



TOUCAN

Merchant Off Boarding Policy



Document History

Document History			
Version / Date	Prepared by	Reviewed by	Approved by
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1. Purpose

The purpose of this policy is to define the framework and processes for the offboarding of merchants by Toucan Payments India Private Limited, an authorized Payment Aggregator in India. This policy ensures compliance with Reserve Bank of India (RBI) guidelines, contractual obligations, and risk management principles.

2. Scope

This policy applies to all merchants onboarded through Toucan Payments India P Ltd for payment aggregation services. It covers:

- Voluntary termination by merchants.
 - Termination initiated by Toucan Payments India P Limited
 - Suspension and reinstatement scenarios.
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3. Objectives

1. **Compliance:** Adherence to RBI guidelines and regulatory requirements.
 2. **Risk Mitigation:** Proactively identify and mitigate risks associated with merchant activities.
 3. **Transparency:** Provide clear guidelines for the offboarding process.
 4. **Fair Practices:** Ensure fair treatment and timely communication with merchants.
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4. Grounds for Offboarding

Merchants may be offboarded under the following circumstances:

4.1 Voluntary Termination

Merchants may request to terminate their association by providing a written notice as per the terms outlined in their agreement.

4.2 Involuntary Termination

Toucan Payments India P Limited reserves the right to terminate a merchant's account under the following conditions:

- **Regulatory Violations:** Breach of RBI regulations, AML/CFT guidelines, or applicable laws.
- **Fraudulent Activities:** Engagement in fraudulent or suspicious transactions.
- **High Chargebacks:** Exceeding chargeback thresholds as defined in the agreement.
- **Contract Breach:** Violation of the terms and conditions of the merchant agreement.
- **Reputational Risks:** Activities that adversely impact Toucan Payment's reputation.



- **Non-compliance:** Failure to provide required documents or fulfil compliance requirements.
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5. Offboarding Process

5.1 Initiation

The offboarding process is initiated through one of the following:

- **Merchant Request:** Written request from the merchant.
- **Internal Decision:** Risk or compliance team identifies a reason for termination.

5.2 Communication

A formal communication is sent to the merchant via email and registered address. The communication must include:

- Reason for offboarding.
- Effective date of termination.
- Details of any outstanding settlements or dues.
- Instructions for data retrieval or record closure.

5.3 Settlement of Accounts

Before offboarding, the following activities will be conducted:

1. **Reconciliation:** Ensure all outstanding payments are settled.
2. **Chargeback and Dispute Management:** Address ongoing disputes and potential chargebacks.
3. **Settlement Holds:** Retain necessary funds for pending disputes or regulatory obligations.

5.4 Data Retention and Deletion

Merchant data will be retained for the mandated period as per RBI's data storage guidelines. Post-retention period, the data will be securely deleted.

5.5 Reporting

All offboarding cases will be documented, and reports will be shared with relevant internal teams and regulators (if required).

6. Post-Offboarding Obligations

1. **Reconciliation:** Merchants are required to address any post-offboarding settlements, chargebacks, or disputes.
 2. **Audit and Compliance:** Provide any necessary documentation for regulatory audits.
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7. Review and Amendments

This policy will be reviewed annually or as required to comply with regulatory updates. Amendments will be approved by the board of directors.

8. Responsibilities

8.1 Risk and Compliance Team

- Monitor merchant activities to identify potential risks.
- Initiate offboarding for regulatory breaches or high-risk activities.

8.2 Customer Support Team

- Address merchant queries and facilitate the offboarding process.

8.3 Finance Team

- Reconcile accounts and ensure settlement of dues.
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9. Regulatory References

This policy adheres to the following regulatory guidelines:

- RBI Guidelines for Payment Aggregators and Payment Gateways.
- Prevention of Money Laundering Act (PMLA), 2002.
- Information Technology (Reasonable Security Practices and Procedures) Rules, 2011.