



Direct Debits- Fact Sheet

This Product Fact Sheet provides you with key information about this product/service. The document should be read in conjunction with the Terms and Conditions of the Product and the Bank's Tariff Guide which is available in our branches. Should there be any aspect of information contained in this document that is not clear to you, please refer to your relationship manager, business banker or our customer care team on customercare@stanbic.com or +254711068100 for more information.

Product Summary

A Direct Debit instrument, also known as Debit Order, allows a beneficiary (collecting party/Originator) to submit an instruction to their bank (the acquiring bank/Originator's Bank) to debit a payer's bank account at the same bank, or held at a third party bank (the issuing bank/Payer's Bank), and credit the proceeds to the collecting party's bank account. Given that this instrument gives collectors access to a third party's bank account, direct debits are strictly governed at a market level via the Automated Clearing House (ACH).

Direct debits are often used by companies with a high volume of invoices to various debtors (e.g. utility companies, telephone companies, Insurance Companies). The key difference is that the initiative to start the payment process is taken by the payee/beneficiary rather than the payer. Therefore, a direct debit is considered a pull payment rather than a push payment

Features

Direct debits are typical of four-party transaction models with the parties being:

- The collecting party (creditor/Originator)
- The paying party (debtor/Payer)
- The collecting party's bank (acquiring bank, Stanbic Bank/Originator Bank)
- The paying party's bank (issuing bank, Stanbic Bank or third-party bank/Payer's Bank)

Other features

- Collection value capped at KES 500,000 and a minimum of KES 10 per transaction
- Available in KES ONLY
- Is value dated at T+1
- Available under Static or Variable collection value options
- Available intra-bank or Inter-bank

Benefits

- Direct debits give the collecting party the ability to collect funds from a debtor thus giving them more control over when payments are received from debtors.
- They do not need to rely on the paying party to initiate the payment thus gaining increased control over their cash flow.
- Direct debits reduce cost of collection as it is an electronic payment.

Potential risks associated with product

Payment Risk: The client could have the collections unpaid due to payors account at the payors bank being unfunded. For every instance of unpaid collections, the details of the unpaid credit are always provided with the reasons as governed by the Kenya Bankers Association

Rights and obligations of parties

The client has a right to information on any unpaid collections

The bank has a right to unpaid the collection from the beneficiaries account once the payors bank unpaid the collection.

Eligibility Criteria/Target Market

Corporate Current and Business Banking

Documentation Criteria

A customer accessing this product is required hold a transactional account with SBK and :

1. Execute a Direct Debit Indemnity
2. Have SBK apply to the ACH for the Originator to be assigned an Originator Code.
3. Have the payers execute a Direct Debit Authority

Fees and Charges

For a complete list of our fees and charges, please refer to our Tariff Guide which is available in our branches
For a complete list of the KYC documentation, please refer to the Business Banker or your Relationship Manager.



Complaints Procedure

Should you have any complaint related to this product or any other product or service offered by Stanbic Bank, we welcome you to lodge your complaint in line with our Complaints Procedure. A copy of this procedure is available on our website - www.stanbicbank.co.ke or alternatively you can visit your nearest branch.

Customer Sign-Off

Name: _____ Signature: _____ Date: _____

Name: _____ Signature: _____ Date: _____

Name: _____ Signature: _____ Date: _____

Name: _____ Signature: _____ Date: _____

For more information or queries, contact us at:

Customer Care Centre (CCC)

Tel: +254 (20) 3268 888 / +254 (20) 3268 999

Mobile: 0711 068 888 or 0732 113 888

Email: customercare@stanbic.com

Website: www.stanbicbank.co.ke