

Policy for Credit Card Business Policy for FY 2023-2024

**Division : Credit Card & Merchant Acquiring
Business Division**
Version : 2023_CCMABD_1.0



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ਕ੍ਰੇਡਿਟ ਕਾਰਡ ਏਵਾਂ ਮਰਚੈਂਟ ਅਧਿਗ੍ਰਹਣ ਵਯਵਸਾਯ ਪ੍ਰਭਾਗ, ਪ੍ਰਧਾਨ ਕਾਰਯਾਲਯ
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1. Policy Overview

1.1. Reserve Bank of India (RBI) in its Master Directions for Credit Card, 2022 has defined Credit Card as a physical or virtual payment instrument containing a means of identification, issued with a pre-approved revolving credit limit, that can be used to purchase goods and services or draw cash advances, subject to prescribed terms and conditions.

1.2. Credit Card is a type of digital payment instrument providing a convenient & fast way to make immediate payments for any expense in a cashless manner. Bank, as issuer, pays for the goods or services on cardholder's behalf and issues a Credit Card statement to the card holder at the end of the billing cycle.

1.3. Credit Card Business involves issuance of Credit Card and related activities such as development of product & management, grievance redressal, management of delinquency/NPA (Non-performing Asset), etc., Management of Credit Card Business involves various activities, hence the same have been outsourced to third party service providers/vendors to perform these activities on behalf of the Bank.

1.4. Credit Card as a financial product has helped the customers to enjoy cashless purchases even when they are out of cash. Customer is provided with credit limit in form of a plastic card which can be used subject to limit availability and the limit utilized can be repaid after a certain defined time period.

1.5. While it has helped the bank to bring more products to augment customers delight, improve operational efficiency, reduce operational expenses of banking services, etc., but it is equally true that the advent of technology and the digital landscape has also made Bank vulnerable to various Risks.

1.6. Bank shall ensure that the processes involved are appropriate at the inception stage and that it keeps pace with the growth in business or changes in its products, services or activities. Bank shall have policies and procedures for approval of new products, activities, processes and systems ensuring compliance of directions of Regulatory/Statutory bodies.

1.7. There is an inherent need to put in place appropriate Governance mechanisms covering the Functionality, Security and Performance aspects in alignment with the Business objectives and strategy.

1.8. Reserve Bank of India (RBI), through master directions, has advised that Bank/Card issuer shall have a well-documented Board approved policy for the issuance and conduct of Credit Cards. The Board approved Policy shall be in consonance with various instructions on the subject issued by Reserve Bank from time to time as well as the directions contained in the Master Direction.

1.9. The Credit Card Business Policy for FY 2022-23 was last reviewed by Board in its meeting dated 29.03.2022. On the basis of RBI Master Directions – 2022, some amendments in the Policy got approved in its meeting dated 25.11.2022.

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2. Policy Details

2.1. Background

Bank is in Credit Card Business since 2009 and is working on policy guidelines duly approved by Bank's Board. Credit Card Business Policy has been formulated keeping in mind RBI Master Direction on Credit Card and Debit Card – Issuance and Conduct Directions, 2022 and other Regulatory/Statutory and Bank guidelines issued from time to time.

The guidelines mainly include the following: -

- (1) Sourcing of credit card application by both physical and digital mode. Digital sourcing of application involves fast and easy process to apply for Credit Card and requires minimal physical documents.
- (2) Processing of Credit Card applications based on eligibility criteria, completion of documentation, due-diligence and compliance of other Bank guidelines
- (3) Issuance & delivery of Credit Cards to the customers
- (4) Redressal of Complaints/Disputes raised by the Credit Card holders
- (5) Management and Handling of Delinquent & NPA Credit Card accounts

2.2. Objective

Credit Card Business Policy aims to provide a framework of rules/ regulations/ standards/ practices for the Credit Card issuance, Dispute & Fraud Handling & NPA Management and to ensure that the same are in alignment with the best practices. Bank adopted adequate safeguards and implemented the same in order to ensure that its Credit Card operations work on sound, prudent and customer friendly manner.

2.3. Scope and Applicability

- i. Credit Card Business policy will be applicable for PNB, Credit Card Subsidiary - PNB Cards & Services Ltd, Bank's sponsored Regional Rural Banks (RRBs) and other co-branded partners.
- ii. Presently Credit Card business of the bank is centralized at Head Office level with processing and sanctioning of Credit Card applications being done centrally at Credit Card Processing Centre (CCPC).
- iii. The handling and management of the products and related activities are performed by the Division in coordination with and through support of vendors. All the core functions of the business, viz. internal audit, compliance function, Policy, Risk underwriting, etc., lies with the Division.

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2.4. Policy contents

Credit Card Business Policy comprises of following 3 sections:

Section 1: Policy for Credit Card Issuance

Section 2: Policy for Dispute Resolution and Fraud Management in Credit Card

Section 3: Policy for Income Recognition, Asset Classification & Provisioning and Compromise/ Settlement in Respect of Credit Cards

2.4.1. SECTION 1: POLICY FOR CREDIT CARD ISSUANCE

2.4.1.1. Products/Offerings

The Bank offers Credit Card on **RuPay and VISA** platforms to individuals and Corporate Credit Cards to employees/ executives of corporate. Bank is issuing EMV (Europay, Master Card & VISA) chip plus Magstripe Credit Cards containing enhanced security features. All new cards as well as renewed cards are being issued the EMV chip plus Magstripe. Bank has restricted the authorisation of transactions on basis of Magstripe only in all domestic ATM/PoS terminals to mitigate the risk of fraudulent transactions.

PNB issues Credit Cards on the following platforms and variants:

a. RUPAY (NPCI)

Credit Card Variant	Target Customers
PNB RuPay Platinum	Salaried/Pensioners/Self-employed
PNB RuPay Select/PNB Millennial	Salaried/Pensioners/Self-employed
PNB Rakshak RuPay Platinum	Customer categories covered under Rakshak Plus Scheme.
PNB Rakshak RuPay Select	

b. VISA

For Individuals

Credit Card Variant	Target Customers
PNB Classic	Salaried/Pensioners/Self-employed
PNB Gold	Salaried/Pensioners/Self-employed
PNB Platinum	Salaried/Pensioners/Self-employed
PNB VISA Signature	Elite/super premium customers i.e., HNI/VIP customers of the Bank

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For Corporates

Credit Card Variant	Target Customers
PNB Corporate VISA Gold/Platinum with Individual liability	Corporate will include Public Ltd. Companies, Pvt. Limited companies, PSUs, Registered societies/Institutions/Trusts/ Association, Partnership concerns, Defense CSD canteens, Govt. Offices/Institutions, etc.
PNB Corporate VISA Gold/Platinum with Corporate liability	

2.4.1.2. Validity period of Credit Card

The validity period of the Credit Card shall be upto 7 years.

2.4.1.3. Upcoming Offerings:

(A) Bank may launch new Credit Card variant or co-branded Cards with third party entities under VISA/NPCI/Mastercard or other platforms also as per the feasibility. New types of cards will be launched from time to time as per the need of different segments of Existing to Bank (ETB) customers/new to Bank (NTB) customers.

(B) Upgradation of Credit Cards - Higher variants of cards generate more interchange income for Banks. As per peer banks' practices like SBI, HDFC & ICICI, we also offer up-gradation of cards depending on card usage/spends, profile of customers and other parameters, after taking due consent from customers, physically or electronically. Bank may also approach eligible customers for enhancement of their Credit Card limit who are regular and timely payer of Credit Card dues and having satisfactory volume of card spends. The customers falling under pre-approved category (PNB housing loan borrowers, salaried customers, Term deposit holders, staff/ex-staff members etc.) may be approached for issuance of Credit Card on the basis of existing data base of the Bank.

Presently, PNB issues Visa Classic Card, which is the lower end variant of Visa. The benefits and offerings associated with classic VISA are negligible due to which various peer banks have already discontinued this variant. In order to serve customers with better offerings, the existing customers in this category will be gradually upgraded to higher variants on RuPay, VISA or Mastercard platform.

(C) Issuance of Co-Branded Credit Cards

Bank may enter into co-branded agreement with banking/non- banking/other entity. Instructions / guidelines on Know Your Customer (KYC) / Anti - Money Laundering (AML) / Combating of Financing of Terrorism (CFT), Bank's Board approved KYC

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Policy (updated from time to time) and other co-branding guidelines applicable to Banks as issued by RBI from time to time shall be adhered to. Bank may approach any entity (Banking/Non-Banking/Other) to enter into tie-up for issue of co-brand credit card. The information relating to revenue sharing between the Bank and the co-branding partner entity shall be indicated to the cardholder and also displayed on the Bank's website.

(1) Due Diligence

While issuing co-branded Credit Cards, Banks must undertake due diligence on the non-bank entity to protect themselves against the reputation risk to which they are exposed to in such an arrangement. Bank shall ensure that in cases where the proposed co-branding entity is a financial entity, it has obtained necessary approvals from its regulator for entering into co-branding arrangement.

(2) Role of banking/non-banking entity

- (a) The role of the co-branding partner entity under the tie-up arrangement shall be limited to marketing /distribution of the cards or providing access to the cardholder for the goods/services that are offered.
- (b) The co-branding partner shall not have access to information relating to transactions undertaken through the co-branded card. Post issuance of the card, the co-branded partner shall not be involved in any of the processes or the controls relating to the co-branded card except for being the initial point of contact in case of grievances.

(3) Outsourcing of activities

Card-issuers shall also be liable for the acts of the co-branding partner. Bank shall ensure adherence to the RBI guidelines on "Managing Risks and code of conduct in outsourcing of financial services by Banks" as contained in the circular DBOD.No.BP.40/21.04.158/2006-07 dated November 3, 2006, as amended from time to time. Bank shall ensure that cash backs, discounts and other offers advertised by a co-branding partner are delivered to the cardholder on time. Bank shall be liable for any delay or non-delivery of the same to the cardholders.

(4) Co-Branded Credit Card with Regional Rural Banks (RRBs)

RBI permits RRBs to issue credit cards in collaboration with their sponsor bank or other banks. Bank may approach bank's sponsored regional rural Banks (RRBs) to enter into tie-up for issue of co-brand credit card.

(D) Business Credit Card: - Bank will explore the feasibility of issuance of business Credit card (may also be issued as charge card, corporate credit card) to the business

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entities/individuals for business expenses by linking a credit facility such as overdraft/cash credit provided for business purpose as per the terms and conditions stipulated for the facility concerned.

Corporate credit cards can be issued together with add-on cards wherever required.

The liability of the corporate/business entity on account of business cards shall form part of their total assessed credits for compliance to instructions issued by the Reserve Bank on Exposure Norms as well as Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

The add-on cards shall be issued only to the persons specifically identified by the principal cardholder under both personal and Business credit card categories. Add-on cards shall be issued with a clear understanding that the liability will be that of the principal cardholder. Similarly, while issuing corporate credit cards, the responsibilities and liabilities of the corporate and its employees shall be clearly specified. The liability of the corporate/business entity shall form part of its assessed credits.

2.4.1.4. Sourcing of Credit Card Applications

Presently, sourcing of credit card is done through following channels: -

- (a) Through branches by submitting signed applications physically and sending the same to Credit Card processing centre physically by courier or by uploading the application through DMS.
- (b) Through Mobile Application
- (c) Through DIY (Do It Yourself) link available on Bank's Website – www.pnbindia.in, www.pnbcards.in
- (d) Through online link available on Bank's digital platforms (PNB One, IBS & Bank's Website) to apply for Pre-Qualified Credit Card for Bank's existing customers.

In line with peer Bank practices, facility of Credit Card will be available to both ETB/NTB customers meeting eligibility criteria and having satisfactory Credit history/CIR.

2.4.1.5. Sourcing of Credit Card applications through other modes

Besides our branches, Credit Card applications will also be sourced through following modes: -

- (a) Credit Card Subsidiary – PNB Cards & Services Ltd, (physical & digital mode)
- (b) Online sites like creditmantri, bank bazaar, paisabazaar, etc.
- (c) Leads procured through Bank's own digital platform-mobile banking, IBS, etc.
- (d) Co-branding tie-ups with leading merchants/organizations in which leads may also be received from the merchants/organizations.

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2.4.1.6.Digital onboarding

Customers are on-boarded through digital mode, viz. mobile app, website, etc. It will facilitate branch staff or agents/DSAs/PSAs (*engaged by the Subsidiary - PNB Cards & Services Limited.*) in effective checking of information & documents provided by customers and will ease them instead of manual filling of application, data entry in CBS and scanning and uploading of documents.

Bank will take assistance/services of third-party agents/sales executives (engaged through co-brand arrangements or otherwise) or its sponsored RRBs or subsidiaries for on boarding of customers based on business requirement. The sourcing of customers may be done physically or digitally through mobile app or Bank's other available digital modes.

2.4.1.7.Processing of Credit Card leads received through branches and other physical/digital channels:

Bank will take assistance (wherever required) of Credit Card Subsidiary for mobilization and its conversion including completion of documents and other formalities. The leads and the Credit Card applications received through branches and other physical/digital channels will be processed through Risk Underwriting Model (RUM) for data validation, pre-screening through CICs/UIDAI, etc., and other due diligence. After proper scrutiny of applications, Credit Card limits will be sanctioned subject to fulfillment of policy guidelines.

2.4.1.8.Type of Credit Cards:

- (a) **Primary Card:** Credit Cards issued to individual applicants are primary cards. However, in case of Corporate Card, cards issued to different individuals at the behest of corporate are treated as primary cards.
- (b) **Add-on cards:** At the request of primary cardholder, maximum two add-on cards can be issued only to spouse, mother, father, major son and daughter (unmarried) of the primary cardholder. The age of add on cardholder should be between 18 and 70 years. If the card is issued against the security of FDR, upper age criteria is waived for Primary cards. However, the liability for add-on cards will be solely of the principal / primary cardholder. **Add-on cards** are not issued in case of Corporate Credit Cards.
- (c) In case of Credit Card issuance against FDR through digital mode, minimum age of card applicant be at least 18 years and upper age criteria is capped at 75 years.

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2.4.1.9. PNB Credit Card Schemes/features for different category of customers

Bank may formulise Credit Card schemes or launch new Credit Card Variant or co-branded Cards or related products/features or related modifications from time to time as per the need of different segments of Existing to Bank (ETB) customers/new to Bank (NTB) customers subject to approval from competent authority (SPACE/ORMC/CRMC/RMC) in terms of IRMD Policy for approval of new product.

2.4.1.10. Benefits/Facilities available in Credit Card

(1) Balance Transfer Facility:

Cardholder can get the facility to transfer the balance from any other bank's Credit Card to PNB Credit Card under Equated Monthly Instalment (EMI) scheme with repayment period of 6 months.

(2) Easy Pay Plan for Retail Purchases

PNB's Credit Card holder on making purchases such as buying a new TV or a computer; or paying for their vacations or any emergency hospital bills can plan their repayment options through EMI Plan formulated for PNB's Credit Card holders. The repayment of dues on account of any such transaction can be made through monthly installments subject to fulfillment of terms and conditions.

Prior to the conversion of credit card transaction into EMI, principal, interest and upfront discount by the merchant/Bank (if any) will be clearly informed to the customer. The same shall also be separately indicated in the credit card bill/statement.

(3) Extending EMI facility to Credit Card holders for conversion of outstanding Credit Card dues into EMIs – Balance EMI facility

To facilitate the Credit Card holders who wants to opt for EMI facility for paying their Credit Card dues, Balance EMI facility is available under which complete outstanding Credit Card dues can be converted into EMIs to ease out the repayment subject to fulfillment of terms and conditions.

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(4) PNB Insta Pay EMI Scheme at POS & E-Commerce

- (a) EMI scheme having the features of instant EMI, i.e., the cardholder be provided an option to convert his purchases into EMI at the time of purchases itself. Accordingly, PNB Insta Pay EMI Scheme at Point of Sale (POS) and e-commerce is available to the PNB Cardholders.
- (b) PNB's Credit Card holders can make hassle free shopping at merchant / e-commerce sites at lower rate of interest and processing fee without additional documentation through PNB Insta Pay EMI option.
- (c) **Prior to the conversion of credit card transaction into EMI, principal, interest and upfront discount by the merchant/Bank (if any) will be clearly informed to the customer. The same shall also be separately indicated in the credit card bill/statement.**
- (d) Bank shall inform the cardholders of the implications of paying only 'the minimum amount due'. A legend/warning to the effect that "Making only the minimum payment every month would result in the repayment stretching over months/years with consequential compounded interest payment on your outstanding balance" shall be prominently displayed in all the billing statements to caution the cardholders about the pitfalls in paying only the minimum amount due. The Most Important Terms & Conditions (MITC) shall specifically explain that the 'interest-free credit period' is suspended if any balance of the previous month's bill is outstanding. The Bank shall specify in the billing statement, the level of unpaid amount of the bill, i.e., part payment beyond 'minimum amount due', at which the interest-free credit period benefits would not be available to cardholders.

(5) Credit Card Mobile App – PNB Genie

To continue bank's legacy of offering best of the services and products to its customers, our bank has developed a fully loaded Mobile App: **"PNB Genie"** to manage Credit Cards. The app acts as a single point destination for cardholders to operate their Credit Card accounts seamlessly and without hassles.

(6) Long Code Pull SMS facility for Credit Card Customers

To offer more convenience to our Credit Card customers, bank has introduced a SMS based channel (**Long Code Pull SMS facility**) for undernoted various services through which customers can manage facilities such as Card Hot-listing, Card Pin Generation, Balance Inquiry and Mini Statement on its own.

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Customer need to send SMS as per Bank's prescribed format using his/her Registered Mobile Number (RMN) to bank's dedicated number. Suitable response will be received on the RMN of the customer.

(7) PNB e-Credit Card

PNB e-Credit Card is a digital replica of physical Credit Card issued to the customer and is available on PNB Mobile App-Genie. Customers can use their Credit Card without the need of physical Card at any e-commerce platform through e-Credit Card facility available on PNB Mobile App Genie. The Card details (Card number, Expiry Date, CVV) as present on their physical Credit Card can be viewed through PNB Mobile App Genie.

(8) Virtual Credit Card

On the road to digitalization, Bank has come forward with Virtual only Credit Card for our tech friendly customers who do not want physical Credit Card. This type of Card can be opted by those customers who mainly use online platform for making transactions. In case of Virtual Credit Card, CVV will be dynamic, i.e., for every usage a new CVV will be generated. The option of Virtual Credit Card will be available for retail Credit Card variants only and not for Corporate Credit Cards.

(9) Operationalization of Credit Card on UPI

On basis of RBI announcement related to linking of credit cards on UPI platform, our Bank, along with NPCI, is one of the first banks to launch this facility. Credit cards can now be linked to a Virtual Payment Address (VPA) i.e., UPI ID (credit card number cannot be part of this), thus directly enabling safe, and secure payment transactions.

2.4.1.11. Security Measures for safe & secure Card Transactions

For the safety and security of payment systems operated by the bank & various security measures in accordance with this policy to mitigate risks have been formulated & given in the IT security policy of the bank and the same is applicable for Credit Card also. In terms of RBI guidelines on "Enhancing Security of Card Transactions" circulated vide RBI circular no. DPSS.CO.PD No.1343/02.14.003/2019-20 dated 15.01.2020, at the time of issue/re-issue all cards (physical/virtual) issued by Bank are enabled for use only at contact base points of usage (viz., ATMs and POS devices) within India. Facility is provided to cardholders for enabling card not present (domestic and international) transactions, card present (international) and contactless transactions. Cardholder can get the card activated for card not present (domestic) and international usage through mobile app PNB-Genie. Further, international usage

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will be activated for those Credit Card holders only whose PAN is linked to the Credit Card account.

2.4.1.11.1. RBI directions on Digital Payment Security controls

RBI vide its circular RBI/2020-21/74 DoS.CO.CSITE.SEC.No. 1852/31.01.015/2020-21 dated 18.02.2021- Master Direction on Digital Payment Security Controls, provides necessary guidelines for the regulated entities to set up a robust governance structure and implement common minimum standards of security controls for digital payment products and services.

The compliance of said RBI guidelines pertaining to credit Card are being ensured by the Division.

Some of the compliance check points are as under:

Check point	Ensuring Compliance at Bank level
Efficient and effective dispute resolution mechanism and handling of customer grievance	Proper dispute resolution mechanism & related Standard Operating Procedures (SOP) as per VISA & NPCI chargeback guidelines has been put in place by the Bank. Under this Dispute resolution mechanism, Credit card disputes are being handled efficiently and effectively.
Cardholder and merchant education techniques to prevent fraud	Awareness SMSs to safeguard Bank's interest are regularly sent to card holders and merchants to prevent fraud.
Scheme/Card operating regulations REs shall adhere to extant instructions, updated from time to time, to put in place system/s for online dispute resolution for resolving disputes and grievances of customers pertaining to digital payments	The operating guidelines as and when received from regulator/statutory body/scheme provider are noted and suitable action is initiated by the Division towards their compliance.

2.4.1.12. Fees And Charges:

- (i) The fees and charges applicable with Credit Cards are as per "Schedule of Fee and Charges" – **Annexure A1**
- (ii) Changes in charges shall be made only with prospective effect giving prior notice of at least one month. If a cardholder desires to close his/her card on account of any change in charges to his/her disadvantage, he/she shall be permitted to do so without levying any extra charge for such closure, subject to payment of all dues by the cardholder.

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2.4.1.13. Credit Card Subsidiary – PNB Cards & Services Ltd

Bank has formed a Credit Card Subsidiary "PNB Cards & Services Ltd" after obtaining RBI's final approval dated 07.12.2020. The Subsidiary was formed to undertake non-financial support services related to Credit Card Business of the Bank.

Following activities are to be managed by the Credit Card Subsidiary:

- (a) Sales of Credit Card
 - (b) Marketing Tie-Ups
 - (c) Product Development
 - (d) Collection including Recovery
- (1) Bank will take assistance (wherever required) of Credit Card Subsidiary for mobilization and its conversion including completion of documents and other formalities.
- (2) PNB Cards & Services Limited may recommend Cards with some facilities (such as waiver of annual/joining fee or such other fee, etc.) for important customers with future business prospects and for VVIP's like established professionals, senior Bureaucrats, police officers, judges, Ministers and other prominent persons, etc.
- (3) General Manager- HO CCMABD will be the final authority for approving the same. Powers for waiver for such type of fee to be exercised as per Clause 29(d). In absence of GM, DGM-CCMABD to exercise powers of GM, till GM is posted in HO CCMABD.

2.4.1.14. Risk Underwriting Model (RUM)

Risk Underwriting Model (RUM) is the heart & soul of Credit Card business. Peer banks have procured sophisticated risk underwriting model, parameterized it as per their business requirements and improvised it as per ever-changing marketing dynamics and customer behaviours.

Card credit limit shall be assessed by processing of every application through Risk Underwriting Model (RUM). Initially, all the applicants shall go through GO-NOGO analysis to assess their eligibility for Credit Card. An applicant not fulfilling any of the fixed eligibility criteria shall be marked as "NOGO", i.e., ineligible for Credit Card. All the customers' applications found eligible for Credit Card will be passed through Risk Underwriting Model (RUM) for assessment of Credit Card limit.

2.4.1.15. Marketing And Publicity

To expand the Credit Card business, innovation is required for sales, marketing, promotion, publicity, etc., In line with peer banks, we can utilize up to 20% of net profit

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of HO CCMABD of last FY to create brand loyalty amongst customers through various offers and tie-ups.

2.4.1.16. Grievance Redressal

The Credit Card industry totally depends upon technological efficiency. Banks must, however, embrace new and modern methods and also deploy suitable safety measures to provide a secure digital platform for the customers. Bank is making continuous and best efforts towards this direction. Prompt & satisfactory customer service is the need of the hour. Keeping in view above facts, the focus will be on customer delight through an efficient grievance redressal mechanism. Specialized desk officer has been assigned for customer grievance redressal and dispute management.

2.4.1.16.1. Granting Reward Points for customer retention

Customer dissatisfaction can spoil bank's name and image which will result in loss in business. In some scenarios, customers do not want to continue with PNB even after redressal of their complaints or are not satisfied with the resolution provided by the Bank. To compensate those customers and to ensure customer retention, reward points will be granted on case-to-case basis. Grievance Redressal Officer, CCPC/Chief Manger, HO CCMABD, shall be the competent authority to exercise this power to grant reward point to the customers. While exercising these discretionary powers, it will be ensured that maximum 500 reward points (value 50 paisa per reward point) may be granted per customer per year.

2.4.1.17. Outsourcing

The end-to-end activities in respect of Bank's Credit Card issuance have been outsourced through Request for Proposal (RFP) process for handling various Credit Card operations and software solutions for Credit Card Business. The service provider is selected for a period of five years after calling RFPs. The service provider and its sub-service providers are PCI DSS (Payment Card Industry – Data Security System) certified. A separate Confidentiality and Secrecy Certificate has been signed with the service provider.

Besides above, Bank is also availing services of other service providers/vendors for allied Credit Card business activities like Reward Points Management and Electronic Payment & Collection services etc.

While outsourcing the various services, it is ensured that it does not compromise confidentiality of the customers' records, respects customer privacy and adheres to fair practices. It will be ensured that industry practices and regulatory guidelines for

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Credit Card industry are adopted. PCI DSS certificate, etc., wherever applicable, are obtained and kept on record.

2.4.1.18. Reporting To Credit Information Companies (CICs)

Credit Information Companies (CICs): While submitting the information relating to credit history/repayment record of the card holder to a Credit Information Company (that has obtained Certificate of Registration from RBI), the bank will explicitly bring to the notice of the customer that such information is being provided in terms of the Credit Information Companies (Regulation) Act, 2005. Further, no credit information related to new credit card shall be reported to CIC prior to activation of the card.

Before reporting default status of a Credit Card holder to a Credit Information Company, bank should ensure issuing of seven-day notice period to such card holder about the intention to report him/ her as defaulter to the Credit Information Company. In the event of customer settling his/her dues after having been reported as defaulter, Bank shall update the status within 30 days from the date of settlement. The disclosure/release of information, particularly about the default, should be made only after the dispute is settled.

The Credit Card accounts status shall be uploaded on the CICs portal in text format on monthly basis by the Bank.

Bank shall report a credit card account as 'past due' to credit information companies (CICs) or levy penal charges, viz. late payment charges and other related charges, only when a credit card account remains 'past due' for more than three days. The number of 'days past due' and late payment charges shall, however, be computed from the payment due date mentioned in the credit card statement, as specified under the regulatory instructions on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances' amended from time to time. Penal interest, late payment charges and other related charges shall be levied only on the outstanding amount after the due date and not on the total amount.

National e-Governance Service Ltd (NeSL): Bank has entered into agreement with NeSL for submission of financial information of borrowers as part of obligation under IBC 2016.

Currently, the data relating to corporate debtors (Company/LLP) having outstanding of Rs 1.00 Crore & above only are reported to NeSL centrally at HO level. The reporting and deduction of applicable charges are done centrally at HO level by MISD.

2.4.1.18.1. CIBIL/CIC Charges for issuance of Credit Card

No CIBIL/CIC charges will be levied for issuance of Credit card to the customers.

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2.4.1.19. Billing

The billing statement shall be dispatched through following methods with the explicit consent of the cardholder:

By Email on registered email ID **OR**

By Post- The same is sent by courier or post

- (a) Timely sending/dispatching/emailing bills/statements to be ensured so that the customer has at least 15 days for making payment before the due date.
- (b) In case a cardholder protests any bill, the Bank shall provide explanation/documentary evidence to the cardholder within maximum of 30 days from the date of complaint.
- (c) SMS alerts will be sent to the Cardholders regarding billing of their transactions informing them the amount billed and the payment due date.
- (d) SMS alerts will be sent to the card holders confirming receipt of any payment made by them towards their Credit Card Account.
- (e) Any credit amount arising out of refund/failed/reversed transactions or similar transactions before the due date of payment for which payment has not been made by the cardholder, shall be immediately adjusted against the "payment due" and notified to the cardholder.
- (f) The bank shall provide one time option to modify the billing cycle of the credit card as per the convenience of the cardholder.
- (g) Bank shall inform the cardholders of the implications of paying only 'the minimum amount due'. A legend/warning to the effect that "Making only the minimum payment every month would result in the repayment stretching over months/years with consequential compounded interest payment on your outstanding balance" shall be prominently displayed in all the billing statements to caution the cardholders about the pitfalls in paying only the minimum amount due. The MITC shall specifically explain that the 'interest-free credit period' is suspended if any balance of the previous month's bill is outstanding. The Bank shall specify in the billing statement, the level of unpaid amount of the bill i.e., part payment beyond 'minimum amount due', at which the interest-free credit period benefits would not be available to cardholders.

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2.4.1.20. Renewal of Card

On the expiry of the existing card, the bank will renew the existing card by obtaining explicit consent of the cardholder.

2.4.1.21. Blocking of Card

Customer can block his/her card temporarily or on permanent basis by submitting their request to the Bank through available channels. In case the card is permanently blocked at the request of the customer, replacement card in lieu of the blocked card shall be issued with the explicit consent of the cardholder. In case the card is blocked temporarily by the cardholder the same will be unblocked with the explicit consent of the cardholder.

Bank shall block a lost card immediately on being informed by the cardholder without any delay. Available Bank channels where customer can submit their request for blocking of card are mobile app, IVRS, call centre, long code SMS services, Bank's website. Bank shall immediately send a confirmation to the cardholder subsequent to the blocking of a card.

2.4.1.22. Closure of Credit Card

- (a) Customer can submit request for closure of Credit Card through email, SMS, submitting written application to branch, helpline number, etc.
- (b) Bank shall ensure to honor any request for closure of credit card within 7 working days, subject to payment of all dues by the cardholder.
- (c) SMS will be sent to the cardholder immediately notifying about the closure of Credit card.
- (d) If a credit card has not been used for a period of more than one year, the process to close the card shall be initiated after intimating the cardholder. If no reply is received from the cardholder within a period of 30 days, the card account shall be closed by the card-issuer, subject to payment of all dues by the cardholder. The information regarding the closure of card account shall also accordingly be updated with the Credit Information Company/ies within a period of 30 days.
- (e) Subsequent to closure of Credit Card account, any credit balance available in Credit Card accounts shall be transferred to the cardholder's bank account.

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2.4.1.23. Risk Underwriting Standards

- (a) While issuance of Credit Cards, independent credit risk assessment taking into account independent financial means of applicants will be ensured.
- (b) As holding several Credit Cards enhances the total credit available to any consumer, credit limit for a Credit Card customer will be assessed taking into consideration all the limits enjoyed by the cardholder from other entities on the basis of self-declaration/credit information obtained from a Credit Information Company (CIC).

For the purpose of arriving the FOIR level in risk underwriting:

1. Income of the customer will be ascertained as following:

Sr No	Type of customer	Income source
1.	Salaried-salary credited in PNB Account	Amount of salary credited in the salary account of the customer
2.	All other customer	Income will be assessed on the basis of estimated income received from CIC on the basis of logics used by CIC as per industry practice during monthly scrub done by CIC.

2. Where actual EMI of the customer is not available, the same will be ascertained on the basis of logics used by CIC as per best industry practice during monthly scrub done by CIC.

2.4.1.24. Timelines for issuance of Credit Cards, redressal of grievances & compensation framework

2.4.1.24.1. Timeline for Issuance of Credit Card

The total turnaround time involved in issuance of Credit Card till physical delivery is 15 days subject to completion of all documents and adherence of Bank guidelines.

2.4.1.24.2. Service-related complaints

- (1) Credit Card holders can lodge their complaints/ queries through various channels: Toll Free No. 18001802345- IVRS (Interactive Voice Response System) and tolled 0120-4616200, email – creditcardpnb@pnb.co.in, IBS etc.
- (2) A confirmation/acknowledgement wrt received complaint/query will be sent to the customer through call/email/SMS immediately.
- (3) Complaints/ queries received through above channels are firstly handled by our Service Provider. If any customer is not satisfied with the resolution or the same

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- requires Bank intervention, the complaint is escalated to the designated Bank on email id creditcardho@pnb.co.in.
- (4) Complaints related to disputed transactions are escalated to mail id-creditcarddispute@pnb.co.in
- (5) For NPA related issues, customer may escalate query at ccdnpa@pnb.co.in.
- (6) Other than above mentioned channels, complaints also received through CPGRAM & CGRMS portal. Complaints escalated at above channels are dealt by dedicated official i.e Customer Grievance Redressal officer of bank.
- (7) Complaints are dealt earnestly and resolved within 24 hours if viable. However, all complaints received from the cardholders shall be attended and responded within a maximum period of 10 days unless intervention of external agencies and other Departments of the Bank are required.
- (8) Complaints/grievances received at desk of Managing Director/Executive Director shall be attended expeditiously and shall be resolved within 24 hours.
- (9) Customer can still approach Banking ombudsman, if he is not satisfied by the resolution provided by bank.

2.4.1.24.3. Compensation for failed transactions using authorized payment systems

Description of the incident	Framework for auto-reversal & compensation	
Point of Sale (PoS) (Card Present) including Cash at PoS		
Account debited but confirmation not received at merchant location i.e., chargeslip not generated.	Auto-reversal within T + 5 days	Rs 100/- per day of delay beyond T+5 days
Card not Present (CNP)(e-Commerce)		
Account debited but confirmation not received at merchant's system.	Auto-reversal within T + 5 days	Rs 100/- per day of delay beyond T+5 days

2.4.1.25. Compliance

- (1) The instructions/guidelines on Know Your Customer (KYC)/Anti Money Laundering (AML)/Combating of Financing Terrorism (CFT) applicable to banks, issued by RBI from time to time, be adhered to in respect of all cards issued including co-branded, corporate and add on Credit Cards.
- (2) As advised by RBI, misuse of the credit cards / online banking facilities offered to customers, for overseas foreign exchange trading or any other prohibited transaction, is strongly discouraged by repeatedly educating our customers on the types of transactions permitted and types of transactions categorized as prohibited. The customers are advised on how effecting / remitting such

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payments, directly / indirectly outside India, shall make them liable to be proceeded against with for contravention of the Foreign Exchange Management Act (FEMA), 1999 besides being liable for violation of regulations relating to Know Your Customer (KYC) norms / Anti Money Laundering (AML) standards.

- (3) Necessary Credit Card industry related tests be done at regular intervals and certificates, viz. PCI DSS certificate, wherever applicable, be obtained and kept on record.
- (4) BCSBI's Code of Bank's Commitment to Customers are complied with. Code of Conduct for Credit Card operations of the bank are displayed on the website of bank and is available to any Credit Card holder and provided to the customers.
- (5) Use of Direct Sales Agent (DSAs)/Direct Marketing Agents (DMAs) and other Agents' appointment does not compromise with the confidentiality of the customer's records, respects customer privacy and adheres to fair practices in debt collection.
- (6) It will be ensured that the guidelines issued from time to time by Reserve Bank of India, Govt. of India and any other regulatory bodies on Credit Cards are complied with without fail.

2.4.1.26. Business Continuity Plan

Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) is designed to reduce the organizations' business risk arising from an unexpected disruption of the critical functions/ operations necessary for the business. A separate document is in place for BCP and DRP. The BCP is reviewed and approved on annual basis by IT Committee of the Board.

2.4.1.27. Confidentiality of customer information

The card issuing bank should not reveal any information relating to customers obtained at the time of issuing the card to any other person or organization without obtaining specific consent of the customer as regards the purpose for which the information will be used and the organizations with whom the information will be shared. The co-branding banking/non-banking entity should not be permitted to access any details of customer's accounts that may violate bank's secrecy obligations. Further, in case where the customer gives his consent for the bank sharing the information with other agencies, banks should explicitly state and explain clearly to the customer the full meaning/ implications of the disclosure clause. The information being sought from customers should not be of such nature as will violate the provisions of the laws relating to secrecy in the transactions. Banks/NBFCs would be solely responsible for the correctness or otherwise of the data provided for the purpose.

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2.4.1.28. Fraud and Risk Management

Acceleration towards card issuance business also amplified fraudulent transactions / misuse of Credit Card by using forged techniques in the Credit Card industry. To safeguard Bank's interest and cardholders' interest, such transactions be looked into on priority and dealt as per "Policy for Dispute Resolution and Fraud Management in Credit Card." Risk Assessment Committee of the Division at regular intervals to analyze the nature of frauds and techniques adopted and security measures to be evolved to control such type of frauds in future. Customers/cardholders may be issued alert messages through SMS/E-mails, advertisement at regular intervals. It should be ensured that wherever chargeback is available, lodgement thereof is not delayed and cardholder be apprised of the progress. To mitigate the loss, adequate insurance cover has been obtained based on Credit Card numbers for all type of cards as per Bank's guidelines.

Bank has implemented Enterprise wide Fraud Risk Management (EFRM) Solution to monitor and prevent the suspicious transactions of CBS, IBS, Mobile Banking, Credit Card & Debit Card. The identified Credit Card scenarios have been implemented in monitoring mode and preventing mode as per the nature of the scenario.

2.4.1.29. Financial Power Chart for Credit Card Operations

The financial powers for various Credit Card Operations to effectively manage day to day operations, Customer complaints, dispute management and management of Credit Card Business is enclosed with the policy document.

2.4.1.30. Review of Credit Card Operations

Credit Card operations will be reviewed on half-yearly basis by the Audit Committee of the Board of Directors (ACB). The review shall include, inter-alia, customer service, frauds, complaints and grievance redressal, card usage analysis including cards not used for long durations and the inherent risks therein.

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2.4.2. SECTION 2: POLICY FOR DISPUTE RESOLUTION AND FRAUD MANAGEMENT IN CREDIT CARD

2.4.2.1. Background

Credit Card is emerging as one of the most important payment mechanisms in modern day commerce transactions. Banks play the role of 'issuers' of cards (issuing plastic to card holders) as well as 'acquirers' (facilitating PoS machines at vendors' locations etc.) to complete the financial leg of transactions. VISA, Master Card, Amex (American Express), RuPay (NPCI), etc., are settlement agencies for issuing and acquiring banks which may be at different locations. In the chain of commercial transactions, there is always a possibility of dispute arising between parties concerned. Guidelines of the settlement agency, industry practices and statutory provisions of different geographies determine the course of resolution of such disputes. Likewise, the possibility of frauds/ fraudulent transactions, in spite of various preventive measures, remains a bane for card industry and a cause for a large number of the disputes. The policy enumerated here under is to codify our policy for dispute resolution and responding to the fraud related issues in Credit Card Business.

2.4.2.2. Objective

The aim of the policy is to put in place a redressal mechanism to resolve cardholder's complaints about disputed transactions in an informed way so that the loss is contained by increasing the awareness and fraud cases are handled properly. The policy covers the whole issue in two parts. The first part deals with Dispute resolution. The second part deals with Fraud handling.

2.4.2.3. Dispute raised by Credit Card holder

- (1) The cardholder makes payment to supplier of goods / services by use of card on Point-of-sale terminals (POS) or through payment gateway or by giving standing instructions to merchant to debit his card account at defined interval. Merchant delivers goods / services to the cardholder after receiving the authorization code from the card Issuer's host system.
- (2) Most of the disputes are business or services related and arise due to non-fulfillment of the terms of sales viz. settled amount is different or goods /services not supplied /goods of ordered quality were not supplied etc. There may be some unauthorized transactions, which are not done by bonafide cardholder and are made with the intention of cheating the cardholder or the bank.

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2.4.2.4. Releasing Open to Buy Limit (OTB) for disputed amount

- (1) The Banks involved in card business, increase "Open to Buy" (OTB) limit by amount disputed, so that the cardholder continues the use of sanctioned card limit during the dispute resolution period. Thus, bank's interchange income is not affected.
- (2) Presently, in cases where the customer declares the said transaction as unauthorised, the card remains inactive during the dispute resolution period and thus there is loss of interchange fees.
- (3) Bank at its own discretion may release Open to Buy (OTB) limit on Credit Card on case-to-case basis at the time of raising chargeback. The OTB will be reduced with disputed amount on receiving presentment from acquiring bank.

2.4.2.5. Fraud management in credit card

- (1) The fraud with card industry perspective means obtaining of goods or services via card transaction, which is not authorized by a genuine cardholder. The impact of fraud is financial and on the reputation of the bank.
- (2) The authorization for a transaction, flows from merchant to the card account, involving parties like acquiring bank, VISA NET, issuers, issuers host server, acquirer host server, POS terminal / merchant web site and payment gateway. Any breach in security and data theft with ulterior motives at any point of this payment chain may lead to and perpetuates fraud on a very wide scale. Hence, VISA impresses upon issuers and acquirers and their service providers and all others involved in the payment chain to confirm security standards to the level of Payment Card Industry Data Security Standard (PCI DSS) so as to keep the reliability of VISA & RuPay Credit Cards and its brand value. Our Bank / Service provider conforms to these standards to mitigate the risk of data theft. However, responding to malicious emails/ cloning of card at POS still exposes cardholder to data theft. To address this, Bank is issuing EMV Chip based Cards only and educating cardholders through SMS/e-mails/advertisement on adopting necessary precautions to avoid fraudulent transactions.
- (3) Bank is issuing EMV chip and pin-based cards to mitigate the risk of fraudulent transactions at POS terminals through counterfeit/cloned and lost/stolen cards. To complete a transaction through EMV chip and pin-based card, user has to first swipe the card and then enter the pin at POS terminal. The EMV chip mitigates the risk of counterfeiting/cloning of card and use of PIN mitigates the risk of fraud on lost/stolen cards.
- (4) Bank has restricted the fallback transactions on the basis of magstripe in all the domestic ATM/POS terminals to mitigate the risk of fraudulent transactions.

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2.4.2.5.1. Types of Card frauds

The fraudulent activity in cards may happen either at pre embossing of card or after. Banks, VISA or NPCI ensures to take risk mitigation measures at each stage of card production/ delivery and also during authorisation. Broad categories of card frauds may be grouped as under:

- (1) Fraudulent credit card applications
- (2) Card embossing & delivery of Plastics
- (3) PIN generation and PIN mailing
- (4) Card / PIN returned undelivered
- (5) Blocking of card in lost / stolen cards
- (6) Account compromise
- (7) Account takeover
- (8) Key-entered counterfeit
- (9) Card-Not-Present transactions

2.4.2.6. Risk mitigation

The bank has put in place various measures for mitigating risk of frauds in Credit Card transactions. Some of the risk mitigation strategies are as under:

- (1) Sourcing of credit card applications is done by the branches after due diligence.
- (2) For mitigation of identity theft risk, our bank / service provider changes address of cardholder only when it is in writing and is supported by address proof or on the recommendation of branch officials. The card activation request is serviced only when call is emanating from registered mobile number of cardholders.
- (3) Bank sends SMS alerts for each transaction. This enables cardholder to take appropriate steps to prevent further loss.
- (4) Bank has subscribed on- line fraud monitoring tool, which detects the transactions with higher risk on real time basis, and enables decision to approve / reject the transaction.
- (5) Bank has implemented Enterprise wide Fraud Risk Management (EFRM) Solution to monitor and prevent the suspicious transactions of CBS, IBS, Mobile Banking, Credit Card & Debit Card. The identified Credit Card scenarios have been implemented in monitoring mode and preventing mode as per the nature of the scenario.
- (6) Under monitoring mode, suspicious transactions are allowed to happen but monitored by EFRM cell of FRMD, HO and taken up with concerned customers and branches telephonically for verification.
- (7) Under prevention mode of Alternate Delivery Channels (ADC) scenarios, the transactions are declined and SMS is sent to originator of the transaction on registered mobile number to contact on given contact number for help. In order to

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handle preventive mode scenarios, a 24X7 EFRM Cell with customer care Toll free number has been set up by the Bank.

- (8) The transactions are authorized by Issuers host switch. Sometimes, the issuer host / switch is down for a brief period and is not available for authorization requests. In down time, merchant considers authorization request as OK if no decline message is received in prescribed response time. VISA has a system capability to minimize down time risk by setting up "stand in processing authorization" (STIP) limit. VISA NET does not authorize the transactions above the STIP limit in case host system is down. At present, no STIP limit has been set up by our bank.
- (9) VISA has made it mandatory for card issuing banks to maintain Payment Card Industry Data Security Standards (PCIDSS) for safekeeping of data on work floor or in network. Our service provider maintains hardware /software systems, connectivity, work floor, websites, manpower details as per these standards. The third-party assessor conducts yearly audit to ensure maintenance of these standards.

2.4.2.7. Liability of card holder on detection of fraudulent transaction

The cardholder's agreement in User Guide elaborates cardholder's liability in case of card loss or card misuse detected by him. The issue has been discussed in relevant clauses of cardholder's agreement given in User Guide supplied to cardholder along with the card.

2.4.2.7.1. Limited Liability of Customer

With the increased thrust on customer protection and considering the surge in customer grievances relating to unauthorised transactions resulting in debits to their Credit Card accounts, the criteria for determining the customer liability in these circumstances have been reviewed by RBI. RBI vide their Circular RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated 06.07.2017 has directed as under:-

(A) Zero Liability of a Customer in the transactions occurred in the following events

- (i) Contributory fraud/negligence/deficiency on the part of the Bank (irrespective of whether or not the transaction is reported by the customer).
- (ii) Third party breach where the deficiency lies neither with the Bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

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(B) Limited Liability of a Customer

A customer shall be liable for the loss occurring due to unauthorized transactions in the following cases:

- (i) In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the Bank.
- (ii) In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer, but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the bank) on the part of the customer in notifying the Bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower:

(Table-1)

Type of Account	Maximum Liability (Rs)
Credit Card with limit upto Rs 5.00 Lakh	10,000/-
Credit Card with limit above Rs 5.00 Lakh	25,000/-

2.4.2.7.2. Credit Card complaints received through Banking Ombudsman

As a service organization, imparting good customer service and enhancing level of customer satisfaction is our prime concern. Providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. Customer dissatisfaction would spoil bank's name and image which will result in loss in business. Complaints/queries received through various channels are dealt earnestly and resolved within 24 hours if viable. If the customer is not satisfied with the resolution provided by the Bank, he/she may approach Banking Ombudsman.

In terms of RBI's Banking Ombudsman Scheme 2021, Bank, on receipt of the complaint, file its written version in reply to the averments in the complaint enclosing therewith copies of the documents relied upon, within 15 days before the Ombudsman for resolution.

2.4.2.7.3. Closure of Banking Ombudsman complaints related to Credit Card in Bank records

- (i) Presently after submission of Bank's reply to Ombudsman, the complaint is closed in record after receipt of confirmation of closure from respective Bank's nodal Ombudsman officer or through RBI directly. However, despite follow up by the

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Division complaint cases remain open in case confirmation is not received from the nodal officer or any response from RBI.

- (ii) The complaints where full & final reply stands submitted by the Bank, should be closed on receipt of closure confirmation from ombudsman/ Nodal officer ombudsman of the bank else those will be closed in Bank's records after period of 90 days from the date of submission of Bank's reply. If RBI approaches the Bank on such closed cases, the complaint will be reopened in Bank records and reply will be submitted by the Bank on immediate basis.

2.4.2.8. Invoking insurance claim

The risk of card misuse due to cloned / counterfeit card or through fraudulent key entered / internet transaction has been mitigated by taking special contingency Insurance policy obtained from the Insurance Company. The Bank will invoke and lodge insurance claim with the Insurance Company in eligible cases.

2.4.2.9. Reporting to CIBIL and other CICs

All the contents of the statement will be deemed to be correct and accepted if the credit card holder does not inform Punjab National Bank of the Discrepancies within 60 Days of the Statement Date in writing. Upon receipt of such information, Disputed Credit Card transactions will be marked and shall not be considered for CIC's reporting till its resolution. Further, no charges shall be levied till its resolution. In case the dispute is not settled in favor of credit card holder all applicable charges will be levied on the credit card from the date of transaction and the same will also be reported to CICs after 15 days of issuance of notice to the concerned customer by the Bank in case of non-payment of outstanding dues by the Card Holder.

2.4.2.10. Financial powers for writing off number of fraudulent transactions and waiver of charges levied on disputed transactions

A lot of transaction related frauds fall under cyber-crime category. In large number of cases, fraud is committed / perpetuated from some other country and is out of territorial jurisdiction of the police. Even within the country, at times, it is difficult to trace the culprit since they hardly leave any evidence. Further, amount involved is not big enough and cost of investigation is more than the amount involved. Hence, bank may take decision for writing off the disputed amount lying in suspense dispute in the case where the bank does not get chargeback from VISA/RuPay-NPCI and also fail to get the insurance claim.

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2.4.3. SECTION 3: POLICY FOR INCOME RECOGNITION, ASSET CLASSIFICATION & PROVISIONING AND COMPROMISE/SETTLEMENT IN RESPECT OF CREDIT CARDS

2.4.3.1. Asset Classification

All Credit Card accounts are classified in following two categories:

- i. **Standard Credit Card Account:** Credit Card account will be standard account so long as the Cardholder pays the Minimum Amount Due (MAD) by the due date.

Credit Card account under Standard Category is further classified as Delinquent/Irregular if an account is overdue as under:

Delinquency Category	Period of financial irregularity
D-1 (SMA - 0)	Upto 30 days
D-2 (SMA - 1)	More than 30 days and upto 60 days
D-3 (SMA - 2)	More than 60 days and upto 90 days

(*D stands for Delinquent or irregular)

- ii. **NPA Credit Card account:** A Credit Card account is treated as non-performing asset if the Minimum Amount Due (MAD), as mentioned in the statement, is not paid fully within 90 days from the due date of the bill.

NPA Credit Cards are further categorised as under:

- (a) **Sub-Standard Credit Card Account:** The Credit Card account which has remained in NPA category for a period less than or equal to 12 months is classified as sub-standard account.
- (b) **Loss Credit Card Account:** The Credit Card account which has remained in NPA category for more than 12 months is classified as Loss account.

2.4.3.2. Percolation of Credit Card in other borrowal accounts and vice-versa:

In terms of RBI Prudential norms on 'Income Recognition, Asset Classification and Provisioning pertaining to Advances', borrower-wise asset classification is being done, accordingly if a Credit Card account is classified as NPA, all other credit facilities in same capacity granted to the Cardholder will also be treated as NPA, similarly Credit Cards in STANDARD Category will be classified as NPA due to percolation effect of other credit facilities availed by the customer from our Bank.

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2.4.3.3. Recorded Interest and Charges:

For the period the card account remains in NPA category, interest (finance charges) and other charges (service charges etc.) are calculated separately and noted in Memoranda records. Recorded interest and other charges including service tax/GST are part of the total Memoranda dues recoverable from the respective Cardholder.

2.4.3.4. De-recognition of Income:

Upon classification of Credit Card as NPA, the interest and other charges credited to the Bank's income account in the past periods and has not been realized (excluding service tax/GST), stands reversed and credited back in the respective account by debiting to Profit & Loss Account of the bank.

2.4.3.5. Appropriation of Recoveries:

The appropriation of recoveries in NPA accounts (irrespective of the mode/status/stage of recovery actions) are appropriated in the following order of priority:

- i. Expenditure/out of Pocket expenses, incurred for recovery (earlier recorded in Memorandum Dues);
- ii. Principal Irregularities/Outstanding i.e., Ledger balance outstanding at the time of classification of Credit Card account as NPA after reversal of DI (De-recognized Income)
- iii. Thereafter towards the interest irregularities / accrued interest.

2.4.3.6. Upgradation of Credit Card from NPA to Standard Category:

An NPA Credit Card account is upgraded to Standard Category after the cardholder makes payment of following amount: -

- (A)** Minimum Amount Due (**MAD**) as per last bill (before classification of account as NPA) + De-recognized Income (**DI**) + Finance & other charges levied in the account after date of NPA.

OR

- (B)** Payment of total outstanding dues (**TAD**) as on date.

AND

(C) Other Conditions:

Upon receipt of the amount as mentioned in (A) or (B), the outstanding balance in the Credit Card should be within card credit limit.

(After upgradation, the Card limit will be restored automatically by the system as per guidelines)

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2.4.3.7. Automation of Income Recognition, Asset Classification and Provisioning processes in Credit Card Accounts

In terms of RBI and Bank's guidelines, Automation of Income Recognition, Asset Classification and Provisioning in system with respect to NPA Credit Cards has been done since 24.09.2021 and accordingly the following activities are being done by the system automatically:

1. Down gradation and Upgradation of Credit Card accounts.
2. De-recognition of Income and Provisioning.

2.4.3.8. Exercise of Right of Lien/Set off:

Upon classification of a credit card account as NPA, to recover the default amount, lien is marked in the related account of the cardholder and to recover the dues the bank will exercise the right of set-off.

The NPA credit cards where the recovery is not affected despite all-out efforts, the bank may hand over such cases to recovery Agents/Agencies for recovery of dues.

2.4.3.9. Recovery through Recovery Agents/Agencies:

The NPA Credit Card accounts which are difficult to recover may be allocated by the respective Circles through Bank approved Recovery Agents/Agencies in line with policy guidelines circulated by **HO: SASTRA DIVISION** with following two exceptions:

- i. Identification of eligible Credit Card accounts.
- ii. Payment of commission payable to Recovery Agencies/Agents.

Operational guidelines with respect to eligible account for allocation to recovery agencies/agents, commission payable to agencies/agents and payment of bills of recover agencies/agents are placed in PART II (Operational Guidelines) of the policy.

2.4.3.10. Recovery of SMA-II accounts through Business correspondent Agents (BCAs)

To avoid fresh slippage in Credit Card accounts and its percolation effect with other CBS loan accounts, as an early measure, the Delinquency-3(SMA-II) Credit Card accounts can be allocated by the concerned Circles to BCAs.

2.4.3.11. One Time Settlement (OTS):

In order to reduce the increasing NPA portfolio of Credit Cards, One Time Settlement (OTS) is an effective tool of recovery which is utilized on merits of the cases.

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Operational guidelines with respect to eligible accounts, OTS in percolated NPA Credit Cards, calculation of memoranda dues, settlement formula, payment terms are placed in PART II (Operational Guidelines) of the policy.

2.4.3.12. Special OTS Policy for NPA Credit Cards

2.4.3.12.1. Background

Credit Card advance is unsecured in nature, having small ticket size and widely distributed. Further, recovery and monitoring are centralized at HO level.

In order to resolve old NPA cases of Credit card, the Special OTS policy Non-discriminatory/Non-discretionary is introduced by the division. The feature of the scheme will be as under: -

2.4.3.12.2. Key feature of the Scheme

- i. The scheme will be applicable to the NPA Credit Card account where the age of NPA is more than two years at the end of previous quarter.
- ii. The Cardholder will have to deposit minimum 25% of OTS offer amount as token money.
- iii. To pay the remaining amount borrower will have two options. Either to pay remaining amount within 90 days (without any additional interest) or to pay the remaining amount in 180 days. If customer opt for payment of remaining amount in 180 days, the cardholder will have to pay the remaining OTS amount along with *Prevailing MCLR (1 year) + 1% on simple basis on reducing balance from the date of conveying approval in writing to the cardholder.*
- iv. If the cardholder fails to pay the remaining OTS offer amount within stipulated time as mentioned above, his OTS under the special OTS scheme will stand withdrawn and the total outstanding will become Memoranda Dues. In such cases, the Cardholder will be again eligible for consideration of OTS afresh upon deposit of 25% as upfront amount.

Operational guidelines with respect to applicability, calculation of OTS Offer amount, Competent authority, commission payable to recovery agency/agent are placed in PART II (Operational Guidelines) of the policy.

2.4.3.13. Updation of CIC's record of Cardholder closed under OTS

Upon closure of NPA Credit Card under OTS, the same is updated with CICs as 'settled'. In these 'settled' Credit Card accounts several references are received from the Cardholders requesting for updation of their CIC's record as 'normal closure' instead of closed as 'settled' with payment of amount.

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To deal with such cases, the guidelines is placed at Part- II (Operational Guidelines) of the policy.

2.4.3.14. Provisioning

Provisioning requirements for Credit Card receivables will be as per RBI guidelines which are presently as follows:

S.No.	Nature of asset	Rate of Provisioning
a.	Standard asset	Applicable rate (0.40% at present)
b.	Sub-standard asset	25%
c.	Loss asset (age of NPA above one year)	100%

2.4.3.15. Waivement of Legal Action

Amount Outstanding	Status of Legal Action
Ledger Balance upto Rs. 1.00 lakh	No Legal Action shall be taken
Ledger Balance above Rs. 1.00 lakh	Decision will be taken on case-to-case basis by the Committee constituted for this purpose

In case Competent Authority is of the view that recovery from legal recourse is not viable in any particular case legal action can be waived by the competent authority even if ledger balance outstanding is above Rs. 1.00 lakh. However, before taking such decision, proper evaluation shall be done on case-to-case basis. Further, efforts for recovery will continue as per extant guidelines.

2.4.3.16. Write Off of Credit Card NPAs

Looking into the nature of facility, high NPA and the fact that 100% provision is available after one year of the credit card slipped to NPA category, it is the industry practice to write off NPA credit cards on regular basis.

For effective NPA management, Write-off exercise will be carried out on regular basis for the NPA credit cards where age of NPA is minimum one year, and where all possible recovery efforts have been exhausted. The NPA Cardholders which have been declared as insolvent under the respective insolvency laws, will also be eligible for write-off.

Each case has to be considered after proper evaluation and after ensuring following conditions:

- (a) Account falls under loss asset and full provision is made.

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- (b) Legal action is not feasible/ has been waived.
 - (c) Cost of recovery is considered to be more than the likely amount to be recovered.
 - (d) No Fraud has been reported and there is no staff accountability.

The write off is purely an internal and confidential exercise. A constant and concerted effort shall continue to be made by CCMABD/ field functionaries/ Recovery Agents/ Agencies to pursue recoveries in written off Credit Card accounts, till Banks dues are recovered to the satisfaction of the Bank.

2.4.3.17. Decision Level/ Powers & Committee

All the proposals of OTS/ Write Off/Waivment of Legal Action (WLA) would be considered by the respective authority on the recommendations of the Committee constituted for various decision levels. The same are defined in PART II (Operational guidelines) of the policy under Annexure - C1 (A to C).

2.4.3.18. Post facto scrutiny

Post facto scrutiny of OTS/negotiated settlements/write off proposal for losses / sacrifice etc. approved by any functionary will be done by HO: CCMAB Division before placing the same to ZOCC/HOCAC-I/HOCAC-II for information.

Procedure to be followed for Post facto scrutiny is placed at Part-II (Operational Guidelines) of the policy.

2.4.3.19. Reporting of Approvals & MIS

Information about OTS/negotiated settlements/write-off proposals for losses/sacrifice etc. approved by any functionary shall be reported to the ZOCC/HOCAC-I/HOCAC-II **for information duly signed by Dy. General Manager/Divisional Head** on quarterly basis by the 10th of following month.

2.4.3.20. Staff Accountability

- (a) In line with the guidelines regarding staff accountability (circulated by HO IAD vide its circular no 06/2022 dated 22.03.2022), staff accountability aspects with respect to credit card are being examined/ decided by the division. The decision of competent authority/ Disciplinary Authority shall be mentioned specifically with nature of punishment inflicted, if any, and implementation thereof, in the OTS/ write off proposals.
- (b) No case of Write off in respect of Fraud/ Criminal Action cases shall be generally considered by the competent authority, unless the staff accountability aspects

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have been finalized. Recovery of Bank's funds being of greater importance, cases may also be considered where staff accountability is still in progress. Complete status of the same may be incorporated in the proposal.

2.4.3.21. Invocation of Provisions u/s 138 to 142 of Negotiable Instrument Act, for dishonoured cheques:

In case a cheque deposited by Cardholder towards settlement of the dues is returned unpaid due to insufficient funds/ account closed/ payment stopped, or due to any other reason as specified in the aforesaid Act, the collecting branch of the Bank will forward the instrument along with the returning memo to CCMABD: HO on the same day for further follow-up.

The steps required to be taken HO: CCMABD in case of returned cheques is placed at Part-II (Operational Guideline) of the policy.

2.4.3.22. Credit Bureau Notification:

The policy and procedures approved by the Board for reporting of status of a Credit Cardholder to the Credit Information Bureau of India Ltd. (CIBIL) or any other credit information company authorized by RBI will be adhered to in this regard. Status of NPA Cards is reported to CIC's regularly, presently, on monthly basis.

2.5. Validity and Review of Policy

The Policy will be valid w.e.f. date of approval from Board till 31.03.2024. The Policy shall be subject to annual review.

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Appendix

A. Glossary

Section 1: Policy for Credit Card Issuance	
1.	NPA – Non-performing Asset
2.	KYC – Know Your Customer
3.	QAB – Quarterly Average Balance
4.	MITC - Most Important Terms and Conditions
5.	RRB - Regional Rural Bank
6.	EMI - Equated Monthly Installment
7.	RFP – Request for Proposal
8.	CCPC – Credit Card Processing Centre
9.	SOP – Standard Operating Procedure
10.	CIC – Credit Information Company
11.	NeSL- National e-Governance Service Ltd
12.	BCP – Business Continuity Plan
13.	PoS – Point of Sale
14.	CCMABD - Credit Card & Merchant Acquiring Business Division
15.	EFRM - Enterprise wide Fraud Risk Management
16.	MAD - Minimum Amount Due
17.	TAD – Total Amount Due
18.	ETB – Existing to Bank
19.	NTB – New to Bank
Section 2: Policy for Dispute Resolution & Fraud Management in Credit Card	
Charge-slip	The printout, which is generated after a card, is swiped in a PoS machine.
Charge back	Is the process wherein upon contesting a transaction by the cardholder the matter is referred on his behalf by the issuer bank to the acquiring bank through settlement agency (VISA).
Representment	On denial of chargeback against the cardholder if he furnishes further submissions and/ or documents for consideration by the settlement agency, it is considered a case of representment.
Pre-arbitration	Pre-arbitration is an attempt to resolve the dispute before filing an arbitration case with settlement agency (VISA) for a ruling.
Arbitration	Arbitration allows Visa to assign financial liability for a disputed transaction when chargeback and representment has failed to resolve the dispute.
Pre-Compliance	Compliance allows the Issuer Bank that has no chargeback, representment, pre-arbitration, or arbitration right to file a complaint against the Acquirer for a violation of the Visa International Operating Regulations. In Pre-compliance , the Issuer has to

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	attempt to resolve the dispute with the Acquirer before filing for compliance.
Good faith	The phrase used in VISA Dispute Settlement Process can be better explained in the following contextual manner: "The cardholder contacted the issuer stating that he did not recognize the transaction. The issuer made a good faith effort to identify the transaction for the cardholder, but the cardholder still did not recognize it. The issuer processed a chargeback. The acquirer processed a representment providing documentation that showed the cardholder's name and address, and that the cardholder had purchased merchandise online. The issuer filed the arbitration case with VISA, which included a second letter that stated the cardholder did not authorize any online charges."
STIP	Stand In Processing Authorization
FMC	Fraud Management Committee
FMR	Fraud Monitoring Returns
Section 3: Policy for Income Recognition, Asset Classification & Provisioning and Compromise/Settlement in respect of Credit Cards	
MAD	Minimum Amount Due
TAD	Total Amount Due
SMA	Special Mention Account
D	Delinquent
GST	Goods & Service Tax
NPA	Non-Performing Asset
DI	De-recognised Income
SLBC	State Level Bankers Committee
NCLT	National Company Law Tribunal
OTS	One Time Settlement
CM	Chief Manager
AGM	Assistant General Manager
DGM	Deputy General Manager
GM	General Manager
CBC	Corporate Business Correspondent
BCA	Business correspondent Agent
CCMABD	Credit Card & Merchant Acquiring Business Division
RBI	Reserve Bank of India
CICs	Credit Information companies
ZO	Zonal Office
CO	Circle Office
ZOCC	Zonal Office Compromise Committee
COCC	Circle Office Compromise Committee
WLA	Waiver of Legal Action

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IAD	Inspection & Audit Division
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B. List of references including related policies/forms, RBI circulars etc.

- (i) RBI Master Direction -Credit Card and Debit Card – Issuance and Conduct Directions, 2022 - RBI/2022-23/92 DoR.AUT.REC.No.27/24.01.041/2022-23 dated 21.04.2022 & RBI Clarification – DOR.AUT.NO.S2225/24.01.009/2022-23 dated 07.07.2022.
- (ii) RBI Circular on Issuance of EMV Chip and PIN Cards - RBI/2015-2016/163 DPSS.CO.PD.No.448/02.14.003/2015-16
- (iii) RBI Advisory No: 6/2018 - Dated: August 13, 2018 Securing Card Transactions - Setting of Robust Risk Based Transaction Limit and Monitoring for Credit Card Transactions
- (iv) RBI Circular on Enhancing Security of Card Transactions – RBI/2019-20/142 DPSS.CO.PD No. 1343/02.14.003/2019-20 dated 15.01.2020
- (v) RBI Circular on Prudential Norms on Income recognition, Asset Classification and Provisioning pertaining to Credit Card accounts – RBI/2015-16/126 DBR.NO.BP.BC.30/21.04.048/2015-16
- (vi) RBI Circular on Limited/Zero Liability of customer in case of fraudulent transactions -RBI/2017-18/15 DBR.No.Leg.BC.78/09.07.005/2017-18 dated 06.07.2017

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A. Frequently Asked Questions:

S.No.	FAQ	ANSWER
1.	What are the age criteria to apply for PNB credit card?	The age of applicant should be between 21-70 years for VISA and RuPay Credit Card for primary cardholder.
2.	What are the minimum income criteria to apply for PNB Credit Card?	For Visa Classic Card/RuPay Platinum/RuPay Rakshak Platinum: Salaried /Self Employed person min. 2,50,000/- For Gold card: Salaried /Self Employed person min.3,50,000/- For Visa Platinum/RuPay Select/RuPay Rakshak Select Credit Card/RuPay Millennial: Salaried & Self-Employed min.5,00,000/-. For VISA Signature: Rs 7,50,000/-
3.	What are documents required to apply for PNB Credit Card?	Address & Identity Proof Income proof PAN Card Valid Email & Mobile Number
4.	What is the Menu for adding a credit card application in CBS?	CCAPP is the Menu for adding a credit card application in CBS.
5.	What is the CBS Menu for payment of credit card dues?	CCPAY is the Menu for payment of credit card dues.
6.	How many Add-on cards can be issued to a primary card holder and to whom?	Maximum two add-on cards can be issued only to spouse, mother, father, major son and daughter (unmarried) of the primary cardholder. The age of add on cardholder should be between 18 and 70 years. Add on cards are not issued in case of Corporate Credit Cards.
7.	Which are different variants of PNB Credit Cards presently available?	<u>Bank currently offers following variants of PNB VISA Credit Cards:</u> (a)VISA Classic (b) VISA Gold (c) VISA Platinum Credit Card (d) VISA Signature

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		<p><u>Variants of PNB RuPay Credit Cards on NPCI platform:</u></p> <p>(a)PNB RuPay "PLATINUM"</p> <p>(b) PNB RuPay Millennial</p> <p>(c) PNB RuPay "SELECT"</p> <p><u>Bank offers two more variants of credit cards for defence personnel:</u></p> <p>(a)PNB RAKSHAK RUPAY PLATINUM</p> <p>(b) PNB RAKSHAK RUPAY SELECT CREDIT CARD</p>
8.	When can a customer request for EMI under Easy Pay Plan scheme?	Request for conversion to Easy Pay Plan should be made within 30 days of purchase/before the Payment Due Date (whichever is earlier).
9.	What are the tenure options for Easy Pay Plan EMI on PNB Credit Card?	The repayment period is 3, 6, 9, 12, 18, 24 & 36 months only. The tenure option of 36 months is only available for booking amount greater than or equal to Rs. 30,000/-.
10.	Can we convert the total o/s into an EMI?	Yes, total outstanding Credit Card dues can be converted into EMIs under Balance EMI facility. However, NPA and Corporate Credit Cards are not eligible under this facility.
11.	What is auto debit?	Auto debit is a procedure by which total amount due (TAD) or minimum due amount (MAD) is debited by the Bank from the customer's account for credit to PNB Credit Card account on the due date.
12.	What is the difference between RuPay and Visa Credit Cards?	These are two different card networks and there is no major difference in them. Our card will work on ATM machines/ POS terminals having RuPay/VISA logo.
13.	What is the max. and min. limits for PNB Credit Cards for individuals?	<p>(a) For Visa Classic card min. limit is 10,000/- & max. limit is 1,00,000/-</p> <p>(b) For Visa Gold card - Min. limit is 50,000/- & Max limit is 5,00,000/-</p> <p>(c) For RuPay Platinum/RuPay Rakshak Platinum - Min. limit is 25,000/- & Max limit is 5,00,000/-</p> <p>(d) For Visa Platinum/RuPay Select card/RuPay Millennial/RuPay Rakshak Select Min 50,000/- & Max. 10,00,000/-</p> <p>(e) For VISA Signature – Min Rs 1,25,000/- &</p>

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		Max. Rs 15,00,000/-.
14.	What is the cash withdrawal limit for PNB Credit Card?	20% of Credit Card limit for all variants /types of Credit Cards. Out of the above cash limit, Single Transaction Limit will be 50% of the Available Cash Limit.
15.	What are different modes for payment of Credit Card dues?	Followings are the modes of payment of credit card dues: 1. Depositing Cash 2. Transfer of funds 3. Clearing instruments like cheques/ drafts / pay order 4. Auto Debit (Standing Instructions) 5. Internet Banking 6. Mobile Banking Application (PNB ONE) 7. VISA money transfer facility 8. National Electronic Fund Transfer (NEFT) 9. Through 'Billdesk' 10. Through UPI

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Annexure – A1

SCHEDULE OF FEES & CHARGES FOR CREDIT CARD

The schedule of fees & charges for Credit Card business applicable for Amalgamated Entity are as given below:

	Particulars	VISA Classic/Gold	VISA Platinum	RuPay Platinum/Select/Millennial	VISA Signature
1	Joining fee –Primary	Classic: NIL Gold: Rs. Nil	Rs. Nil	Platinum: Nil Select: Rs.500/- Millennial: Rs 399/-*; For staff - Free	Rs 1500/- (Rs 750/- for staff)
	Nil for Credit Card issued against bank's lien on Fixed Deposit				
	Joining fee –Add-on cards	Classic: Nil Gold: Nil	Rs.500/- (for each add-on card)	Platinum/Select: Nil Millennial: Rs 399/-*; For staff - Free	Rs 500/- (For staff 1 st Card – Free; 2 nd Card – Rs 250/-)
	Nil for Credit Card issued against bank's lien on Fixed Deposit				
	Joining fee – i) Corporate Card with corporate liability ii) Corporate Card with individual liability	Minimum Rs.2,000/- Minimum Rs.1,000/-	Minimum Rs.2,000/- Minimum Rs.1,000/-	----- -----	----- -----
2	Renewal fees	NIL	NIL	NIL	NIL
3	Annual fees	Classic: NIL Gold: Rs.300/- \$	Rs.500/- ^{\$}	Platinum: Rs.500/- @ Select: Rs.750/- @ Millennial: Rs 999/-**; For staff – Rs 499/-***	Rs 2000 [^] (For staff - Rs1000 ^{&})
		Nil for Credit Card issued against bank's lien on Fixed Deposit			

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4	Annual fees-add on card	NIL	NIL	Nil	Nil
4a	Annual fee — i) Corporate Card with corporate liability ii) Corporate Card with individual liability	Minimum Rs.2,000/- Minimum Rs.1,000/-	Minimum Rs.2,000/- Minimum Rs.1,000/-	----- -----	----- -----
5a	Finance charges/ interest rate p.m on revolving credit/ cash withdrawn/ amount overdue — FOR PUBLIC	2.95% per month	2.95% per month	2.95% per month	2.95% per month
		1.5% per month for cards against Fixed Deposit			
5b	Finance charges/ interest rate p.m on revolving credit/ cash withdrawn/ amount overdue — FOR STAFF/EX-STAFF	1.50% per month	1.50% per month	1.50% per month	1.50% per month
		1.50% per month	1.50% per month	1.50% per month	1.50% per month
6	Annualized percentage rate (APR) on revolving credit	35.89% p.a	35.89% p.a	35.89% p.a	35.89% p.a
		19.56% p.a. for Credit Cards issued against bank's lien on Fixed Deposit			

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7	Cash advance transaction charges#:				
	A-Domestic				
	I)PNB's ATMs	2% of cash withdrawn or Rs.100/- whichever is higher	2% of cash withdrawn or Rs.100/- whichever is higher	Platinum: 2% of cash withdrawn or Rs.100/- whichever is higher <u>Select</u> /Millennial: 2% of cash withdrawn or Rs.150/- whichever is higher	<u>Signature:</u> 2% of cash withdrawn or Rs.100/- whichever is higher
	II)Other ATMs	2% of cash withdrawn or Rs.150/- whichever is higher	2% of cash withdrawn or Rs.150/- whichever is higher	Platinum:2% of cash withdrawn or Rs.150/- whichever is higher <u>Select/</u> Millennial:2% of cash withdrawn or Rs.200/- whichever is higher	<u>Signature:</u> 2% of cash withdrawn or Rs.150/- whichever is higher
	B-Overseas	2% of cash withdrawn or Rs.300/- whichever is higher	2% of cash withdrawn or Rs.300/- whichever is higher	Platinum:2% of cash withdrawn or Rs.250/- whichever is higher <u>Select/</u> Millennial:2% of cash withdrawn or Rs.300/- whichever is higher.	<u>Signature:</u> 2% of cash withdrawn or Rs.300/- whichever is higher

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8	Late payment fee	On outstanding Total Amount Due as under: 1. Rs.1000/- or Less – Nil 2. Rs.1001 to Rs.5000/ – Rs.500 3. Rs.5001 to Rs.10000/- Rs.600/- 4. Above Rs.10000/ – Rs.750 For Credit Card against FD: 30% of minimum amount due subject to Min. Rs.200 & Max. Rs.500 per billing cycle.			
9	Charges for over the credit limit usage	2.5% OR Minimum Rs.250/-	2.5% OR Minimum Rs.500/-	2.5% OR Minimum Rs.500/-	2.5% OR Minimum Rs.500/-
10	Return of cheques/ dishonour of ECS / Auto debit (SI)	Rs.100/- per instrument	Rs.250/- per instrument	Rs.200/- per instrument	Rs.250/- per instrument
11	Duplicate statement (beyond three months)	Rs.50/-	Rs.50/- Free for card against Fixed Deposit	Rs.50/- (no charges for e-statement)	Rs.50/- Free for card against Fixed Deposit
12	Card replacement fee (for reasons other than technical defects)	Rs.100/- per card	Rs.250/- per card Rs.100/- per card for card against Fixed Deposit	Rs.200/- per card	Rs.250/- per card Rs.100/- per card for card against Fixed Deposit
13	Pin replacement fee	Rs.50/- per card	Rs.100/- per card (No charges for electronic pin/E pin)	Rs.100/- per card (No charges for electronic pin /E pin)	Rs.100/- per card (No charges for electronic pin/E pin)
14	Retrieval of charge slip	Rs.100/-	Rs.100/-	Rs.100	Rs.100/-
15	Limit enhancement charges	Nil	Nil	Nil	Nil
16	Balance transfer processing fees	1% of transfer amount or Rs.199/-,	1% of transfer amount or Rs.199/-,	1% of transfer amount or Rs.199/-,	1% of transfer amount or Rs.199/-,

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		whichever is higher.	whichever is higher	whichever is higher.	whichever is higher
17	Balance transfer interest charges	0.99% p.m. for BT facility under EMI scheme for period of six months	0.99% p.m. for BT facility under EMI scheme for period of six months	0.99% p.m. for BT facility under EMI scheme for period of six months	0.99% p.m. for BT facility under EMI scheme for period of six months
18	Foreign currency transaction	3.50% markup over and above the currency conversion rate	3.50% markup over and above the currency conversion rate	3.50% markup over and above the currency conversion rate	3.50% markup over and above the currency conversion rate
Processing fee for payment					
19	Outstation cheques	Outstation & cheques are not accepted. Multi-city cheques will be accepted towards payment of Credit Card dues.	Outstation cheques are not accepted. Multi-city cheques will be accepted towards payment of Credit Card dues.	Outstation & cheques are not accepted. Multi-city cheques will be accepted towards payment of Credit Card dues.	Outstation cheques are not accepted. Multi-city cheques will be accepted towards payment of Credit Card dues.
20	Charges on railway tickets purchase or cancellation)	At counter: 2.5% on the transaction amount. <u>IRCTC website</u> : Upto 1.8% of the transaction amount. (Transaction amount comprise of the ticket charges + service charges by	At counter: 2.5% on the transaction amount. <u>IRCTC website</u> : Upto 1.8% of the transaction amount. (Transaction amount comprise of the ticket charges + service charges by	At counter: 2.5% on the transaction amount. <u>IRCTC website</u> : Upto 1.8% of the transaction amount. (Transaction amount comprise of the ticket charges + service charges by	At counter: 2.5% on the transaction amount. <u>IRCTC website</u> : Upto 1.8% of the transaction amount. (Transaction amount comprise of the ticket charges + service charges by Railways/ IRCTC)

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		Railways/ IRCTC)	Railways/ IRCTC)	Railways/ IRCTC)	
21	Custom Duty /Airport tax / Excess Baggage	2.25% of transaction amount (minimum Rs.75/-).	2.25% of transaction amount (minimum Rs.100/-) (minimum Rs.75/- for cards against Fixed Deposit)	2.25% of transaction amount (minimum Rs.75/-).	2.25% of transaction amount (minimum Rs.100/-) (minimum Rs.75/- for cards against Fixed Deposit)
22	Fuel surcharge (Exclusive of service tax and other charges)	Min. Rs.10 or 1% on transaction amount greater than Rs.400 and less than Rs.3000/-	Min. Rs.10 or 1% on transaction amount greater than Rs.500 & less than Rs.4000/-	Min. Rs.12.50 or 1% on single fuel transaction of amount greater than Rs.500 & less than Rs.4000/- <u>Platinum:</u> maximum surcharge waiver up to Rs. 250/- within a billing cycle exclusive of service tax and other charges. <u>Select/ Millennial:</u> maximum surcharge waiver up to Rs. 350/- within a billing cycle exclusive of service tax and other charges.	Min. Rs.10 or 1% on transaction amount greater than Rs.500 & less than Rs.4000/-

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23	Free interest period	20-50 days-this is applicable only on retail purchases and if the previous month's balance has been cleared in full. Interest free grace period is not applicable if the cardholder has withdrawn cash from ATM.	20-50 days-this is applicable only on retail purchases and if the previous month's balance has been cleared in full. Interest free grace period is not applicable if the cardholder has withdrawn cash from ATM.	20-50 days-this is applicable only on retail purchases and if the previous month's balance has been cleared in full. Interest free grace period is not applicable if the cardholder has withdrawn cash from ATM.	20-50 days-this is applicable only on retail purchases and if the previous month's balance has been cleared in full. Interest free grace period is not applicable if the cardholder has withdrawn cash from ATM.
24	'Minimum amount due' to be paid by due date	5% of total amount due or such other amount as may be determined by PNB at its sole discretion. EMI amounts are added in full to minimum amount due	5% of total amount due or such other amount as may be determined by PNB at its sole discretion. EMI amounts are added in full to minimum amount due	5% of total amount due or such other amount as may be determined by PNB at its sole discretion. EMI amounts are added in full to minimum amount due	5% of total amount due or such other amount as may be determined by PNB at its sole discretion. EMI amounts are added in full to minimum amount due

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25	Cash advance limit	20% of credit limit	20% of credit limit.	20% of credit limit	20% of credit limit.
26	PNB EMI plan; (i) Processing fees	2% of transaction amount minimum Rs. 200/-	2% of transaction amount minimum Rs. 200/-	2% of transaction amount minimum Rs. 200/-	2% of transaction amount minimum Rs. 200/-
	(ii) Finance charges	18% p.a. (1.5% p.m.)	18%p.a. (1.5% p.m.)	18% p.a. (1.5% p.m.)	18%p.a. (1.5% p.m.)
	Prepayment charges	3% on outstanding amount Nil for card against fixed deposit	3% on outstanding amount Nil for card against fixed deposit	3% on outstanding amount. Nil for card against fixed deposit	3% on outstanding amount Nil for card against fixed deposit
27	Instant EMI facility Processing fees	2% of transaction amount minimum Rs. 100/-	2% of transaction amount minimum Rs. 100/-	2% of transaction amount minimum Rs. 100/-	2% of transaction amount minimum Rs. 100/-
	Finance charges	3,6,9 & 12 months @12% p.a., 18,24 months @ 14% p.a.	3,6,9 & 12 months @12% p.a., 18,24 months @ 14% p.a.	3,6,9 & 12 months @12% p.a., 18,24 months @ 14% p.a.	3,6,9 & 12 months @12% p.a., 18,24 months @ 14% p.a.
	Prepayment charges	NIL	NIL	NIL	NIL
28	GST	As applicable from time to time	As applicable from time to time	As applicable from time to time	As applicable from time to time

The above charges are subject to change from time to time at sole discretion of the bank.

*waiver as a promotional offer for first year

subject to waiver if the annual spends on the card is Rs 1, 00,000/- in the **preceding year.

*** subject to waiver if the annual spends on the card is Rs 50,000/- in the **preceding year**

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^subject to waiver if the annual spends on the card is Rs 3.00 Lakh in the **preceding year**

& subject to waiver if the annual spends on the card is Rs 1.00 Lakh in the **preceding year**

\$ Annual charge shall be waived in case a Credit Card account satisfied following conditions:

- a) If the usage of card, in preceding year, is more than the credit limit of the card.
- b) There is at least one retail transaction [i.e. other than fuel or cash withdrawal] in every calendar quarter.
- c) Account has never been irregular in past.

@ Annual charge shall be waived in case the card is used at least once in each quarter in the preceding year.

Also applicable for cash withdrawals against credit balances.

Note: For Bank's MCLR rate, please visit our website at www.pnbindia.in or call our call center at 1800 180 2222.