

NPCI/2013-14/NACH/Circular/028

January 03, 2014

To
All members of National Automated Clearing House

(NACH) Madam / Dear Sir,

OBSERVATIONS IN THE NACH MANDATE REGISTRATION PROCESS

NPCI is thankful to you for the support and encouragement for making the National Automated Clearing House (NACH) a successful platform for processing of payments which are bulk and repetitive in nature. It is our endeavor to provide the best of services to the member banks and ensure that the improvement in quality at all times.

2. Mandate is the base for ensuing the transactions. A mandate for getting accepted by the destination banks has to be complete in all aspects, legible. Incomplete mandates lead large number of rejections.

3. There are a few instances where due care has not been taken by the sponsoring bank while getting the mandates executed by their clients. Such deficiency in mandate execution will lead to rejections thereby consuming valuable time of both the sponsor bank as well as the destination banks.

4. For the benefit of member banks we have collated the details of such common mistakes committed at the time of getting the mandates executed – Annexure I

5. Member banks are requested to take note of the same and ensure only completed and valid mandates are processed in the system.

For any queries/further help required, please feel free to email at ach@npci.org.in

With Warm Regards,



(Girdhar G.M.)
VP & Head CTS and NACH Operations

ANNEXURE I

- I. Not filling up the name of the customer as per the bank records.
- II. Incorrect or incomplete account number.
- III. Mismatch in the amount in words and figures.
- IV. Not filling up the details of frequency of debit transaction.
- V. Mandate not signed by all authorized signatories of the account as per SOP with the bank.
- VI. Not filling up start date and end date for the mandate.
- VII. Mentioning same date as both start and end dates.
- VIII. Scanning the same mandate twice.
- IX. Not capturing images correctly leading to clarity issues during verification.
- X. Difference between details appearing on the mandate and data entered by the sponsor bank. Such differences will negate the validation done on the data as the details are incorrect.
- XI. Not filling up the column to indicate the whether the amount mentioned on the mandate is either fixed or the maximum amount.

All the banks are requested that before processing the mandates in NACH system verify that all the relevant information as is required on the mandate is filled up and legible so that the rejections on account of incomplete mandate will be eliminated.

Also due care should be taken while doing data entry and authorizing the mandates as any mismatch will cause the validation failure leading to legal issues and customer dissatisfaction.