

(To be printed on a stamp paper of Rs. 600/-)

AGREEMENT BETWEEN NPCI AND MEMBER BANK FOR CHEQUE TRUNCATION SYSTEM
NATIONAL ARCHIVE SERVICES

This Cheque Truncation System National Archive Services Agreement (“**Agreement**”) is made on _____, 2015 (**Effective date**) by and between

National Payments Corporation of India, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 1001A, B wing 10th Floor, The Capital, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, India, (hereinafter referred to as “**NPCI**” which expression shall, unless it be repugnant to the subject thereof, include its successors and assigns) of the First Part

And

_____ (name of the Bank), a Banking Company/Nationalized Bank/Co-operative Bank incorporated under the provisions of the Companies Act, 1956/ Multi-State/State Cooperative Societies Act and licensed/ authorized to carry on banking business under the Banking Regulation Act, 1949, having its registered office at _____,

(Hereinafter referred to as “**Member Bank / Member**” which expression shall, unless it be repugnant to the subject thereof, include its successors and assigns) of the Second Part.

NPCI and the Member Bank will individually be referred to as a “**Party**” and collectively as the “**Parties**”.

WHEREAS

NPCI has been incorporated with an objective to consolidate and integrate the multiple systems with varying service levels into nation-wide uniform and standard business process for all retail payment systems and to facilitate an affordable payment mechanism to benefit the common man across the country and help financial inclusion.

NPCI has been authorised by the Reserve Bank of India to act as a payment and settlement

system service provider under the provisions of the Payment and Settlement Systems Act, 2007 and to provide Cheque Truncation System (CTS) National Archive services to banks. NPCI acts as Clearing House to all the member banks. CTS National Archive of NPCI will provide facility of retrieval of images, data and reports by all the banks.

Member Bank is desirous of availing CTS National Archive services (“CNA Services”) of NPCI and NPCI has assured its CNA Services to the Member Bank upon the mutually agreed terms and conditions hereinafter reduced in writing.

NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. NPCI’S ROLE AND RESPONSIBILITIES

The primary role and responsibilities of NPCI in this Agreement will be as under:

1. NPCI shall be responsible for maintenance of the infrastructure and the operation of the CNA Services from its Primary Site and Disaster Recovery Site.
2. The images and data will be preserved by NPCI as per the timelines given in the procedural guidelines governing the Grid Based Cheque Truncation System.
3. NPCI shall ensure that the availability of the CNA Services is in line with the timings mentioned in Annexure I to this agreement.
4. NPCI shall ensure completeness and accuracy in all material aspects without error/misrepresentation in retrieval of images and data and generating the reports on daily basis.
5. NPCI shall impart initial training to the personnel nominated by Member Bank for usage and retrieval of images and reports from the CTS National Archive Service.
6. In the event of any dispute or difference between Member Bank and its customer or among the member banks themselves, NPCI’s liability is restricted to provide the images as uploaded by Bank within the approved turnaround time (TAT) for such services as defined in Annexure 1.
7. The Parties agree and acknowledge that in the event of NPCI being unable to provide the cheque(s) due to circumstances beyond its control, the presenting bank shall be liable to produce the original cheques and in the case of Paper to follow (P2F) cheques handed over to the drawee Bank, the drawee bank shall be liable to produce the original cheque(s).

8. NPCI may offer the image retrieval facility by either allowing direct access to the Member Bank (either through CHI or through internet) or by providing help desk. In case of bulk retrieval, requests will be serviced through media delivery by help desk support. The turnaround time (TAT) for such services is defined in Annexure I.
9. NPCI reserves the rights to allow access to CNA Services to the Member Bank. NPCI at its sole discretion and based on the access criteria set from time to time may allow or deny the CNA Services to the Member Bank.

Termination

10. NPCI, at its sole discretion, may discontinue or terminate the CNA Services to the Member Bank in case the Member Bank (a) commits breach of the terms of this Agreement and fails to remedy it within the time set for remediation or (b) fails to make payment of the fee for CNA Services or (c) misuses CNA Services or (d) ceases to be member of CTS clearing house or (e) violates instructions, directions, guidelines, notifications issued by any statutory or regulatory body. NPCI may also discontinue CNA Services to the Member Bank for any other reason, by informing the Member Bank the reason for the termination. NPCI will give six (6) months' notice to the Member Bank before termination of CNA Services.
11. NPCI shall issue circulars and guidelines from time to time, to be adhered by the Member Bank, to ensure smooth functioning of the CNA Services.
12. Member bank may terminate this agreement by giving six (6) months' notice to NPCI with reasons for doing so.

2. MEMBER BANK ROLE AND RESPONSIBILITIES

The primary roles and responsibilities of the Member Bank shall be as under:

1. Member Bank shall ensure that its usage of CNA Services is according to the terms of this agreement.
2. Member Bank has received, read and understood the rules & regulations pertaining to the operation of the CNA Services and hereby agrees to comply with the operating guidelines prescribed therein.
3. Member Bank agrees to comply with all requirements existing and future with regard to and in connection with the usage of the CNA Service.

4. Member Bank agrees that NPCI shall only store and provide retrieval facility and it shall be the responsibility of the Member Bank to send valid images for storage in CTS National Archive.
5. Member bank shall ensure that the access to the system is provided only to specified set of people who are trained and understand the system usage.
6. It shall be the responsibility of the Member Bank to review the user access once in half year and submit request for disabling the unwarranted users.
7. Member bank shall adhere to the timings, as decided from time to time by NPCI, for usage of the CNA Services.
8. In case the image of an instrument or set of instruments is not in order(P2F and IQA), it is the responsibility of Member Bank seeking such images to directly approach the bank that has presented such images for retrieval of physical instruments. NPCI shall not be held responsible for improper images sent by the presenting bank.
9. NPCI shall not intervene and should not be held responsible for non-response from the presenting bank for the requests of physical instruments.
10. Member bank shall pay the service charges to NPCI, as may be mutually decided from time to time, by furnishing a debit mandate to NPCI for ECS/NACH Debit- Invoice to be raised before debit.
11. Member bank shall be responsible for preserving the physical copy of the cheques as per the record preservation provision policy prescribed by RBI (circular DPPS. CO. No.1984/01.01.07/2009-10) from time to time.
12. Member bank shall be responsible to produce the original cheque(s) in the event of NPCI being unable to provide the image of the cheque(s), due to internal system issues, the occurrence or existence of a force majeure event as defined in clause 6 of the Agreement or otherwise.
13. Member banks shall be responsible for preserving all the relevant documents along with the photocopy of the instrument and producing the same, as and when required, in the event of physical instrument being handed over to the customer under specific arrangements including but not limited to arrangements with government departments.

3. PROPERTY RIGHTS

The intellectual property rights to all the applications, documents etc. pertaining to the CNA Services shall vest in NPCI.

4. INDEMNIFICATION

The Parties agree that each party (“Indemnifying Party”) shall indemnify and shall hold harmless the other party (“Indemnified Party”) for any loss, claim, damage and liability suffered by the Indemnified Party arising out of or resulting from any error and/or default on part of the Indemnifying Party while discharging the duties and responsibilities as defined in this agreement. The Indemnity obligation captured under this agreement would be limited to court awarded damages and shall exclude remote, special, indirect, consequential and incidental damages. .

5. EXCLUSIONS

NPCI shall not be responsible for any infringements to third party copyrights, patents or trade secrets by the Member Bank where the Member Bank has made amendments to original documents and works prepared by NPCI without the express approval of NPCI, or where the Member Bank fails to use the most recent versions of such works that have been delivered by NPCI.

6. FORCE MAJEURE

If any of the party to this Agreement is prevented, restricted, delayed or interfered by reason of fire, explosion, cyclone, floods, droughts, earthquakes, epidemics, war, revolution, acts of public enemies, blockage or embargo, riots and civil commotion, any law, order, proclamation, ordinance or requirements of any Government or authority or representative of any such Government, including restrictive trade practices or regulations, strikes, shutdowns or labour disputes which are not instigated for the purpose of avoiding obligations herein or because of any other circumstances beyond the control of the party affected, then notwithstanding anything here before contained, the party affected shall not be liable for any loss or damages, either financial or reputational arising out of non-availability of services and shall be excused from its performance to the extent such performance relates to prevention, restriction, delay or interference and provided the party so affected used its best efforts to remove such cause of non-performance, and when removed the party shall continue performance with the utmost dispatch.

7. CONFIDENTIALITY

The parties to this Agreement agree to keep confidential all information concerning the

other party's business or its ideas, products, customers or services that could be considered to be "Confidential Information".

"Confidential Information" shall mean and include any information which relates to the financial and/or business operations of each Party, including but not limited to, specifications, drawings, sketches, models, samples, reports, forecasts, current or historical data, computer programs or documentation and all other technical, financial or business data, including, but not limited to, information related to each Party's customers, products, processes, financial condition, employees, intellectual property, manufacturing techniques, experimental work, trade secrets.

Each Party agrees not to use the other's Confidential Information for any purpose other than for the CNA Services. Any other use of such Confidential Information by any party shall be made only upon the prior written consent from an authorized representative of the other Party.

8. DISPUTE RESOLUTION & ARBITRATION

If there is any dispute or difference of opinion touching the Scope of the CNA Services under this agreement and Roles and Responsibilities of the Parties to this Agreement, the parties shall resolve to settle the dispute amicably through mutual negotiation and discussion.

In the event the dispute is not settled within a period of thirty (30) days, the dispute shall be referred to arbitration and final award in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996, as amended. The arbitration proceedings shall be conducted in Mumbai by a sole arbitrator appointed by the Parties by mutual consent and the arbitration proceedings shall be conducted in the English language.

9. GOVERNING LAW AND JURISDICTION

The Law of Republic of India will govern this Agreement. The Courts at Mumbai shall have exclusive jurisdiction under this Agreement.

10. NOTICES

All notices or communications, issued under this Agreement shall be in writing and shall be effective only when they are delivered to the addressee by registered post/courier/email/fax at the address mentioned hereunder:

To NPCI

Name: Giridhar G.M

Designation: VP and Head - CTS & NACH Operations

Address: 1001A, B wing 10th Floor,

The Capital, Bandra-Kurla Complex,

Bandra (East)

Mumbai-400 051

TO THE MEMBER BANK

Name:

Designation:

Address:

11. ASSIGNMENT

The Agreement shall not be assigned by any of the parties otherwise than by an order of court of competent jurisdiction or any other competent authority or with the written permission of other party or except as provided for in the Agreement.

12. ENTIRE AGREEMENT

This document constitutes the entire agreement between the parties and supersedes all other prior agreements between the parties for the provision of such services.

13. AUTHORITY

The Parties covenant that they have the power and the authority to enter into this Agreement, and the execution and delivery of this Agreement by them have been duly authorized by all requisite corporate action on their part.

The Parties covenant that they are in a position to observe, comply with and carry out all their obligations herein to be performed and complied with by it.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement by their duly authorized representatives as of the Effective Date written above.

ACCEPTED AND AGREED TO BY:

SIGNED for and on behalf of NPCI and the Member

(Name)

(Name)

Title & Seal

Title & Seal

In the Presence of

In the Presence of

(Name)

(Name)

Title & Seal

Title & Seal

Annexure I

Retrieval Activity Timelines

Sl.No	Activity Type	Timings
1	Online - Single enquiry	24 hours
2	Bulk Retrieval	10:00 PM to 07:00 AM
3	Helpdesk	09:00 AM to 09:00 PM

Helpdesk TAT

Sl. No	Quantity	TAT
1	Single instrument	Online by bank
2	Less than 50 images	Online by bank or within 2 working days by NPCI
3	Bulk retrieval - more than 50 images	On case to case basis based on the number of images NPCI will revert with the timelines

Annexure II

Schedule of Charges - to be finalised decided in consultation with IBA