



Bank of Mauritius

Port Louis Automated Clearing House

Direct Debit Scheme Rules

Direct Debit Scheme Rules

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1 Introduction

In terms of Section 48 of the Bank of Mauritius Act, the Bank may organise, own, participate in and operate payment, clearing and settlement systems. In August 2013, it issued an amended version of the Port Louis Automated Clearing House (PLACH) Rules to cater for the operations of the Bulk Clearing and Cheque Truncation system. In consultation with the PLACH Committee, the Bank has come up with a set of rules for the operationalisation of the Direct Debit Scheme as an Annex to the PLACH Rules.

2 Interpretation

In these Rules -

“Act” means the Bank of Mauritius Act;

“Bank” or “Central Bank” means the Bank of Mauritius established under the Bank of Mauritius Act 2004;

“BCS” means the Bulk Clearing System, a system operated by the Central Bank for clearing of cheques and low-value payment instructions;

“Business day” means a day on which the Central Bank is open for the settlement of transactions with banks in Mauritius and MACSS is operating;

“Collection” means that part of a Direct Debit Transaction starting from the initiation of the Mandate by the Originator until its end through the normal debiting of the Payer’s account or until the completion by a Return or Refund;

“Direct Debit” means a payment instrument presented by an Originator through an Originating Bank to a Paying Bank for the debit of the Payer’s account to the credit of his account;

“Direct Debit Scheme” refers to a payment scheme promoted and operated by the Bank under section 48 of the Act;

“Direct debit transaction” means a transaction which is based on a Mandate given by the Payer to the Originator for the collection of payments by debit of his account held with the Paying Bank;

“Due date” means the payment date agreed between the Originator and the Payer and mentioned in the Mandate or where the Due Date falls on a day which is not a business day, the Due Date shall be deemed to be the next business day;

“Mandate” means a written authorisation given by a Payer to an Originator to allow the Originator to collect payments relating to a specific underlying contract between the Payer and Originator through the Direct Debit Scheme only;

“Originator” means a person who holds a Mandate signed by the Payer giving authorization to send claims to debit a designated account in relation to a specific underlying contract;

“Originating Bank” means the participant with which an Originator holds an account for the purpose of collection of Direct Debit Payments and through which the Originator initiates the collection of payments;

“Participant” has the same meaning as in the PLACH Rules;

“Payer” means a person who has entered into an agreement with an Originator for goods and services to be provided against payment which can be of recurrent or one-off (ad-hoc) nature and for which the Payer has given a mandate to the Originator to claim payment from his bank;

“Paying Bank” means the participant with which the Payer holds an account designated for the purpose of Direct Debit Payments;

“PLACH” means the Port Louis Automated Clearing House;

“PLACH Committee” means the Port Louis Automated Clearing House Committee established under Section 17 of the PLACH Rules;

“PLACH Rules” means the rules issued by the Port Louis Automated Clearing House Committee;

“Refund” means a claim by the Payer for reimbursement of a direct debit;

“Return” means a Collection that cannot be honoured on account of reasons given in Annex 4 of these Procedures and is initiated by the Paying Bank after the inter-bank settlement.

3 Application of the Direct Debit Scheme Rules

1. The Direct Debit Scheme Rules are issued under Section 6 of the PLACH Rules and shall be an annex thereto.
2. These Rules shall be read in conjunction with the PLACH Rules.

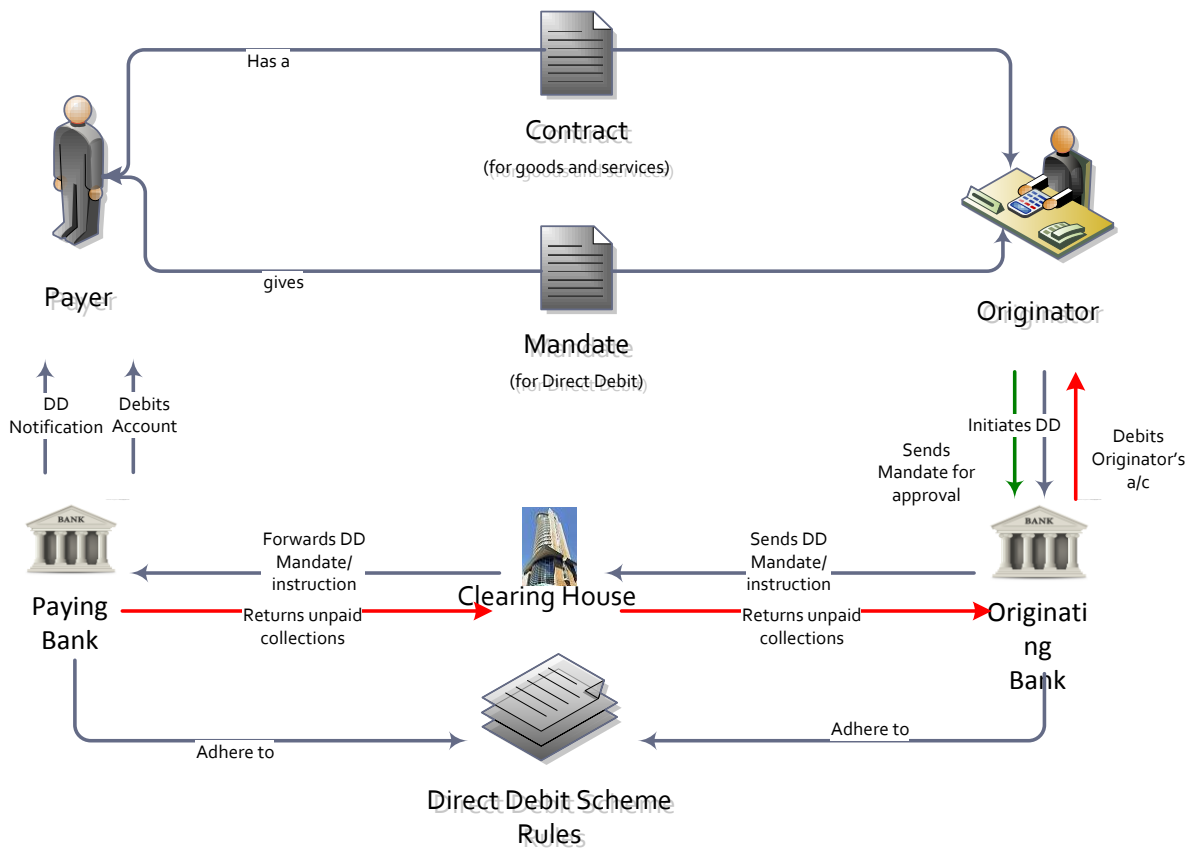
3. The Direct Debit Scheme Rules shall govern any transaction carried out under the Direct Debit Scheme as well as the roles and responsibilities of the Participants, Payers, Originators and the Central Bank.
4. The Direct Debit Scheme Rules may be amended from time to time by the Bank following consultation with the PLACH Committee.
5. All Participants, Payers and Originators shall comply with the Rules.
6. These Rules shall be effective as from 6 June 2017.

4 Overview of the Direct Debit Scheme

The Direct Debit Scheme is a four-party arrangement for collection of money between a Payer and an Originator through their respective banks. Under this scheme, the transaction involving payment is initiated by the Originator through its bank in the PLACH. The Payer's bank shall debit the account of the Payer and remit the funds to the Originator's bank for onward credit of the Originator's account.

The scheme is based on an authorization or 'Mandate' given by the Payer to the Originator for debit of the Payer's account. The Payer as well as the Originator must hold an account with a bank which is a participant in the PLACH.

The Direct Debit model is schematically described below:



5 Relationship governing parties in the Direct Debit Scheme

The parties are bound together by a number of relationships described hereunder:

- (a) There is a contractual agreement between the Payer and the Originator for provision of goods and/or services against payment which can be of recurrent or one-off (ad-hoc) nature. The Payer authorises the Originator to initiate payment collection through the Originator's bank. This takes the form of a signed Mandate between the Payer and the Originator. Whilst the data elements required for the Mandate are specified by the Scheme, the underlying relationship is outside the scope of the Direct Debit Scheme.
- (b) Upon receipt of a Direct Debit instruction from the Originating Bank through the PLACH, the Paying Bank shall, subject to the provisions of the Direct Debit Scheme Rules, act exclusively on the instructions contained in the Direct Debit collection, debit the account of the Payer and remit the funds to the Originating Bank. Provisions for this relationship are not governed by the Scheme, but shall, as a minimum, cover elements relevant to the execution of a Direct Debit as required by the Scheme.

- (c) The Originating Bank shall provide the Direct Debit Service to the Originator and shall, subject to the provisions of the Direct Debit Scheme Rules, credit the account of the Originator upon receipt of funds. Provisions for this relationship are not governed by the Scheme, but shall, as a minimum, cover elements relevant to the execution of the Direct Debit as required by the Scheme.
- (d) The Paying Bank, Originating Bank and the PLACH are bound by the provisions of the PLACH Rules.

6 Direct Debit Types

The Direct Debit Scheme shall comprise two types of transactions, namely:

(a) Recurrent Direct Debit

- (i) A Recurrent Direct Debit is one where the authorisation by the Payer is used for regular direct debits initiated by the Originator.
- (ii) For the execution of a Recurrent Direct Debit, the Originating Bank shall inform the Paying Bank and send the data and image relative to the Mandate, for setup, at least 14 days prior to the presentation of the first collection, or within any other timeframe as may be agreed between the two banks.
- (iii) Information between the Originating Bank and the Paying Bank shall be exchanged through specific notification files through BCS.

(b) One-off or Ad-hoc Direct Debit

- (i) One-off or Ad-hoc Direct Debits are those where the authorisation is given once by the Payer to collect only one single direct debit and which cannot be used for any subsequent transaction.
- (ii) For the execution of an ad-hoc Direct Debit, the Originating bank shall embed a scanned copy of the Mandate in the Direct Debit instruction file and send the scanned copy to the Paying Bank. The Paying Bank shall have the duty to take the decision as to whether to effect the payment or otherwise, based on information provided in the scanned copy of the Mandate.

7 The Direct Debit Scheme - Business Process rules

7.1 Mandate

- (a) The Direct Debit Mandate shall be the expression of consent and authorisation given by the Payer to the Originator to allow the Originator to initiate collections for debiting an account designated by the Payer for the purpose of the Scheme and to allow the Paying Bank to comply with such instructions in accordance with the Direct Debit Scheme Rules.
- (b) A Mandate may exist as a paper document or in electronic form. In the paper format, the Mandate shall be a single-sided document which shall not exceed A4 size. The paper Mandate shall be physically signed by the Payer and stored either as the original document or in any digitalised format. The electronic Mandate shall be signed with an authorised Electronic Signature or key agreed between the Payer and his Bank.
- (c) The Mandate, whether in paper or electronic form, must contain the legal text specified at paragraph 4 of Annex 1, and the names of the parties signing it. The format and content of the Mandate must comply, at minimum, with requirements laid down in Annex 1.
- (d) The Mandate shall contain clear and unambiguous instructions from the Payer to enable the debit of his account.
- (e) Each Mandate shall contain a unique Mandate reference number which shall comprise the Originator identification code and the Mandate identification number. The Originator identification code shall be a unique 2-character code assigned to each Originator by the Central Bank and the mandate identification number shall be a unique 6-character number, ranging from 000001 to 999999, assigned by the Originator to each Mandate.
- (f) The Mandate shall be signed by the Payer as account holder or any other person duly authorised to sign on behalf of the Payer in accordance with existing account operating agreement between the Payer and the Paying Bank.
- (g) There is no restriction on the number of Mandates that a Payer can issue on a single account.
- (h) The Originator and the Payer may agree to amend or cancel the Mandate without the involvement of their banks. The Originator and the Payer shall be collectively and solely responsible and liable for all

amendments. The Originator shall advise the Originating Bank about cancellation or amendment of mandates. The Originating Bank shall advise the Paying Bank accordingly.

- (i) The Mandate, together with any related amendments or information concerning its cancellation or lapse, must be stored intact by the Originator. After cancellation or lapse, the Mandate must be stored by the Originator as a minimum, for as long as may be required to obtain a refund under the Scheme.
- (j) Data elements must be extracted from Mandates, whether paper-based or electronic, without altering their contents.

7.2 Direct Debit Process Flow

- (a) For recurrent Direct Debits, the Originating Bank shall send a notification file containing mandate-related data and an image of the Mandate in a standard format through the BCS to the Paying Bank 14 calendar days prior to the first payment or within such other shorter timeframe as may be agreed between the concerned parties, to enable the Paying Bank –
 - (i) to implement necessary set-up in its system for the direct debits; and
 - (ii) to advise the Payer, at its discretion, about the forthcoming direct debit.
- (b) For recurrent Direct Debit, the Originating Bank shall send a scanned copy of the Mandate to the Paying Bank in the form of a special batch file which may contain up to 10 items in the same format as a cheque with code '07' as batch reference number, amount set to zero, 'Mandate Reference No' field replacing the 'Cheque Serial No' and the image of the Mandate replacing the cheque image. The field 'payment reference' shall contain the keyword 'MANDATE'. The mandate shall be a single-sided document which does not exceed A4 size.
- (c) This batch shall provide an electronic version of the mandate for use in STP as well as an image of the signed Mandate. The Mandate shall be sent to the Paying Bank only once.
- (d) In case the Payer, when informed by his bank, is not agreeable with the proposed Direct Debit, he shall notify his bank accordingly. The Paying Bank shall

- (i) notify the Originating Bank immediately, or
 - (ii) upon receipt of the first collection instruction from the Originating Bank, the Paying Bank shall return the collection with the return code for “Refusal by Payer” as specified in Annex 4. The Originator shall not submit further collection on a mandate where the first collection is returned with the reason “Refusal by Payer”.
- (e) The Originator shall send the requests for Collection including Mandate-related data to the Originating Bank in mutually agreed formats at least two business days prior to the Due Date or within any other timeframe as may be mutually agreed. The Originating Bank shall have the responsibility to verify and send files in the appropriate format to BCS.
- (f) The Originating Bank shall be responsible to submit the files through mechanisms prescribed under Section 10.3.2 of the PLACH Rules and ensure that the files sent are correctly received at the central processing node by consulting the monitoring screen.
- (g) Settlement shall be carried out in accordance with the PLACH Rules and the settlement reports shall be available on the Web Monitor.
- (h) After settlement, BCS shall prepare in-clearing files in XML format which shall be sent to Paying Banks.
- (i) Payers’ accounts shall be debited on the day on which Direct Debits are settled at the PLACH.
- (j) Paying Banks shall send returned Collections, that is, Collections which cannot be honoured to the BCS at latest by the third clearing session on the Due Date. Collections which are not returned by that time shall be deemed good for payment and Originating Banks must ensure that funds are made available for use by close of business of that day.
- (k) Value shall be given to a Collection good for payment on the Due Date as specified in the Mandate
- (l) If for any valid reason, a Paying Bank has to return a Collection after the third session on the Due Date, it shall make prior arrangements with the concerned Originating Bank, otherwise the Collection shall be considered good for payment.

- (m) The Originator shall handle returned Collection with the Payer, without involvement of the Originating Bank and the Paying Bank.
- (n) If a transaction is disputed, refund procedures as described in paragraph 7.3.1 shall apply.

7.3 Procedures for Refunds and Returns

7.3.1 Refunds

A request for **Refund** shall be accepted only in case of :

- (i) Unauthorised Transaction;
- (ii) Disputed authorised transactions where the amount debited differs from the invoice amount or the same claim is debited more than once;
- (iii) Any other reason as may be specified by the Bank.

A request for refund must be sent by the Payer to the Paying Bank after settlement and within a period of 3 months from the date of settlement. Any request for refund made outside the said period specified by the Bank shall be settled between the Payer and the Originator outside the Scheme.

Paying Banks shall refund the claim in full within 5 days from the date of the claim.

7.3.2 Returns

The Paying Bank shall send a file in the prescribed format to the BCS and the Originating Bank's account shall be debited with the return amount for the credit of the Paying Bank. The Originating Bank shall debit the Originator's account for the return amount upon receipt of the return file from the BCS.

7.4 Responsibilities of Originating Banks

The Originating Bank shall, inter alia:

- (a) be responsible for assessing and admitting Originators in the Scheme, with the prior approval of the Bank, using inter alia the rules for admissions of Originators as laid down in Annex 2;
- (b) hold a contractual relationship with an Originator through an agreement whereby Originators shall, inter alia, be required to receive proceeds under the Direct Debit Scheme and to comply at all times with the provisions of the Direct Debit Scheme Rules for the total duration of their usage of the Direct Debit Scheme;

- (c) ensure that, in its agreements with Originators governing their participation in the Direct Debit Scheme, it has the right to terminate the agreement where the Originator fails to comply with the Rules and that it can exercise this right in these circumstances;
- (d) be solely responsible for terminating the participation of an Originator which it has admitted in the Scheme, as it sees fit under prior advice to the Bank;
- (e) verify that Originators are complying with the Direct Debit Scheme Rules for the total duration of their usage of Direct Debit Scheme, to mitigate all risks;
- (f) provide Originators with adequate information on their respective rights and obligations and those of the Payer and Originating Bank in relation to the Direct Debit Scheme in advance of any Direct Debit payment in accordance with the provisions of the Rules;
- (g) send a notification file containing mandate-related data and an image of the Mandate in a standard format through the BCS to the Paying Bank 14 days prior to the first payment of a recurrent Direct Debit or within such time as may be agreed between the Paying Bank and the Payer;
- (h) prepare files, based on Mandate-related data provided by Originators, in prescribed formats for submission to the PLACH;
- (i) be responsible for the submission of collection files, in the proper format to the BCS before the first clearing session of the Due Date;
- (j) not be required to verify whether or not any condition or purpose of payment specified in the Mandate has been complied with;
- (k) ensure that, where a Direct Debit Collection is not returned, value is given to the Collection on the Due Date and that funds are made available for use to the Originator at latest by close of business on the Due Date;
- (l) pay the amount of the Refund or Return to the Paying Bank regardless of the status of the Originator's account or the Originator itself.

7.5 Responsibilities of Paying Banks

The Paying Bank shall, inter alia,

- (a) act exclusively on the instructions contained in the Direct Debit file to debit the account of the Payer;
- (b) control that each Direct Debit instruction has a Mandate Reference in the appropriate field;
- (c) ensure that, for recurrent Direct Debits, it has carried out necessary setups in its internal system for execution of the Direct Debit;
- (d) issue a Direct Debit advice, at its discretion, to the Payer as soon as the mandate is set up in its banking system to allow the Payer to signify his acceptance or otherwise;
- (e) ensure that, in case the Payer does not agree with the proposed Direct Debit, necessary modifications are made in its system to reject any collection presented on that Mandate and that the Originating Bank is advised accordingly;
- (f) reject any Mandate which is not in accordance with existing instructions of the account designated for the Direct Debit;
- (g) not repudiate claim files from the BCS platform if they comply with the naming convention and the prescribed file format;
- (h) comply with the file specifications and standard established by the PLACH for electronic file delivery;
- (i) have procedures in place to ensure compliance with the Rules governing execution, return and cancellation of debit instructions;
- (j) return any Direct Debit collection which cannot or shall not be honoured at latest by the third session on the Due Date;
- (k) post cancelled Direct Debits into its system to ensure that such Direct Debits are not applied subsequently on the account of the Payer;
- (l) provide the Payer with adequate information on the respective rights and obligations of Payers, Originators and Paying Bank in relation to the Direct Debit Scheme in advance of any Direct Debit payment in accordance to the provisions of the Scheme Rules, and in particular to:
 - (i) comply with the terms of the Mandate agreed with the Originator;
 - (ii) claim Refunds only in accordance with the relevant timing requirements set out in these Rules;
 - (iii) resolve any disputed Collection directly with the Originator, and accept that the obligations of the Paying Bank and the Originating

Bank under the Scheme are not subject to claims or defences under the contractual or other arrangements in place between the Payer and Originator.

7.6 Responsibilities of Originators

The Originator shall, inter alia,

- (a) ensure that it holds a Direct Debit Mandate duly completed and signed by the Payer or any other person authorized by the Payer before initiating a collection under the Direct Debit Scheme through its bank;
- (b) ensure that -
 - (i) the Mandate has been signed by the duly authorised signatories of the account; and
 - (ii) the account number is correctly reproduced in the Mandate. For this purpose, the Originator must verify all relevant details against any acceptable document such as a statement of account. For Electronic Mandates, the Originator must ensure that it has put in place necessary controls to verify the identity of the payer and verify the bank account details;
- (c) ensure that the Mandate is in order and keep it unaltered for as long as the Mandate exists. The Mandate-related data must be transmitted to the Originating Bank, along with each Collection of a recurrent Direct Debit or with the ad-hoc Direct Debit;
- (d) notify the Paying Bank, through its bank, 14 calendar days in advance of the first Due Date or within such timeframe as may be specified by the Bank or any other timeframe as may be agreed with the Originating Bank, for necessary verification of the validity of authority provided in the Mandate;
- (e) ensure that no funds are collected from the Payer's account prior to the first "**Due Date**", as specified in the Mandate;
- (f) issue Direct Debit Collections strictly in accordance with the Mandate provided by the Payer;
- (g) ensure that no further collection instructions are sent in cases where the first collection of a series of recurrent direct debits is returned with the reason "Refusal by Payer". The Originator shall sort out the matter

with the Payer without the involvement of Originating Banks and Paying Banks;

- (h) agree with the Payer on any amendment required in the Mandate without the involvement of Originating Banks and Paying Banks;
- (i) request for a new Mandate from the Payer in the event that a Mandate needs to be amended;
- (j) cancel a Mandate as soon as the underlying contract is terminated;
- (k) cancel a Mandate under which no collection has been presented during a consecutive period of 12 months starting from the date of the last Collection presentation, or no collection was initiated during 12 months following the first Due Date, or any other period where in the judgement of the Originator, the service is terminated. Any Collection under the cancelled Mandate shall not be allowed;
- (l) notify the Paying Bank through the Originating Bank when a Direct Debit is terminated or cancelled;
- (m) establish a new Mandate with the Payer if there is a requirement for more payments in respect of the same underlying contract after the expiry of the existing Mandate. The Originating Bank and the Paying Bank do not have any obligation to verify the application of this rule. It is solely an obligation of the **Originator**;
- (n) provide Originating Banks with the minimum set of Mandate-related information in respect of each Mandate in a mutually agreed format to enable initiation of collection of direct debits;
- (o) resolve any dispute concerning the underlying contract and the related payments directly with the Payer without the involvement of Originating Banks and Paying Banks;
- (p) initiate the Reversal of a direct debit transaction upon its becoming aware that an account has been wrongly debited through its own error directly with the Payer outside the Scheme;
- (q) investigate and deal promptly and in good faith with any query, claim or complaint relating to alleged incorrect or wrongful debits that it has received; and

- (r) have the obligation to inform Payers about their responsibilities, under the Direct Debit Scheme, which shall be, inter alia,
 - (i) for an agreement involving recurrent payments under the Direct Debit Scheme, complete the Mandate and send it to the Originator within 20 calendar days or such timeframe as may be specified by the Bank, or any other timeframe as may be agreed with the Originator, prior to the first Due Date;
 - (ii) attach or disclose to the Originator, any acceptable document such as a statement of account, at the time of completing the Direct Debit form or Mandate. For electronic mandates, the Originator shall establish necessary procedures to ensure correct submission of bank details;
 - (iii) ensure that the Mandate is duly signed by the person/(s) authorized to operate the account designated for the Direct Debit Transaction;
 - (iv) ensure that they have sufficient clear funds available on their accounts by the Due Date to enable settlement of the Direct Debit Collection;
 - (v) request a Refund for any direct debit within 3 months. After that time, the Payer shall have to seek for refund directly from the Originator outside the Scheme.
 - (vi) request for Refund from the Paying Bank only for unauthorized payment, wrong amount debited, account debited more than once or any other reason as may be specified by the Bank. The Paying Bank shall, once it is established that the transaction was not authorised, the amount debited differs from the invoice amount or the amount has been debited more than once, refund the claim in full; and
 - (vii) resolve any disputes concerning the underlying contract and the related payments directly with the Originator.

8 The Direct Debit Indemnity

- (a) A Direct Debit Indemnity shall be offered by every Originator to protect Participants and Payers against any loss incurred as the result of the Originator's fault in demanding Direct Debit payments.

- (b) The Originator shall sign a Direct Debit Indemnity with the Originating Bank prior to its participation in the Scheme.
- (c) A Participant shall not accept any request for collection from any party with which it has not signed a Direct Debit Indemnity.
- (d) The Direct Debit Indemnity shall be in the format provided in Annex 3.
- (e) The Direct Debit Indemnity shall be signed between the Originator and the Originating Bank.
- (f) No Originator or Participant shall be allowed to single-handedly, make amendments to the standard text of the Direct Debit Indemnity. Any change in the Direct Debit Indemnity shall require the approval of the Bank.
- (g) The Direct Debit Indemnity shall -
 - (i) cover the total amount in consideration for the specific erroneous Direct Debit payment plus interest accrued, if any, from the date of the debit of the account and the date of refund; and
 - (ii) contain a continuing obligation on Originators in respect of all Direct Debit payments initiated before receipt of a cancellation of Mandate by the Paying Bank;
- (h) An Originator shall settle indemnity claims within 14 days from the date on which the indemnity claim is filed.
- (i) Any Originator wishing to make a counter-claim to the Indemnity claim shall lodge the counter-claim through the Originating Bank within 14 days from the date of settlement of the indemnity claim.
- (j) Following the resolution of a counter-claim, any sum due to Originators shall be settled within 90 days.
- (k) No Paying Bank shall be allowed to invoke the Direct Debit Indemnity to recover funds paid erroneously as a result of its own fault or omission. In such cases, the matter shall be treated as a normal erroneous inter-bank transaction between the Paying Bank and the Originating Bank. The Paying Bank shall negotiate directly with the Originating Bank to resolve the matter.

9 Dispute Resolution

1. In case of any dispute arising out of or relating to these Rules, Originators and Payers shall attempt to find a mutual arrangement without the involvement of Originating or Paying Banks.
2. Payers and Originators may agree to either reverse the disputed payment through the Clearing House or settle the dispute outside the Scheme.
3. In case no agreement is reached between Payers and Originators, the aggrieved party may decide to take legal actions against the other party. However, the decision to take legal actions would be at the sole discretion of the party and such action would be outside the scope of the Direct Debit Scheme.

Annex 1- Direct Debit Mandate

The direct debit Mandate shall comply with the requirements set out below:

1. Originators shall at all times ensure that the Mandate information is clearly legible;
2. The reverse side of a Mandate must not contain any information that might be misunderstood by the Payer to be part of the Mandate;
3. The Mandate must contain, at a minimum, the following information:
 - 3.1. Unique mandate reference;
 - 3.2. Name of Payer;
 - 3.3. Address of Payer;
 - 3.4. Details of Payer's bank;
 - 3.5. Payer's account Number;
 - 3.6. Type of Payment
 - 3.7. Date of first payment for recurrent Direct Debit
 - 3.8. Date of last payment for recurrent Direct Debit
 - 3.9. Signature Date; and
 - 3.10. Signature(s).
4. The following legal text must be inserted on a Mandate for a Pre-authorized Direct Debit:

“By signing this mandate form, you authorise (a) the Originator to send instructions to your bank to debit your account and (b) your bank to debit your account in accordance with the instructions from the Originator.

As part of your rights, you are entitled to a refund from your bank under the terms and conditions of your agreement with your bank. A refund must be claimed within 3 months from the date on which your account was debited. A refund shall be eligible in case that the debit is not authorised, the amount debited differs from the invoice amount or the same collection is debited more than once.”
5. Originator's name, address, identification code and logo must be pre-printed on the Mandate.

Annex 2 – Membership in the Direct Debit Scheme

1. A prospective Originator must apply to its Originating Bank to become a member of the Direct Debit Scheme. The application for membership must be accompanied by a completed Direct Debit Agreement and Indemnity form which would be provided by the Originating Bank.
2. Originating Banks must be satisfied that a prospective Originator can meet its obligations satisfactorily. The assessment of prospective Originators must therefore cover, inter alia, their contractual capacity, their financial standing and the quality of their administrative control.
3. The Originating Bank shall not admit an Originator to the Scheme without the prior approval of the Central Bank.
4. An Originating Bank, on admitting an Originator, shall request the Central Bank for an identification code for that Originator.
5. An Originator can withdraw from the Direct Debit Scheme at any time by informing his Originating Bank in writing. The Originating Bank shall immediately inform the Central Bank of the Originator's proposed withdrawal from the Scheme.
6. An Originating Bank may at its discretion, require the removal of an Originator from the Direct Debit scheme, with or without notice. The Originating Bank shall, however, inform the Central Bank prior to the removal of the Originator.
7. An Originating Bank may require the withdrawal of an Originator from the Direct Debit Scheme if :-
 - 7.1 in its opinion, transactions are carried out either in a manner which constitutes an abuse of the Scheme or is without due regard to the interests of Payers
 - 7.2 there is evidence that an Originator is deliberately ignoring standards and procedures detailed in these Rules
 - 7.3 the contractual capacity of the Originator is terminated by legal process, for example, by bankruptcy, liquidation or the appointment of an administrator
 - 7.4 In cases where it is established that Originator is acting against the interests of stakeholders, it may be necessary for the Originating Bank to insist on the withdrawal of an Originator at short notice, notwithstanding the disruption which may occur. The Originating Bank shall, however, make every effort to give sufficient notice to enable the Originator to make alternative arrangements. The Originating Bank shall not be liable for any loss, which the Originator may suffer as a result of its removal from the Direct Debit Scheme.
8. An Originator withdrawing or being expelled from the Direct Debit Scheme shall remain liable for claims arising from outstanding indemnity claims for 180 days from the date of the last presentation, and should make appropriate provision to meet such liabilities.

Annex 3- Direct Debit Indemnity Format

To [Originator's bank]

Dear Sirs

Direct Debit Indemnity

In consideration of your acting as our Originating Bank under the Direct Debit Scheme:

1. We undertake to indemnify you, on your first demand(s), against all actions, claims, damages, costs and expenses (including legal fees and expenses on a full indemnity basis), and whether directly or indirectly, which you may suffer, sustain or incur with reference to or as a consequence of our participation in the Scheme;

Provided further that no counter claim, cross claim, set off or other objection to payment shall be asserted by us or on our behalf under or pursuant to this Indemnity (including but not limited to any claim by us that any part of any demand under this Indemnity has been caused directly or indirectly by any failure by you to comply with the provisions of the Direct Debit Scheme) in order to refuse (or as a basis for refusing) payment in connection with such demand(s); and so that we shall pay forthwith the amount of any such demand(s) without any set off thereto or without any requirement for proof of our acceptance of the validity of any such demand(s).

2. We authorise you to admit, reject or compromise any claim made upon you under or pursuant to the Direct Debit Scheme without reference to or authority from us without consulting us and without thereby reducing our liability under this indemnity.
3. We agree that you are under no obligation to enquire whether or not any condition or purpose of payment specified in any instruction has been complied with.
4. We agree at all times to comply with the Direct Debit Scheme Rules and relevant contracts signed with your bank.
5. We shall make payment under this indemnity on your first demand and without proof of loss within 14 days or such timeframe as may be specified by the Bank upon receipt of a properly completed claim from you.
 - 5.1 Having paid a claim under this indemnity, we retain the right to make a counter-claim against you to the extent that any loss was caused by

your failure to comply with the requirements of the Direct Debit Scheme Procedures as amended from time to time.

- 5.2 Any counter-claim shall be made following the procedures set out in the Rules within 14 working days or such timeframe as may be specified by the Bank following the payment of the claim.
- 5.3 Following resolution of the counter-claim, any sum due to us shall be paid within 90 days or any other time specified by the Bank.
6. This indemnity shall continue to apply notwithstanding any payment made by us, any account stated, or any compromise, waiver or indulgence made by either you or us in respect of any claim or repayment claim.
7. We may terminate this indemnity at any time by giving notice to your bank and the Central Bank. We shall, however, remain liable in respect of any direct debits that have been originated before such notice is officially received by the Central Bank. We shall remain liable for any claims arising therefrom 180 days from the date of the last presentation or such timeframe as may be specified by the Bank.
8. This indemnity shall be governed by, and interpreted in accordance with the laws of Mauritius.
9. We shall promptly inform you of any change in our name or in our legal status, including any change arising by virtue of the operation of insolvency procedures or any other similar procedures as contained in the laws of Mauritius and including any change effected for the purpose of reorganization.
10. Should we at any time become, or discover that we are legally incapable of giving effect to this indemnity, either as a whole or partially, we shall notify you forthwith and shall cease to originate Direct Debits, and shall take such other reasonable steps as you may require in order to protect the interests of your customers and the integrity of the Direct Debit Scheme. If as a result of incapacity we are only partially disabled from giving effect to this indemnity, we shall continue to fulfil all our other obligations under it.

For and on behalf of

Name of duly authorised representative :

Occupation :

Signature :

Date :

Annex 4- Return Reasons for Mandate and Collections

Return Code	Return Reasons
51	Account identifier incorrect
52	Account closed
53	Payer deceased
54	Direct debit forbidden on the account for regulatory reasons
55	Duplicate collection
56	Account blocked
57	Insufficient funds
58	Account blocked for Direct Debit by the Payer
59	Refusal by the Payer
60	Regulatory reason
61	Identification Code of Originator incorrect
62	No mandate
63	Signature/(s) on mandate differ/(s) from Paying Bank's specimen/(s)