described in Clause 2.
1.4	In the event of underpayment, you may make payment for the difference of the said amount accordingly.
1.5	Bank Islam will notify you the status of the JomPAY payment instructions including the reasons of rejected or failed "Payer not-present" payment instructions. However you have the option not to receive these notifications upon request.
<b>2. Recovery Of Funds And Liability For Payments</b>	
2.1	Bank Islam will rectify Mistaken Payment Instruction made by you according to the terms and conditions herein, provided the following conditions are satisfied:
2.1.1	You immediately inform Bank Islam that you become aware of any delays or mistakes in processing Payment(s); and
2.1.2	Bank Islam is satisfied that Mistaken Payment Instruction has occurred.
2.2	Subject to Clause 2.1, Bank Islam will attempt to rectify any such matters in relation to Mistaken Payment Instructions made by you, in the way described in this clause:

- 2.2.1 For misdirected payments, duplicated payments or incorrect Biller Code or incorrect RRN, Bank Islam shall submit a request to recover funds to the Biller Bank that received the erroneous funds;
  - 2.2.2 Upon Bank Islam's satisfaction that the error for incorrect amount payment is caused by the Biller, Bank Islam shall carry out a Reversal to your account and submit a request to recover funds to the Biller Bank of the Biller for the error;
  - 2.2.3 For payment that is not completed or failed at Bank Islam's end, Bank Islam shall credit back the amount of the failed payment into your account upon Bank Islam's satisfaction that the Payment Instruction failed and was not duly processed at Bank Islam's end;
  - 2.2.4 For payment that is not completed or failed at the Scheme Operator's end or the Biller Bank's end, Bank Islam shall credit back the amount of the failed payment into your account before initiating a recovery of funds request.
- 2.3 Recovery of funds requests made on your behalf for Mistaken Payments mentioned in Clause 2.2 or Erroneous Payments shall be processed in accordance with Clause 3. Subject to Clause 3, Bank Islam will work with the Affected Participant to request and recover the funds on your behalf.
- 2.4 All enquiries or complaints raised by you regarding Mistaken Payment Instruction shall be resolved no later than fourteen (14) Business Days. All enquiries and complaints received after 5pm on a Business Day would be deemed received at the start of the next Business Day.
- 2.5 Bank Islam is entitled to debit your account (for recovery of funds), in the event Bank Islam did not debit your account after Payment Instruction has been properly and successfully executed.
- 2.6 Subject to Clause 3 herein (for requests of funds made by Payer Bank) Bank Islam is entitled to debit your account for funds credited into your account due to the following payments made by persons other than you :
- 2.6.1 Mistaken Payment Instructions;
  - 2.6.2 Erroneous Payment Instruction;
  - 2.6.3 Unauthorised Payment Instruction; and
  - 2.6.4 Fraudulent Payment Instruction;

### **3. Erroneous Payment Instruction / Mistaken Payment Instruction**

- 3.1 You may request for recovery of funds that were incorrectly transferred to Affected Bank Customer who is a non-Biller in the following manner:
  - 3.1.1 Recovery of funds wrongly credited to Affected Bank Customer who is not a Biller, of which request is received within twenty one (21) Business Days from date of Erroneous Payment Instruction/Mistaken Payment Instruction, Bank

Bank Islam shall proceed with the recovery of funds and remit the funds into your account within one (1) Business Days, if the following conditions are met:

- 3.1.1.1 The Affected Participant is fully satisfied that funds were erroneously credited to the Affected Bank Customer's account;
- 3.1.1.2 There is sufficient balance in the affected account; and
- 3.1.1.3 There is no evidence that the Affected Bank Customer is entitled to the funds in question.

3.1.2 Recovery of funds wrongly credited to Affected Bank Customer who is not a Biller, of which request is received between twenty two (22) Business Days and seven (7) months from date of Erroneous Payment Instruction/Mistaken Payment Instruction, Bank Islam shall proceed with the recovery of funds and remit the funds into your account within fifteen (15) Business Days, if the following conditions are met:

- 3.1.2.1 The Affected Participant is fully satisfied that funds were erroneously credited to the Affected Bank Customer's account; and
- 3.1.2.2 There is sufficient balance in the Affected Bank Customer's account;
- 3.1.2.3 There is no evidence that the Affected Bank Customer is entitled to the funds in question.

3.1.3 Recovery of funds wrongly credited to Affected Bank Customer who is not a Biller, of which request is received after seven (7) months from date of Erroneous Payment Instruction/Mistaken Payment Instruction; Bank Islam shall proceed with the recovery of funds and remit the funds into your account within fifteen (15) Business Days, if the following conditions are met:

- 3.1.3.1 The Affected Participant is fully satisfied that funds were erroneously credited to the Affected Bank Customer's account; and
- 3.1.3.2 There is no evidence that the Affected Bank Customer is entitled to the funds in question; and
- 3.1.3.3 The Affected Bank Customer has given its consent for Bank Islam to debit their account.

3.2 You may request for recovery of funds that were incorrectly transferred to Affected Bank Customer who is a Biller in the following manner:

3.2.1 Subject to Clause 3.2.2, if the request is received within twenty one (21) Business Days from date of Erroneous Payment Instruction/Mistaken Payment Instruction, Bank Islam shall proceed with the recovery of funds and remit the funds into your account within one (1) Business Day :

- 3.2.1.1 If the Affected Participant is fully satisfied that funds were erroneously credited to the Affected Biller;
- 3.2.1.2 The funds have been credited to the Affected Biller's account;
- 3.2.1.3 The Affected Biller has not acted on RTN;

- 3.2.1.4 The RTN has not been delivered to the Affected Biller;
    - 3.2.1.5 There is sufficient balance in the Affected Biller's account to cover the recovery amount; and
    - 3.2.1.6 The Affected Participant shall give written notification to the Affected Biller before debiting its account.
  - 3.2.2 If the funds have not been credited to the Affected Biller's account and that the Affected Biller has acted on RTN (has delivered goods or has provided services), the funds may not be fully recovered.
  - 3.2.3 Recovery of funds wrongly credited to Affected Bank Customer who is a Biller, of which request is received between twenty two (22) Business Days and seven (7) months from date of Erroneous Payment Instruction/Mistaken Payment Instruction, the recovery of funds shall be processed in accordance with Clause 3.1.2 herein.
  - 3.2.4 Recovery of funds wrongly credited to Affected Bank Customer who is a Biller, of which request is received after seven (7) months from date of Erroneous Payment Instruction/Mistaken Payment Instruction; the recovery of funds shall be processed in accordance with Clause 3.1.3 herein.
- 3.3 Notwithstanding the aforesaid, if the funds for Erroneous Payment Instruction or Mistaken Payment Instruction cannot be recovered or fully recovered due to insufficient balance in the Affected Bank's Customer's account, it will be deemed an Unrecoverable Loss. For avoidance of doubt the party who is responsible for the error, caused the error, causing the incomplete or failed Payment is liable for the Unrecoverable Loss.

#### **Unauthorised Payment Instruction and Fraudulent Payment Instruction**

- 3.4 Bank Islam shall upon receiving report from you alleging that Unauthorised Payment Instruction was made, or upon becoming aware of Unauthorised Payment Instruction originating from Bank Islam, remit the funds into your account within one (1) Business Day from date of receipt from the Biller, if the following conditions are met :
  - 3.4.1 Bank Islam shall conduct an investigation and determine within fourteen (14) Calendar Days, if the Unauthorised Payment Instruction did occur;
  - 3.4.2 if Bank Islam is satisfied that the Unauthorised Payment Instruction did indeed occur or fourteen (14) Business Days has lapsed, Bank Islam shall initiate a Reversal process whereby all debit posted to your account arising from the Unauthorised Payment Instruction would be reversed; and
  - 3.4.3 the Biller Bank has not applied some or all the funds in question for the benefit of the Beneficiary of Fraud.
- 3.5 For Fraudulent Payment Instruction, Bank Islam shall upon receiving report from you alleging that Fraudulent Payment Instruction was made, or becoming aware of Fraudulent

Payment Instruction originating from Bank Islam, remit the funds into your account within one (1) Business Day from date of receipt from the Biller, if the following conditions are met:

- 3.5.1 Bank Islam shall conduct an investigation and determine within fourteen (14) Business Days, if the Fraudulent Payment Instruction did occur;
  - 3.5.2 if Bank Islam are satisfied that the Fraudulent Payment Instruction occurred or fourteen (14) Business Days, has lapsed, Bank Islam shall initiate a Reversal process whereby all debit posted to your account arising from the Fraudulent Payment Instruction would be reversed; and
  - 3.5.3 the Biller Bank has not applied some or all the funds in question for the benefit of the Beneficiary of Fraud.
- 3.6 Notwithstanding the aforesaid, if the funds for Unauthorised Payment Instruction or Fraudulent Payment Instruction cannot be recovered or fully recovered, it will be deemed an Unrecoverable Loss.
- 3.7 No chargeback rights will be available under the Scheme and will not be applicable for Payments made using Cards.
- 3.8 You shall indemnify Bank Islam against any loss or damage suffered due to any claim, demand or action brought against Bank Islam arising directly or indirectly from negligent and fraudulent acts in the Terms and Conditions by you.

#### **4. Batch Payments**

- 4.1 Subject to Bank Islam's written Terms and Conditions, you are allowed to do Batch Payment:
- 4.4.1 You are making Batch Payment on your own behalf; or
  - 4.4.2 You are making Batch Payment on behalf of your related entities to discharge the entities' debts, or debts of the said entities to one or more Billers.
- 4.2 You are allowed to do Batch Payment by debiting your Accounts held with Bank Islam, as the case maybe.
- 4.3 You warrant to Bank Islam that:
- 4.3.1 such Batch Payment is made on your own account as a Payer, or as Payer in the ordinary course of its business makes multiple payments on your own behalf, or on behalf of your related entities to discharge the entities' debts, or debts of the said entities to one or more Billers and not for the benefit of other person; and
  - 4.3.2 such Batch Payment is made not for the purpose of carrying on business of making payments through the Scheme using Batch Payment method.
- 4.4 All other Terms and Conditions contain herein shall also applicable to Batch Payment.



## **5. Payment Queries**

- 5.1 Bank Islam shall, in good faith, attempt to settle all payment queries or disputes with you arising in connection with the JomPAY service amicably by mutual agreement.
- 5.2 In the case of a dispute or conflict, you are entitled to seek recourse via the industry mediation and arbitration bodies such as the Financial Ombudsman Scheme.
- 5.3 You also have the right to lodge a complaint with the Scheme Operator if there are allegations of Bank Islam's non-compliance to the JomPAY Scheme Rules. However, the Scheme Operator's review of such complaints shall be confined to:
  - 5.3.1 Determination whether there has been non-compliance;
  - 5.3.2 Stipulating remedies for Participants to correct or address the non-compliance; and
  - 5.3.3 Determination of penalties are applicable for the non-compliance
- 5.4 All decisions rendered by the Scheme Operator in response to complaints from you shall be binding on Bank Islam.

## **6. Suspension**

- 6.1 Bank Islam may suspend your right to use the Scheme at any time in the circumstances specified in each Terms & Condition of Accounts and Internet Banking.

## **7. Biller Cannot Process Payment**

- 7.1 If Bank Islam is informed that payment by you cannot be processed by a Biller, Bank Islam will :
  - 7.1.1 Inform you about this; and
  - 7.1.2 Credit your account with the amount of the payment.

## **8. Account Records**

- 8.1 You must check its account and immediately report to Bank Islam as soon as you are aware of any errors or of any payment(s) that you did not authorise or you believe that it was made by someone else without your permission.