

PUNJAB & SIND BANK
HO ADC Department
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FREQUENTLY ASKED QUESTIONS – POINT OF SALE

Q. 1. What is Point of Sale (PoS) / Electronic Data Capture (EDC) Machine?

PoS or Swipe Machine as it is popularly known / EDC (Electronic Data Capture) Device is an instrument provided to a Merchant Establishment (ME) to carry out the sale of goods or services to customers through a cashless transaction.

Q. 2. What kind of cards can be swiped on Punjab & Sind Bank Point of Sale Terminal?

At present Bank accepts variety of cards e.g. Visa, Master, Rupay etc. In future, if the Bank decides to acquire AMEX cards, the same will also be accepted after getting requisite license and certifications.

Q. 3. What is Merchant Acquiring Business (MAB)?

Merchant Acquiring Business (MAB) is primarily referred to the mechanism of providing necessary infrastructure and facilitating payment to the Merchants, to carry out sale of goods and services through the medium of a card.

Q. 4. Who are the various entities / Stakeholders involved in Merchant Acquiring Business?

The various entities / stakeholders are as below:

- **Issuer:** The Bank that issues the cards.
- **Cardholder:** Customer / Non-customer using card for making payment.
- **Merchant:** Entity which accepts payments through cards.
- **Acquirer:** The Bank that provides necessary infrastructure to the merchant to accept payment, maintains relationship and facilitate acceptance of payments through cards.
- **Intermediary Agency:** Visa, MasterCard & NPCI who facilitate interbank settlements

Q. 5. What is Merchant Discount Rate (MDR)?

The commission charged by the acquirer (Punjab & Sind Bank) to the Merchant for transactions performed on the POS machine.

Q. 6. What is interchange and authorization Fees?

Interchange fee: The incentive paid by the Acquirer Bank to the Card Issuer Bank for promoting payment through cards.

Authorization Fee / Scheme Fee: The service fee paid to intermediary agencies i.e. MasterCard, Visa and NPCI for facilitating interbank payments.

Q. 7. What is Batch Settlement and Charge-slip?

Batch Settlement: Closing of Daily Transaction and Generation of transactions reports.

Charge – Slip: Charge slip refers to the voucher printed on the POS machine after swiping and charging a debit or credit card.

Q.8.What is ON-US & OFF-US Transaction?

ON-US Transaction: Where issuer and acquirer is same (e.g. Punjab & Sind Bank Debit Card swiped on Punjab & Sind Bank POS terminal).

OFF-US Transaction: Where issuer and acquirer are different (e.g. Other bank's debit/credit card on Punjab & Sind Bank POS terminals.)

Q.9. When will merchant's account gets credited with the transaction amount against the transaction swiped on the Punjab & Sind Bank PoS terminal?

The Merchant Account will be settled on next working day i.e. T+1 where T is transaction date.

Q.10. What is the benefit for card holder customer?

Benefits for cardholder are:

- Need not carry cash, which is risky.
- Maintains higher balances in the account resulting in higher interest on deposits.
- Saves time and money in visiting bank branch / ATM to withdraw money and spend the same at merchant outlet.
- The time saved results in lower cost and higher productivity as time saved can be gainfully utilized.

Q.11. What is the benefit for Merchant?

Benefits for merchant is below:

- Cash handling is avoided.
- The customers have tendency to higher purchases/impulsive buying while using the card than cash, thus more sales and higher profits.
- Customer's frequency of visit to the Merchant increases substantially due to the facility.
- The facility can also have provision for customer loyalty points which are widely used to attract the customer to the outlet repeatedly.

Q.12. How many varieties / kinds of Punjab & Sind Bank PoS Terminals are available?

Five types of terminal.

- PSTN (landline Based)
- Portable GPRS (Mobile SIM Based)
- M-PoS (Mobile Based)

Q.13. What are the pre-requisites for on-boarding the new Merchant?

The following are the Pre-requisites:

- KYC Compliance - Merchant needs to provide necessary documents regarding the proof of business, address proof, photo identity proof of the proprietor/ partner/ key promoters etc.
- Availability of Connectivity for PSTN, landline with STD at Merchant Location (Cost to be borne by the Merchant).
- Opening/identification of account for settlement of transactions with Punjab & Sind Bank.
- Acceptance of Merchant Discount Rate (MDR) by the Merchant offered by the Bank.
- Merchants' consent for execution of Merchant Establishment Agreement between POS maintenance vendor and Merchant. POS terminal shall be installed only after the execution of ME agreement.

Q.14. Where and how a merchant can apply for installation of PoS terminal at his Merchant Establishments / Shops?

Merchant can contact the nearest branch of Punjab & Sind Bank.

The application form is readily available on bank web-site www.psbindia.com which may be downloaded, filled and submitted to the branch along with KYC documents to save time.

Q.15. Whether merchant has to pay for Cost of PoS Terminals?

No, merchant is not required to pay anything towards cost of terminal. POS terminal is installed at absolutely free of cost. The cost for procurement of terminal and the maintenance of terminal is borne by the Bank.

Q.16. Whether Merchants are required to pay any other charges other than MDR?

Yes, some nominal charges viz., one-time installation charge and monthly rentals. For more details contact nearest branch of Punjab & Sind Bank.

Q.17. What are the Do's and Don'ts for merchants?

Do's

- Merchants must accept all cards (Visa, Master, RuPay) when properly presented as payment for transactions.
- Bring to the notice of the bank immediately of any fraudulent activities.
- Verify the card holder's signature with the one below the strip of the card.
- Perform settlement on POS terminal at-least once in a day; settlement may be done by merchant as many times as he wishes. If not done amount shall not be credited in customer's settlement account.

Don'ts

- Merchant must not disclose details of the card or cardholders to any third party.
- Impose any extra charge or surcharge (unless expressly allowed by local law).
- Indulge in any fraudulent activity.

Q.18. Why a merchant should opt for Punjab & Sind Bank PoS Machine?

The following are listed below:

- a. Cost of Paper Roll included in monthly rental.
- b. Faster application processing and terminal installation
- c. No Hidden costs
- d. Punjab & Sind Bank Networks present across Pan India
- e. Customized MIS at weekly/fortnightly/monthly intervals are made available
- f. Merchants will have access to other products of Punjab & Sind Bank
- g. The Cost of procurement and its maintenance is borne by the Bank.