

Debit Card Policy

SHIHAN BANK, INDIA

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Purpose

The Debit Card system offers Customers the capability of performing transactions from their accounts using Debit Card. The purpose of this policy is to provide guidance on how to identify measure, monitor and control risks arising from the use of Shinhan Bank Debit Card system. Shinhan Bank's Debit Card policy also incorporates Debit Card guidelines recommended by Reserve Bank of India. This policy will be reviewed, updated and republished every 06 months.

General

Definition of Debit Card :- As per the RBI master circular , debit card is defined as “ a physical or virtual payment instrument containing a means of identification, linked to a Saving Bank/Current Account which can be used to withdraw cash, make online payments, do POS terminal/Quick Response (QR) code transactions, fund transfer, etc. subject to prescribed terms and conditions”

Shinhan Bank Debit card identifies itself in complete adherence to the RBI guidelines and can be used by the Customer to perform following functions:-

Financial Function: -

1. ATM:- Using card to withdraw cash at the ATM.
2. POS:- Using card by swiping or dipping to make purchase at merchant location
3. ECOM :- Using the card to make online purchase using two factor authentication
4. Contactless POS:- Using the card on the merchant establishment using contact through contactless services instead of swipe for amount lower than Rs 5000/- . Pin is not mandatory while performing any such contactless transactions.

Non-Financial Function:-

1. Balance enquiry:- to check the balance anywhere globally
2. Mini Statement

Scope

The scope of this policy covers issuance, re-issuance, and cancellation, maintenance, monitoring and reporting of Debit Card Transactions. Bank has implemented the Debit Card system with the help of third party network providers VISA and Maximus Infoware Pvt Ltd. VISA shall provide the Debit Card transaction network and Maximus Infoware Pvt Ltd. shall provide the SWITCH facility, Debit Card issuance, Debit Card maintenance, and Reconciliation. Calibehr would be providing the Debit card and IMPS call center service.

Debit Card Service

Introduction

At the request of the Customer, Bank agrees to make available its Debit Card Services to the Customer subjected to the terms and conditions contained in this policy. To avail the Debit Card services, customer will be required to make a written application to the base branch, complete the account formalities and open a saving bank account or proprietary/corporate current account and should request for the debit card in the process.

Debit Card Type

Shinhan bank of India Offers two types of debit card to its customer.

1. Personalized Visa debit card, which is delivered to customer with 7 working days from the date of request.
2. Instant Debit card along with the welcome kit provided to customer on demand from customer in the branch.

Shinhan Bank of India offers two variants of the debit card to its customers as mentioned below.

- i. Visa Classic debit card
- ii. Visa Platinum debit card

Account holder is required to select the appropriate variant while applying for the debit card.

Types of Services

Shinhan Bank, as mentioned earlier offers the service mentioned in the general section of the debit card re-iterated below

Financial Function:-

1. ATM: Using card to withdraw cash at the ATM.
2. POS- Using card by swiping or dipping to make purchase at merchant location
3. ECOM :- Using the card to make online purchase using two factor authentication \
4. Contactless POS :- card can be used for any amount below Rs 5000/- by using the same on contactless(Tap and pay) devices.

Non-Financial Function:-

1. Balance enquiry

2. Mini Statement

Product Type

Bank has following Debit Card products, for the Shinhan Bank account holders;

Debit Card Division	Member Type	Brand	Product Type	BIN
VISA	Individual	VISA	Classic	471288
			Platinum	471289
	Corporate	VISA	Classic	471288
			Platinum	471289

Permitted use of Debit Card

Account Holder Type	Debit Card Type	Domestic			International*		
		POS	ATM	*ECOM	POS	ATM	*ECOM
Individual	Classic	YES	YES	YES	YES	YES	YES
Corporate	Classic	YES	YES	YES	YES	YES	YES
Individual	Platinum	YES	YES	YES	YES	YES	YES
Corporate	Platinum	YES	YES	YES	YES	YES	YES

*ECOM/POS and International transactions– Customer can activate ECOM/POS and International transactions himself by access through internet banking and mobile banking application and can also set the limit of daily spends and withdrawals.

General Terms and Conditions governing the Debit Card Services

- The issuance and usage of the debit card shall be governed by the policy guidelines set and issued by Bank, RBI and other competent authorities from time to time and are subject to changes with or without any prior intimation.
- All Debit cards will be EMV Chip enabled as per the latest guidelines and chip will be primary source of data capturing while performing any transaction with Magnetic Stripe as fall back option only.

- iii. Debit card, welcome letter, debit card guide and debit card pouch which forms the part of both welcome kit and personalized debit card will be sent mandatorily to the customers registered communication address provided by the customer while opening of the account with Shinhan Bank. Customer can update or change the communication address, mobile number and email anytime throughout their association with bank and all the future communication including the renewed or re-issued card will be sent to that address.
- iv. Customer has to mandatory provide a consent letter if the above welcome or personalized debit card kit has to be sent to any other delivery address or account maintaining branch to collect. During the debit card issuance process customer can choose the option to deliver their Debit Card to communication address or account maintaining branch to collect the debit card. Branch staff can use the AITHER system while issuing the Debit to Customer and select Customer choice of communication address or account maintaining branch to collect the debit card.
- v. Customers can surrender the card only at the time of the account closure. Customer cannot surrender the card and continue to use the account however customer can upgrade or downgrade the card suiting to their requirement between Platinum and classic card.
- vi. The Debit Card shall be used only for permitted transactions in India and abroad. Customers shall be permitted to withdraw cash from Bank's ATM or ATMs of other approved banks or permitted to use the debit card for online merchant and website transactions.
- vii. The Debit Card is non-transferable or assignable property intended solely to be used by the authorized card holder in whose name the card has been issued. If anyone is found using the debit card in any unauthorized form or manner will be liable for prosecution by the bank.
- viii. Debit Cards cannot be used on Internet/POS for purchase of prohibited items like lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services etc., i.e. for such items/activities for which drawls of foreign exchange is not permitted.
- ix. Shinhan Bank Debit cards cannot be used on MATM to withdraw cash as '**CASH AT POS**' is not yet allowed by RBI and VISA.
- x. Bank will provide only online Debit Cards, Bank will not support offline transactions, and hence bank will not issue the offline Debit Cards.
- xi. Bank will provide the set of Debit Card terms and condition to the Customer related to use of Debit Card. This includes the debit card guide, welcome letter and debit card details on the internet web portal Customer and branches are requested to refer the same for any clarifications. These notifications are subject to change as per the banks discretion and the customer have to inform the bank in writing within 30 days from the date of change of the terms and condition. It will be deemed accepted by the customer if they are not responding to the changes made by the bank for 30 days from the date of notification.
- xii. The Bank will not allow any Cash withdrawal from POS terminals as Cash at POS is not available as per the RBI and VISA guidelines

- xiii. Bank shall be at no point of time held responsible for any fraudulent transactions / loss incurred by customer negligence by transacting on risky and illegal websites or merchants or atm in India or at abroad. In case such transactions customer brought to the notice of banks, bank will conduct its due diligence and block the card of the customer to avoid further losses. All the losses incurred by the card holders prior to informing the bank will be borne by the customer. Bank will raise the fraud reimbursement request with the Insurance partner and the proceeds will be credited to the customer Shinhan bank account only. Other bank accounts shall not be used for crediting the proceeds of Insurance claim by customer on account fraud.
- xiv. Customer shall indemnify the bank against any fraudulent transactions taken place on their account due to the compromise of the card/s details from the customer end willingly or by mistake. Bank will try to extend the benefit of the insurance claim to the card holder in event of fraud subjected to the extant agreement guideline and a maximum of 4.5 lakhs per day as fraud bucket limit acceptable by bank for each account. Insurance claim on any fraud is subject to acceptance by insurance agency. Payment to the cardholder will be made only after the insurance company accepts the claim.
- xv. For issuance of Debit Card, Customer is required to have an account with the Shinhan bank India, which is KYC compliant.
- xvi. Any debit card unused by the customer for 365 days will be blocked in the system. Customer has to reapply for the debit card if the card is blocked in the system.

The Bank will issue Debit Card to INR based Savings or Current account holders, but not issue Debit Cards to cash credit / loan account holders. Debit cards will be issued to live accounts only. Dormant or inactive accounts has to follow the process set for activation and cards would be provided post the successful completion of the account activation.
- xvii. The Bank will not issue offline Debit Cards.
- xviii. Compliance with Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002 – The Bank will adhere to the instructions/ guidelines on KYC/AML/ CFT /FATCA applicable to banks, issued by RBI from time to time, in respect of all Debit Cards issued, including co-branded Debit Cards.
- xix. Customer is required to select only one saving or current INR account, which will be linked with Debit Card.
- xx. Customer must select either Platinum Debit Card or Classic Debit Card
- xxi. Shinhan bank India has discontinued the paper backed PINs and customer can set their PINS through Internet banking or Mobile banking application. Customer has to mandatorily register his mobile number while opening the account and the OTP will sent on the same mobile number.
- xxii. Customer must be 18 years or older.
- xxiii. Bank will issue the in-active Debit Card to the Customer.

- xxiv. If Customer wants to enable the access of Debit Card at international site, then Customer can do the same by enabling the international access from Shinhan Bank Mobile Banking or Internet banking Application. Customer can also set the limits for per day usage on these application for both International and domestic transaction.
- xxv. Debit Cards will be issued to Individuals having savings account. In cases of Joint account, single card only shall be issued to customer.
- xxvi. All the cards will have the same limit as mentioned in the product specification, also mentioned on the welcome letter sent to the customer along with the card. Customer having classic card will have a limit of INR 25,000/- as cash withdrawal and INR 1,50,000/- as POS, including ECOM and NFC transactions, and shall extend the POS limit up to INR 4,00,000/-. Customer has to provide a request with formal declaration and indemnity to Shinhan Bank while requesting for the enhanced limit and shall ensure the complete protection of the card.
- xxvii. Platinum cards will have a limit of Rs. 50,000 in cash withdrawal and Rs. 4,00,000 on POS, ECOM and NFC transactions. Customer can enjoy the total limit up to 4,50,000/- including Cash Withdrawal of Rs. 50,000/- Customer will indemnify the bank against any fraud taking place on the card due to any direct or indirect frauds taking place on the card due to any compromise of card details from the customer end.
- xxviii. In the case of issuing Debit Cards to a Corporate Customer, a board resolution will be required to be submitted to the Bank. The Debit Card will be issued only to those authorized persons mentioned in the board resolution provided they submit their KYC documents to the Bank.
- xxix. All The charges and Fees applied by the networks on domestic or international transactions will be borne by the customer and shall not be passed on to the bank. Customer and branches should ensure that sufficient balance along with the penalty amount is maintained in the customer account while the dispute is being raised where charges on dispute are applicable.

International Usage of Debit Card

- i. All the cards will be de-activated for international transaction by default. Customer can only enable the card for international usage by visiting the Internet banking webpage
- ii. Two factor authentication is mandatory where customer has to provide the OTP and other Verification value like CVV or Expiry date while performing an ECOM (Card Not Present Transaction).
- iii. The Debit Card issued by the Bank can be used for international transactions at selected countries that are not banned by RBI. To activate the facility, customer is required to submit written application to the bank. After the receipt of written request from customer bank will enable/disable this facility on their Debit Card.

- iv. The Utilization of the Debit Card will have to be in strict accordance with the Exchange Control Regulations of the Reserve Bank of India (RBI). In the event of failure to comply with the same, Customers will be held liable for action under the Foreign Exchange Management Act, 1999 and will be debarred from holding the Debit Card from Shinhan Bank either at the instance of Shinhan Bank or at the instance of the RBI.
- v. Customer shall indemnify and hold harmless Shinhan Bank from and against any/all consequences arising from not complying with Exchange Control Regulations of the RBI.
- vi. Customer would ensure by default that all foreign currency regulation would be followed mandatorily while engaging in any international Transaction, ATM, POS OR ECOM (NFC).
- vii. As per RBI regulations, the Debit Card is not valid for foreign currency transaction in Nepal and Bhutan.
- viii. All international transactions will be billed in INR to the customer with appropriate charges. These charges are irreversible in nature. However, branches can reverse the same manually, after securing approval from the branch head, through their SOL as the credits for these charges are booked into the branch SOL.
- ix. The Customer must undertake not to use Debit Card to effect payment(s), for any illegal purchases, i.e. purchases of items/services not permitted as per extant laws, rules and regulations (including FEMA). Any Such transaction would attract legal action from the Bank against the customer/s/ Corporate.
- x. Bank shall be under no liability whatsoever and shall be deemed to be indemnified in respect of a loss or damage arising directly or indirectly out of the decline of a charge caused by the Customer having exceeded the foreign exchange entitlements as prescribed by the Reserve Bank of India (RBI) as issued from time to time.
- xi. Reversal and refunds from the international Merchants shall be credited to the card holder's account only upon receiving of the credit into our accounts. No credit shall be extended to the customer without us receiving the actual credit or excess cash being found in the MAXIMUS portal or NPCI reports.
- xii. Charges or penalty received shall be credited to the card holder along with the original transaction

Merchant Establishment Usage

- i. Bank's Debit Card is accepted at all electronic Point-of-Sale (POS) terminal at merchant establishments in India and Overseas, which display the Visa logo.
- ii. The Debit Card is "For Electronic Use" only and will be accepted only at VISA enabled Merchant Establishments that have an electronic Point-of-Sale swipe terminal. Any usage of the Debit Card other than electronic use will be deemed as unauthorized and the Customer will be solely responsible for such transactions.

- iii. By default our primary mode of card reading will be card dipping as we have chip cards and fall back will be magnetic stripe reading. Any failure due to magnetic stripe swipe not working shall not be attributed and the bank is immune to any financial loss incurred by the customer due to the failure of the card fall back transaction apart from the account debited but goods or services not received by the customer.
- iv. PIN will be mandatory for all domestic transactions done using Debit Card. Any transaction of domestic nature without the PIN will be declined in a strict adherence to the RBI guideline.
- v. All the transactions done by the card holders on any website should be mandatorily prompted for OTP which will be sent to the registered mobile number of the customer. Customer needs to input that OTP post which only the transaction would seek an approval from our switch. If the website is non-complaint to VBV, the OTP page will not be prompted resulting in decline of transaction. Customer should indemnify the bank and not hold bank liable for any loss incurred by the card holder for non-receipt of the OTP owing to whatsoever reason.
- vi. All the refunds and reversals will be credited to the card holder's account upon receipt from the acquiring bank. Unclaimed amounts where the failure is not attribute to our Switch or CBS system and settlement is not received from network (only Auth) will be credited only after completion of the mandatory TAT of 5 working days for Domestic transaction and 10 working days for international transaction. All the credits and debits will be done in accordance to the TAT harmonization circular of RBI.
- vii. Bank will not accept any responsibility for any dealing by the acquirer bank may have with Debit Card holder, including but not limited to the supply of goods and services so availed or offered. If Customer has any complaint relating to any Visa merchant establishment, Customer should resolve the matter with the merchant establishment and failure to do so will not relieve Customer from any obligations to Bank.
- viii. The excess claimed amount received from visa / merchant accounted for, and any shortage identified post reconciliation is recorded under the DC payable GL. We are classified these scenarios into two parts.
 - 1. During the reconciliation identified excess claimed per transaction amount is equal or more Rs 20/-. Over and above transaction amount is recovered from customer. (subject to GM or DGM approval of that respective branch.)
 - 2. During the reconciliation identified excess claimed per transaction amount is less than Rs 20/-. While processing settlement entry over and above transaction amount is book as an expenses.
- ix. Any usage of the Debit Card other than electronic use will be considered as unauthorized and the Customer will be solely responsible for such transactions unless there is a specific offer by Bank to the Customer. Electronic usage is construed as the charge slip/transaction slip printed electronically from the POS terminal.

ATM Usage

The use of Debit Card at ATMs is governed by the below points: .

- i. Bank's Debit Card is accepted at the Visa/NFS enabled ATMs worldwide.

- ii. Bank will not be held liable for failure to provide any service or to perform any obligation there under, where such failure is attributable (whether directly or indirectly) to any malfunction of the ATM or the Debit Card, temporary insufficiency of funds, any dispute or other circumstance beyond its control.
- iii. Bank will not be liable for any consequential or indirect loss or damage arising from or related to the loss/use of the Debit Card and related PIN, howsoever caused due to negligence of customer.
- iv. The availability of ATM services in a Country, other than that in which the Debit Card was issued, is governed by the local regulations in force in the said Country. Shinhan Bank shall not be held liable if these services are withdrawn by the said county without the notice of Bank.
- v. Any refund or reversal for the domestic or international atm usage shall be subjected to the credit received from the acquirer bank to our account. All the penalty and applicable charges received from the acquirer will be credited to the card holder's account within the TAT prescribed in the RBI TAT harmonization circular dated.

Details indicated on Debit Card plastic



- 1. Debit Card name
- 2. International brand Debit Card mark (logo)

3. Debit Card number (16 digit number)
4. Debit Card validity (Mon/Year)
5. Contact less logo
6. Bank name and Logo
7. Customer name
8. EMV Chip
9. Magnetic stripe
10. Member signature panel
11. Hologram of international brand Debit Card Company
12. Issuer information (Address, Telephone Number, Website)
13. Automated teller machine (ATM) use (Cash advance or withdrawal), International brand Debit Card logo
14. CVV (3 digit number)

Issuance of Debit Card and Procedure

Know Your Customer Standard (KYC)

The bank has KYC, Anti-Money Laundering policy in place that the bank completely adheres to while opening the accounts. The bank will make available the Debit Card facilities to the Customers for whom the KYC formalities are complete. This Debit card would be sole property of the customer and customer has to ensure the safety of card in general and while using the same for transaction. Customer shall mandatorily inform bank for any change in the demographic or standing instructions or deviation from prevalent terms and conditions set in this policy. Banks reserves the sole discretion of accepting or rejecting the request made by the customer.

Procedure for Issuance of Debit Card

- i. On written request of Customer, Bank shall issue Debit Card to the Customer.
- ii. Customers are required to select the type of Debit Card and are required to submit the applicable KYC and other documents to the Bank
- iii. On receipt of Customers application, Bank will conduct verification and due diligence related to Customer including verification of KYC documents
- iv. On satisfactory verification, Bank will issue new Debit Card to the customer.
- v. Bank has stopped sending paper backed pin and given an option to the customer to set the PIN using his Date of birth, OTP on registered mobile number and Card details. Card details will be readily available on the Debit card portal and customer will be provided with
- vi. Bank will courier the Debit Card at the registered address of customer provided at the time of application
- vii. If customer is unavailable to collect the card at their given communication address or if the courier agent is unable to deliver debit card in three attempts to the customer communication address, then undelivered cards will be return to account maintaining branch and branch team can request customer to collect the same from branch.

- viii. Any Card undelivered to customer shall be automatically routed to the base branch or requesting bank where the card holder is maintaining the account. This card should be kept in joint custody of branch operations manager and another official with proper notification in inward and outward register.
- ix. Any cards not collected by the customer from branch within 60 days and above, then has to be destroyed by the banks staff with appropriate approval from management and update debit card Status to "Destroyed" in AITHER system. Additionally, branch has to be verified physical debit card inventory with AITHER report on a daily basis. The customer should be intimated and explained about the debit card re-issuance and activation process.

Re-issuance of Debit Card or PIN

- i. **Debit Card:** - If the Customer's debit card is/are lost / stolen or card is damaged; in these cases on the written request of Customer, Bank will re-issue the New Debit Card to the Customer with some charges.

The procedure to be followed for re-issuance of Debit Card/PIN is give at subsequent para in this policy.

Replacement of Debit card

- i. **Debit Card:** - Bank will replace the Debit card in case of expiry of validity date of Debit Card or in cases of non-physical damage like technical issue, damage to magnetic strip etc., to Debit Card. Bank will levy charges for replacement of Debit Card.

Process for the Activation of Debit Card

A Debit Card can be activated through the following ways,

1. Customer can activate the card, upon receiving, by first setting the PIN through Debit Card portal and then activating other service like POS /ECON and NFC.
2. Customer can also activate the card by downloading the SOL app and activating the card through the SOL app.

Lost or Stolen Debit Card

1. In the event that the Debit Card is lost or stolen, the customer should report the occurrence with any branch of Shinhan Bank in India or Customer call center of Shinhan bank. Shinhan bank Customer shall be required

to disclose information regarding their Debit Card number, their Account Number, Address, Date of Birth, and Mother's maiden name. Under no circumstance, Customer should disclose the PIN number.

2. The lost or theft of the Debit Card should be reported to Shinhan Bank immediately. Although lost or theft may be reported by means of the 24-Hour Helpline Number, Debit Card holder must confirm the same in writing to Shinhan Bank as soon as possible. A copy of acknowledged police complaint should accompany the said written confirmation.
3. Any transaction taking place on the card after cardholder complains of theft or fraud to Shinhan bank and request the card to be blocked, will be reimbursed to the card holder within 10 working days, by the bank after thorough investigation and proving that it was a delay on the banks side which caused the loss to customer. It is the obligation and duty of the customer to safeguard the card against any undue exposure or data sharing with anyone and all the debits in the accounts received by the card holder will be borne by him till the time he reports and blocks the card with the bank. However bank can take a discretionary call and reimburse the same through insurance claim as a good faith gesture towards the customer association with the bank.
4. Customer hereby indemnify Shinhan Bank fully against any liability (civil or criminal), loss, cost, expenses, or damages that may arise due to loss or misuse of the Debit Card in the event that it is lost and not reported to Shinhan Bank , or lost and misused before Shinhan Bank is informed.

Debit Card lock vs Block

1. Customer can get his/her debit card locked or blocked based on the seriousness of the situation.
2. Customer can do the card locking and blocking through internet banking portal , mobile banking application, by calling our 24X7 contact center or branch (during the working hours)
3. Once a card is locked it can be unlocked by the bank/call center representatives upon customer request.
4. A blocked card cannot be unblocked it has to be replaced by the bank with new card.

Card validity

1. Initially the Debit Card is valid for the 5 years
2. The validity of a newly issued Debit Card is the last day of month/year indicated.
3. The validity of the existing or previous Debit Card is not applied on the Re-issue or replacement of the Debit Card.
4. On written request, If the Customer wants to continue to issue new Debit Card after expiry of the old Debit Card, new Debit Card will be issued to the Customer with new expiry date
5. Customer can see validity date or expiry date on the front side of the Debit Card.

Service Hours

Shinhan Bank branches are available from Mon~Sat 09.30AM to 04.30PM. Second/Fourth Saturdays and all government holidays are closed Call center is available for critical services round the clock i.e. 24 x 7 all days open.

Procedure at the time of Accident / Incident

1. When the Customer come to know the fact of theft, loss, forgery or alteration of the means of access to the transaction accounts or leakage of other information which is required to be kept confidential for the purpose of transactions, he/she shall promptly notify the Bank with such fact.
2. The reporting made under the foregoing above clause shall take effect upon passage of reasonable time required for computer entry after receipt of the report.
3. In the event that the reporting made under the above clause is to be revoked, the Customer shall file a written application with the Bank.
4. In the event that the transactions cannot be processed as requested on the Transaction Request because of impediment of telecommunications or other causes, the Bank shall re-fund the money back to the Withdrawal Account and notify the Customer of such fact at the Customer's reported point of contact.
5. At the request of the Customer, the Bank shall promptly investigate the reasons for any accidents or impediments, and shall notify the Customer of the results of the investigation.

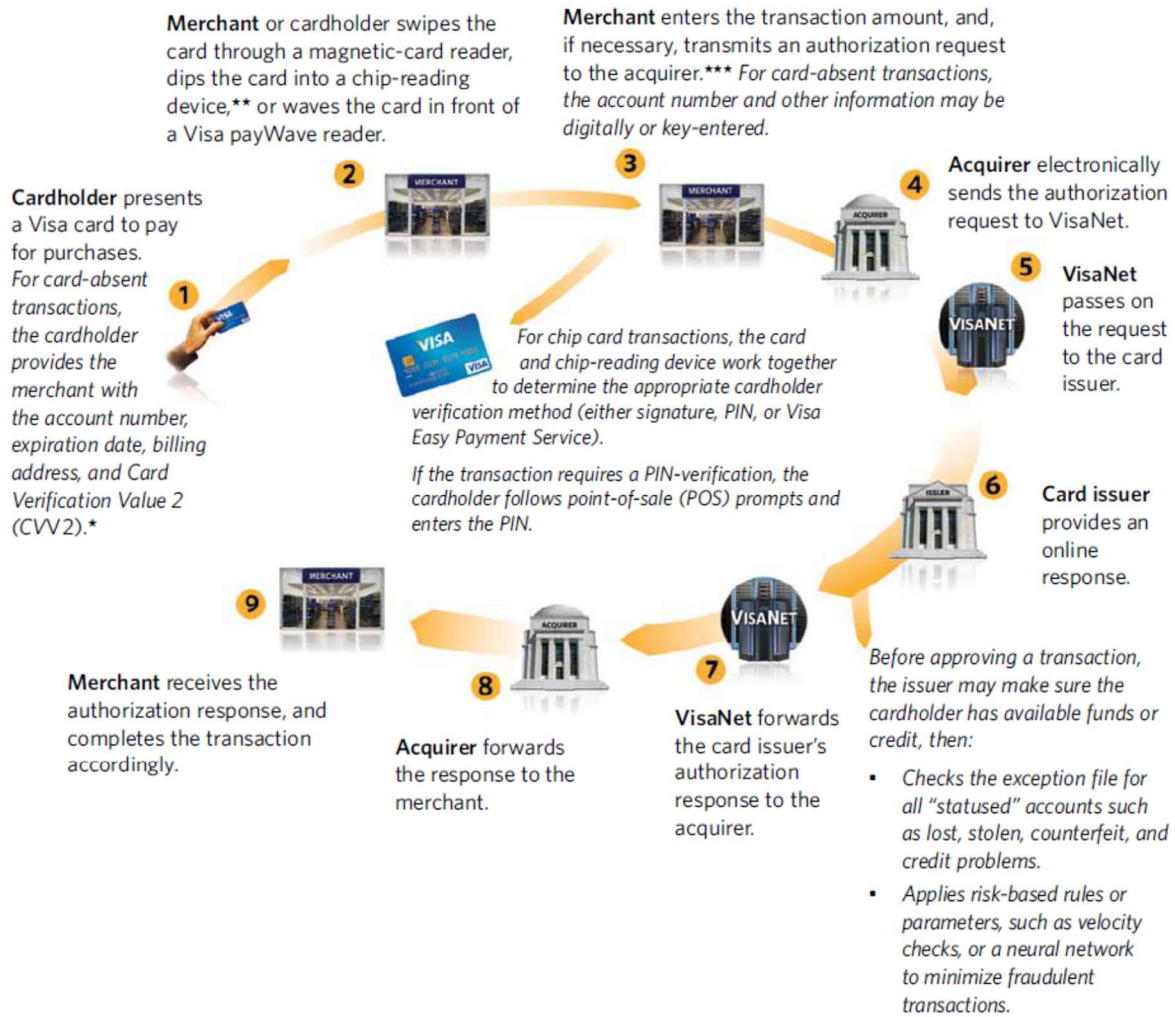
Transaction

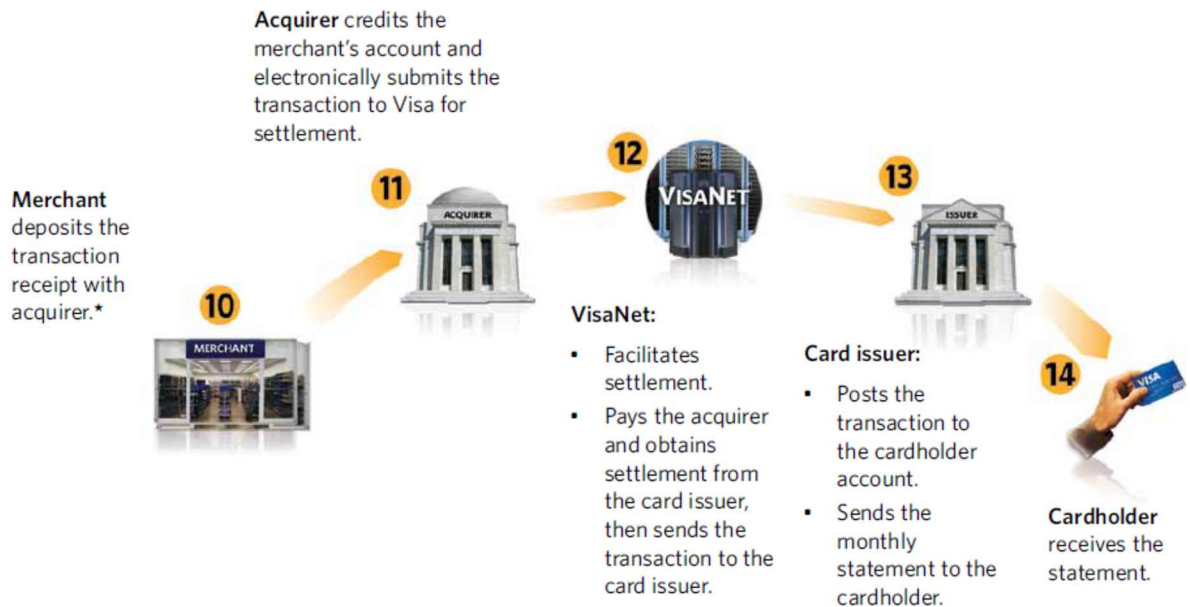
Formation of Transactions

When the Customer wishes to use Debit Card Transactions, the transactions shall be formed at the following points in time:

- Financial Services
- Non-financial services

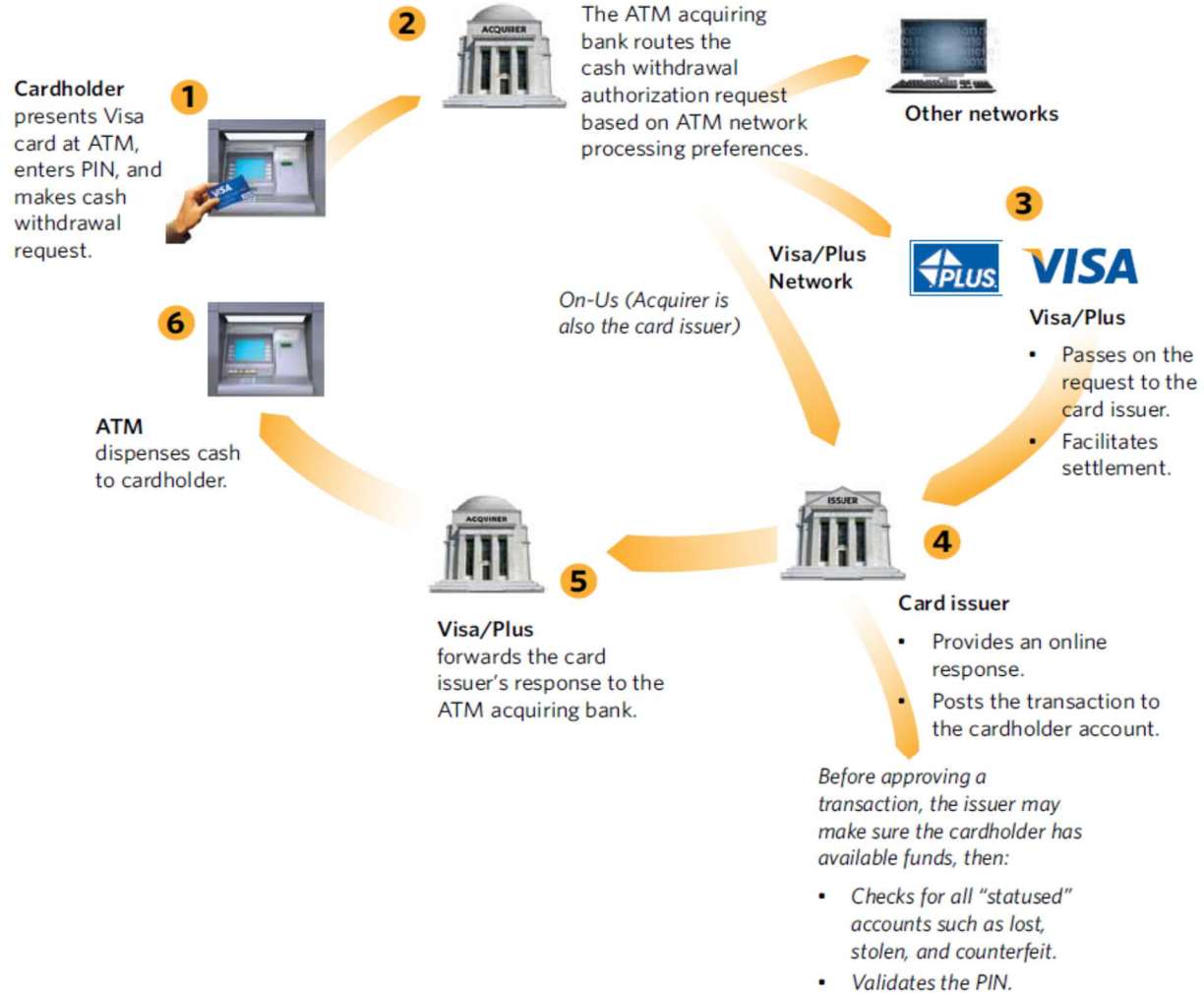
Transaction Flow for POS





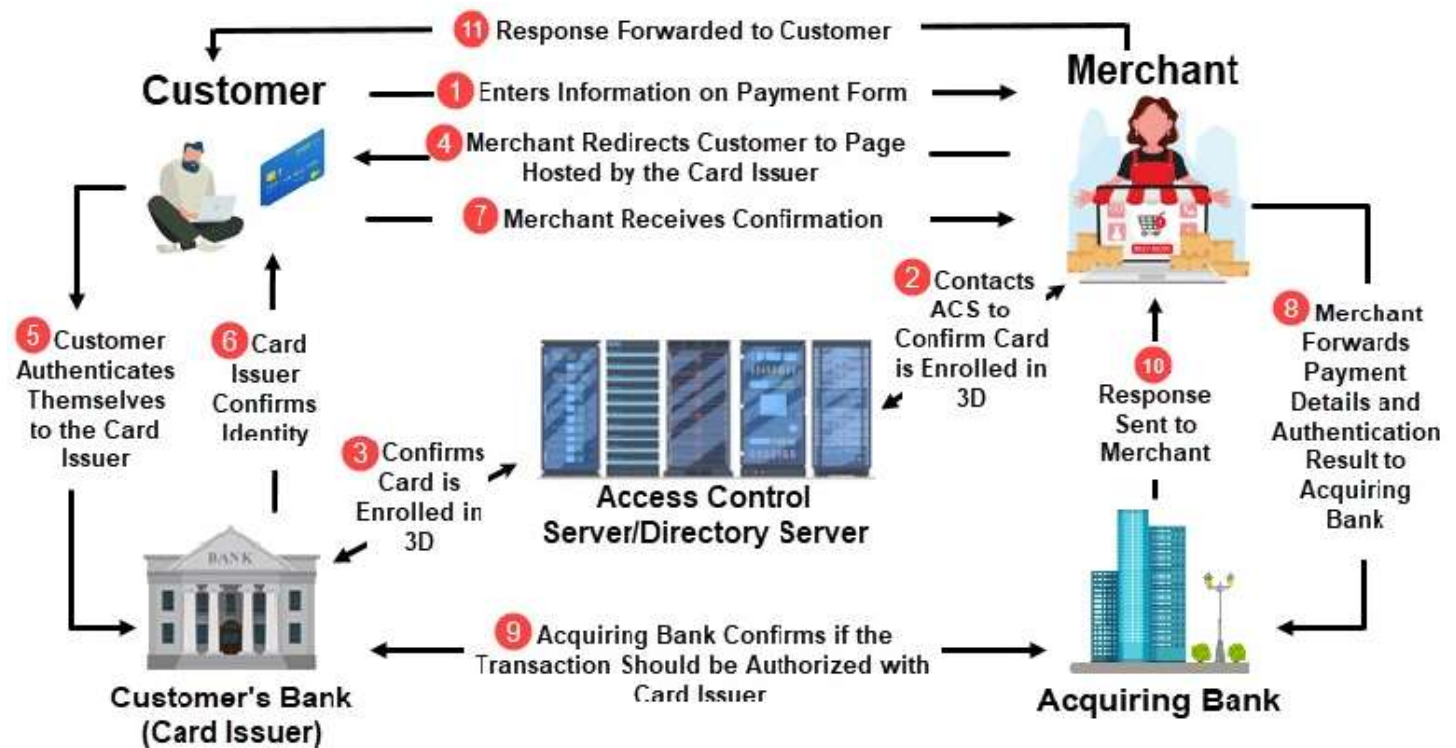
1. Bank and Acquirer has the account with the visa.
2. Bank issued Debit Card to Customer.
3. Every Merchant has the account with the Acquirer.
4. When Customer purchase or swipe the Debit Card at merchant site, transactions begins.
5. As the above in diagram, Customer presents the Debit Card to the merchant.
6. Merchant or Customer swipes the Debit Card through a magnetic-Debit Card reader, dips the Debit Card into a chip-reading device, or waves the Debit Card in front of a Visa pay Wave reader.
7. Merchant enters the transaction amount, and, if necessary, transmits an authorization request to the acquirer. For Debit Card-absent transactions, the account number and other information may be digitally or key-entered.
8. Acquirer electronically sends the authorization request to Visa Net.
9. Visa Net passes the request to the MAXIMUS Maximus Infoware Pvt Ltd.
10. After validating, MAXIMUS passes the request to the Banks AITHER system.
11. Banks AITHER system provides an online response to the MAXIMUS . Before approval of a transaction, AITHER would make sure the Customer has sufficient funds and debit the account.
12. MAXIMUS provides the response of authorization to the VISA Net.
13. Visa Net forwards the Bank authorization response to the acquirer.
14. Acquirer forwards the response to the merchant.
15. Merchant receives the authorization response, and completes the transaction.
16. Merchant deposits the transaction receipt with acquirer.
17. Acquirer credits the merchant's account and electronically submits the transaction to Visa for settlement.
18. On the next day, VISA facilitates settlement, pays to the acquirer, and obtains settlement from the Bank.
19. Bank sends the monthly statement to the Customer.
20. Customer receives the statement

Transaction Flow for ATM



1. Bank and Acquire has the account with the visa.
2. Bank issued Debit Card to the Customer.
3. When Customer swipes the Debit Card at ATM, transactions begins.
4. As above in the diagram, Customer presents the Debit Card at the ATM, Enters PIN and makes the CASH withdrawal or Balance Enquiry Request.
5. Acquirer electronically sends the authorization request to Visa/Plus Network.
6. Visa/Plus passes the request to the MAXIMUS .
7. MAXIMUS passes the request to the Bank.
8. Bank provides an online response. Before approving a transaction, the Bank make sure the Customer has available funds and debit the account for withdrawal transactions and for the Balance enquiry, they provide the account balance details.
9. MAXIMUS forwards bank response to Visa.

Transaction flow ECOM



1. Shinhan Bank Customer initiates the transaction by making an online purchase.
2. He uses his Shinhan bank card to make online payment.
3. As we are 3D version 2.0 compliant, the merchant after verification will send this to our ACS to get a confirmation on whether the card is enrolled for 3D Services or not. For Shinhan bank all cards are by default enrolled for 3D services.
4. Once confirmed the transaction will follow all the regulations of the 3D secure.
5. In 3D secure environment customer authenticates himself twice with OTP and once with the third factor authentication like expiry date or CVV etc.
6. Then the transaction will be authenticated and customer get the confirmation for his card based transaction being successful.

Statement and Records

1. The Bank shall promptly notify the Customer of the processing results via the relevant telecommunication channels.
2. Customer will receive a SMS alerts on his/her registered mobile number on usage of Debit Card for ATM/POS purchase transactions.

3. The records of Debit Card transactions will be available on the statement sent by Shinhan India, such statements shall be mailed to the account holder on a periodic basis to the mailing address on record, as per the terms and conditions applicable to the account.
4. Shinhan Bank's record of transactions processed by the use of the Debit Card shall be conclusive and binding for all purposes.
5. All the customers transaction will be available or retained for the time frame specified as per the banks data retention policy.

Disputes

1. When a Customer disputes a transaction, the Bank may request a written explanation of the grievances from the Customer and can request a copy of the related sales transaction receipt from the acquirer, if needed.
2. Customer can make the complaint by calling the banks contact center or branch or can raise an online complaint through email.
3. All the complaints received till 04.30 PM will be acted on the same day with remaining complaints acted on next working day.
4. All the complaints will be strictly processed and responded as per the RBI guideline on TAT harmonization dated September 2019.
5. If Customer decides to cancel their purchase and not accept the goods after the Debit Card is swiped, Customer should ensure that the merchant cancels the transaction immediately and the slip is handed over to the Customer. Any cancellation thereafter will be routed as a “chargeback” on the merchant through the acquiring bank and will take the time required to complete the process. There can be no guarantee of full/partial return of the amount.
6. For any chargeback rejected, customer has to provide a confirmation, in case if he does not accept the rejection, in writing about non acceptance of the rejection so that Shinhan will take next course of action that is pre-arbitration or Arbitration.
7. All the charges associated with dispute will be borne by the customer.
8. If the customer request for any additional documents or proofs for accepting the rejection like CCTV footages in case of ATM dispute, we will raise it with the concerned acquiring bank but it is purely the discretion and prerogative of the acquiring bank to provide the same. Shinhan Bank does not have any direct or indirect role in the same and customer will indemnify Shinhan Bank against any sort of legal proceedings against Shinhan bank by the customer in whatsoever manner
9. Shinhan Bank accepts no responsibility for any charge levied by any merchant establishment over and above the value/cost of transactions and debited to Customer account along with the transaction amount

10. In case of purchase transactions, a sales slip with the signature of the Customer together with the Debit Card number noted, there on shall be conclusive evidence between Shinhan Bank and the Customer As to the extent of the liability incurred by the Customer. Shinhan Bank shall not be required to ensure that the Customer has received the goods purchased availed of the service availed to the Customer's satisfaction.
11. Shinhan Bank accepts no responsibility for the refusal of any establishment to honor the Debit Card.
12. The issue and use of Debit Card shall be subject to extant laws, rules and regulations, Visa guidelines and Shinhan's Terms and Conditions, as may be in force from time to time. All authorizations and powers conferred on the Bank are irrevocable. These terms and conditions will be construed in accordance with and governed by the laws of India. All disputes are subject to the exclusive jurisdiction of the courts in Mumbai only, irrespective of whether any other court may have concurrent jurisdiction in the matter.
13. When a chargeback right applies, the Bank sends the transaction back to the acquirer and charges back the INR amount of the disputed sale. The acquirer then researches the transaction. If the chargeback is valid, the acquirer deducts the amount of the chargeback from the merchant account and informs the merchant and as well as to the Bank.

There are two ways:-

Copy Request:-

When Customers do not recognize Debit Card transactions on their bank statements, they typically ask bank representative for a copy of the transaction receipt to determine whether the transaction is theirs. In this kind of situation, the bank in-turn must first verifies the credentials of the caller by asking security questions to the Debit Card holder and first tries to answer the Customer's questions. If all the credentials are correct then Bank electronically sends a "request for copy" (also known as a "retrieval request") to the acquirer associated with the transaction.

For EMV chip based Debit Card transactions, Copy request is not applicable. However, for Magnetic stripe based Debit Card transaction, Copy request can be provided to the Customer on the Customer's request.

Charge back:-

A "chargeback" provides a Customer with a way to return a disputed transaction. Once the Bank receives this documentation, the first step is to determine whether a chargeback situation exists

1. Customer will register complain with Bank.
2. Operation team of branch will verify the Customer credentials and if the credentials are matched then they verifies the transaction details and take the written chargeback request from the Customer. Operation team

needs to take Managers approval on the Customer written request. Once the manager approves the request then operation team will register the complaint for the chargeback with the MAXIMUS using Web portal.

3. If the chargeback case were registered with the Bank, then on behalf of Customer Bank would register the chargeback case with the MAXIMUS. Before registering the chargeback case, Bank verifies the transactions details which are Customer account is debited or not for the stated transaction, no reversal for that transaction, status of the transactions in DCMS.
4. If a stated transaction is successful according to the DCMS and AITHER system and according to the Customer, transaction is failed then Bank will register the chargeback case with the MAXIMUS .
5. MAXIMUS will check whether for that particular transaction there is settlement present from VISA side. If settlement is present then only chargeback is applicable.(According to the VISA rule)
6. From the date of transaction, MAXIMUS will check the settlement, 4 next days for the ATM and 15 next days for the POS. If no settlement present within these days then MAXIMUS should intimate Bank and Bank manually credit or debit the Customer account.
7. MAXIMUS is raising the charge back request to the VISA if there is settlement.
8. VISA on next days credited the Banks Nostro account in BOA.
9. MAXIMUS need to monitor chargeback transactions, they will check by using VISA Portal whether for those particular transactions there is the re-presentment or not.
10. Before giving back that amount into the Customer account, Banks needs to wait for 30 days for the POS transactions and 7 days for the ATM transaction, for re-presentment result from MAXIMUS.
11. If re-presentment result is not coming within 30 days then MAXIMUS should intimate Bank and then Bank manually credit or debit the Customer account. According to VISA, they can present the re-presentment result within the 30 days. (Re-presentment result means Acquirer will provide the proof, as JP or the transaction receipt of a Customer, transaction that may be successful or unsuccessful at acquire end.)
12. If Acquire rejects the re-presentment and still according to the Customer that transactions was fail, then Customer needs to apply for the Pre-Arbitration.
13. In Pre-arbitration, VISA is not going to credit Bank Nostro Account on the next day, for the result of the Pre-Arbitration Bank and MAXIMUS needs to wait for at least 30 days.
14. If the Pre-arbitration is accepted within the 30 days then MAXIMUS should intimate Bank to reverse the Customer account.

15. If Pre-arbitration is rejected then Customer can raise the Arbitration request and should wait for 30 days, if arbitration is accepted then Bank will reverse the account and If Arbitration rejected then the case would go into the Good faith.

16. In good faith, Bank will discuss with acquirer team and Bank request to check transaction once again.

Bank representative can access the transaction results and Chargeback results by using the MAXIMUS Web Portal.

1. The time limit for resolution of Customer complaints by the banks will be 7 working days for ATM and for pos 15 days from the date of receipt of Customer complaint.
2. Accordingly, failure to re-credit the Customer's account for chargeback cases within 7 working days for ATM and 31 working days for POS transaction of receipt of the complaint shall entail payment of compensation to the Customer @ Rs 100/- per day by the issuing bank.
3. Any Customer is entitled to receive such compensation for delay, only if a claim is lodged with the issuing bank within 30 days of the date of the transaction.

Turn Around Time (TAT) Definitions.

To address customer complaints on account of unsuccessful or failed transactions, after consultation with various stakeholders, the framework for TAT for failed transactions and compensation therefor has been finalized which will result in customer confidence and bring in uniformity in processing of the failed financial transactions as well non-financial transaction.

SI	Process Stage	Timelines
1	First Chargeback (Issuer)	30 days
2	Pre-Arbitration (Issuer)	30 days
3	Arbitration	7 days for acquiring bank to submit documents and Within 60 days Visa will apprise the result. Fees \$500 (If loss the case)
4	Good Faith Collection	Based on Issuer bank acceptance
5	OTP related complaints	Raised query to TSP on immediate basis.

6	Transaction not processed	Raised query to TSP on immediate basis
7	POS transaction related issued	20 days from complaint received.
8	Non-financial transactions	Raised query to TSP on immediate basis
9	Other miscellaneous queries	Raised query to TSP on immediate basis

Settlement

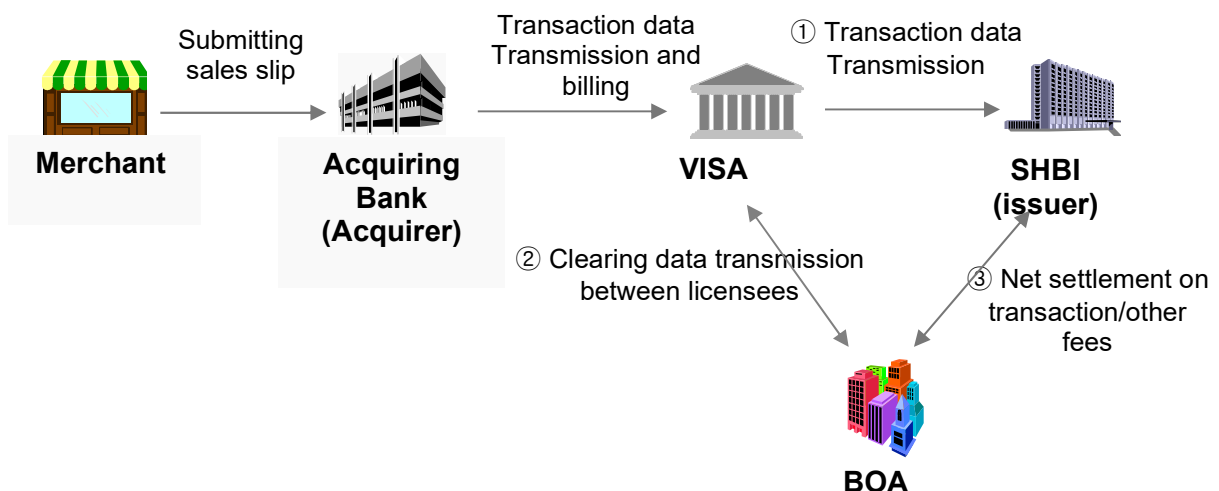
When the transaction is incurred from Debit Card use, transaction amount and other transaction fee is also incurred. Settlement is a series of procedures to settle the transaction amount with the acquirer (Bank) and with VISA.

- A. When Customer uses the Debit Card, the acquirer (Bank) transmits the transaction data to the Bank via VISA.
- B. The Bank settles payment in the INR for the both domestic and international transaction amount.
- C. The INR transaction amount is settled by paying from the international and domestic transactions amount.
- D. Transaction amount settlement

For VISA, settlement is processed by using an account opened with BOA

- i. Domestic: INR currency settlement for domestic transactions as well as International transactions via BOA
- ii. International: USD currency settlement for Visa Charges via BOA

ii. Settlement/Clearing Flow



Process of settlement: -

1. Customer is swipes the Debit Card on POS terminal.
2. Once the Issuer Bank approves the transaction online, Customer account is debited.
3. On the next day, there is settlement from the VISA.
4. VISA asks consolidated amount from the Bank.
5. MAXIMUS and Bank will perform reconciliation on the transactions, which is received by the VISA.
6. There could be possibly, some transactions, which may have disputes.
7. MAXIMUS or Bank will raise the charge back for dispute transactions.
8. Bank will pay the amount.
9. Bank will get the dispute amount after the chargeback get settled.

Fraud:-

Definition of Fraud: - Basically the electronic transactions, As per the RBI Master revised guideline dated 14-12-2017 contains two types cards based transactions

1. Card Present transactions, where the card holder is present with the card at the merchant location and the physical card was used
2. Card Not present transactions, where the card holder had used the card for making some online purchases or purchase through the mobile application using the debit card credentials.

Fraud is defined as any unauthorized transaction done by an impersonator taking place on customers debit card without customer knowledge, approval or active / passive participation there by causing a financial loss to the customer.

Types of Fraud: - There are various types of fraud, we are here by listing few common types of frauds

1. Skimming or cloning
2. Vishing or Gaining card details through fake call
3. Phishing or card details stolen from customers mobile or laptop using virus sent through the Email
4. Smashing or Card details stolen from the card holders mobile using the Virus sent through the SMS link.
5. Spear Phishing or coaxing the customer to provide the card details on a fraudulent website exactly like the original website.

Fraud Complaints and Dispute guidelines.

The following are steps to be taken by the customer as and when their card undergoes any suspicious or fraudulent transactions.

1. Call the customer care and block the card immediately to prevent any further loss.

2. File a Police complaint and provide a detailed letter to the branch or bank informing about the series of event happened on the day on which fraud took place.

The following are the steps to be taken by bank/branch when any customer reports a fraud.

1. Block the card immediately on call received from the customer.
2. Request the customer to provide a detailed letter along with FIR copy of the fraud reported by the customer. Customer can submit the complaint to the local branch. If the complaint is in local or any other language than English, branch has to translate the same into English language and provide the true certified copy of the same to head office for all further uses.
3. Bank should check the common purchase point where there would have possibilities of card being compromised.
4. Bank will do the immediate fraud reporting in Network (if available) and shall raise a dispute under the liability shift scheme subjected to availability of the same.
5. Bank should inform the customer, after careful and through analysis if he or she will be eligible to receive the re-imbursement through the insurance claim.
6. Insurance scheme will be applicable only if the customer has not compromised any card or his account details willingly and the chargeback option is unavailable for the bank to raise the chargeback under liability scheme.
7. It is mandatory for the customer to get the card blocked and raise a refund claim within 07 days from the date of fraudulent debit in his account failing in which these transactions will be disputed under fraudulent transaction but customer will not be getting the insurance cover.
8. Customer will be provided with amount as we receive the funds with through either chargeback or insurance claim.
9. If it is proved beyond any doubt that the customer had acted in good faith and never compromised on any card details, and there was a lacuna on the banks side due to which the fraud took place on the card holders account, bank will reimburse the funds to the card holders account with 03 working days as per the RBI circular dated 14-12-2017 on liability shift. Lacunae on the banks end are like exposure of the card holders data to the fraudsters through weak security system etc. Here the bank will not wait for the credits to be received from the Insurance
10. Bank should be analyzing and shall generate an internal assessment report on the fraud reported by the customer which has to be duly submitted to the top management as well as during the submission of the request for the insurance claim.
11. Currently each customer can avail a risk cover up to 4.5 lakhs per day transaction.
12. For all the losses on the customer card before the card was reported and blocked by the customer, all the losses till the time of reporting shall be borne by the customer.
13. Responses received for the chargeback and insurance claim will be treated as the final verdict and bank will close the case upon receiving the judgement.
14. Bank will do the reporting of the fraud to RBI and network as per the mandate.

Charges:-

Service Fees

1. The Bank may collect various service fees for issuing Debit Card Transactions either by withdrawing the fees from the Customer's account. The payment method of the service fees shall be determined in accordance with the Bank's Policies and Procedures.
2. Service fees shall be determined in accordance with the Bank's method of calculating the service fees. In the event that the Bank wishes to change the service fees, it shall post the proposed changes at its business places and over telecommunication channels, which are amenable to posting of notice for one month starting one week prior to the effective date of the changes.
3. On the first issuance of the New Debit Card, Bank will not take any charges from the Customer.
4. Bank collects an annual membership fee every year set up for each of the Debit Cards issued to the members.
5. The annual fees for the Debit Card will be debited to the Primary Account linked with the Debit Card on application/renewal at the Bank's prevailing charges.
6. A cash withdrawal fee is collected when the member withdraws cash from his payment account using an automated teller machine from other bank.
7. Cash withdrawals and balance inquiry performed by the Customer at Visa enabled ATMs in countries other than India will be subject to a fee, as per prevailing tariff of charges. Cash withdrawals and balance inquiry at Visa ATMs (non- Shinhan Bank) in India may also be subject to a fee (as decided by Bank from time to time) and will be debited to the account at the time of such cash withdrawal and balance inquiry transactions.
8. Transaction fees for cash withdrawals/balance inquiry and/or wherever applicable, will be debited to the account at the time of posting the cash withdrawal/balance inquiry or wherever applicable.
9. For any international transactions or transactions in a foreign currency, the bank collects the currency conversion fee in INR after applying the currency exchange rate and overseas handling fee designated by such international brand Debit Card companies as Visa.
10. Visa will apply the currency exchange rate in both online message and in the settlement file i.e VISA will convert the foreign currency value into equivalent INR value by applying the current currency exchange rate of that time and send the transaction towards the Shinhan bank.
11. At the time of reversal, VISA will send same currency exchange rate which is the of the fail transaction.

12. All transactions in foreign currency will be debited to the Customer's Account in Indian Rupees. Customer hereby authorize Shinhan Bank and Visa to convert the charges incurred in the foreign currency into the Indian Rupee equivalent thereof at such rates as Shinhan Bank/ Visa may from time to time designate.
13. When a member requests for a copy of sales slip, the bank collects a fee for cardholder for requesting a copy of such by each transaction.
14. The bank collects a fee for a reissued Debit Card when the member requests the re-issuance due to lost, stolen, or Debit Card replacement.
15. The Charges/Fees applicable on the usage of the Debit Card may be revised/ changed by Shinhan Bank from time to time without prior information to the Customer(s), Customer can view the charges on the Website of bank, or they can call to the Customer representative of Shinhan bank regarding the same.

Responsibility

Shinhan Bank Recon and IT team

Head Office IT/Recon Team is responsible for the on-going maintenance of Debit Card system relating to system upgrades and setting the procedures necessary to conduct the banking business safely on-line. The system capacity, obsolescence, software support, and other related support issues should be carefully evaluated and planned. Even system protocols and standards should be analyzed to ensure corporate compatibility. Administrative issues, including physical and information security, security controls, and protection of carrier lines, will be considered.

IT/Recon Team is also responsible for the preparation of user guides, manuals for the staff related to the Debit card system and training shall be provided to ensure proper operation of the Debit Card system. Team also takes care of the necessary steps towards the Customer complaints, Chargeback, Debit Card reconciliation etc. Team also takes the necessary steps towards the effective communication between HQ team and vendors.

System Access/Integrity

Debit Card system hardware and software systems shall be controlled and protected in a manner that ensures compliance with safe banking industry standards for hardware and software security, and applicable regulatory pronouncements as issued. Individuals will be allowed to access their account with Debit Card via ATM or POS based upon user identification and password.

Audit and Monitoring

- i. Shinhan Bank will conduct the IT and operational audit as per the agreement and shall submit the recommendation and observation to the management of the bank as well as the TSP / Recon

- ii. Shinhan Bank shall ensure appropriate closure of all the audit observation given by any concerned and appointed agencies including the inter auditors.

Vendors and Outsourcing

The Bank may rely on vendors, third-party support, or other outsourcing considerations. Before introducing a new product or service, the internal controls of a vendor, maintenance and upkeep of a third-party provider's systems, and/or financial condition of the third-party vendor is to be carefully evaluated. Vendors and other independent third parties who provide support or services in conjunction with the Bank's Debit Card activities shall be required to review and sign a formal data confidentiality agreement. Such agreement will bind these parties to the same standards and level of data confidentiality and controls as those instituted by the Bank, thereby prohibiting the service provider and its agents from using or disclosing the Bank's information, except as necessary to or consistent with providing the contracted services and to protect against unauthorized use.

Roles and Responsibility

The below table summaries responsibility of various departments /outsourced agency while handing Debit Card

Responsibility	Branch Teller Desk	Branch Officials	IT- HQ	IT-HO	VISA	MAX IMUS	CALL Center
Provide Form for the Debit Card Registration	O	-	-	-	-	-	-
Check eligibility criteria of the Debit Card holder for the card registration	O	-	-	-	-	-	-
Make the Entry of the Debit Card Registration in AITHER	O	-	-	-	-	-	-
Authorized the Records	-	O	-	-	-	-	-
Move Files to SFTP folder	-	-	O	-	-	-	-
Upload the Files	-	-	-	-	-	O	-
Process the files and deliver Debit Card and Pin to the Customer	-	-	-	-	-	O	-
Tracking of the Debit Cards	-	-	-	O	-	-	-
Activate the Debit Cards	O	-	-	-	-	-	-

Transaction Processing	-	-	O	-	O	O	-
Reconciliation	-	-	-	O	-	O	-
Settlement	-	-	-	O	O	O	-
Debit Card Lock/Block	O	-	-	O	O	O	O
Charge Back Complaint	O	-	-	O	-	O	O
Re-Issue New Debit Card	O	-	-	O	-	O	O
Re-Issue New PIN	O	-	-	O	-	O	O
Upload Files to the AITHER	-	-	O	O	-	O	-

REPORTING

- i. Shinhan Bank has to oblige and provide all the reports requested by regulatory and governing authorities
- ii. Shinhan Bank has to file mandatory monthly report with regulatory authorities.
- iii. RBI reporting should be commenced before the due to date of 15th of every month.
- iv. MAXIMUS would provide all the adhoc reports along with extant daily and monthly report.
- v. Any penalty or late submission charges will be applicable to the defaulting partner.
- vi. Debit card security awareness SMS sent to Shinhan bank debit cardholder on his registered mobile number on quarterly basis.