

ICICI Bank-Policy for Issuance and Conduct of Cards (Including Co-Branded Cards)

Background:

RBI's Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions, 2022 issued on April 21, 2022 has provided direction on framework of rules, regulations and standard practices to be followed by the bank for the Credit and Debit cards.

The directives stipulate banks to have a policy approved by the Board for issuance and conduct of cards. To comply with the directives, the Policy is presented for review and approval. The Policy is in consonance with various instructions on the subject issued by RBI from time to time, as well as the directions contained in the guidelines specified above.

Review of the Credit and Debit card operations will be done by the Audit Committee of the Board of Directors on a half-yearly basis as stipulated in the above mentioned regulatory guidelines.

Section 1: Policy for issuance of credit cards (including co-branded credit cards and commercial credit cards)

1(a) Terms governing credit card issuance:

The issuance of Credit Cards (including Co-Branded Credit Cards, Business and Corporate credit cards) shall be as per the process approved by Product and Process Approval committee. The issuance of credit cards shall be done only after obtaining customer consent in physical or digital mode post communicating the features, fees and terms of credit card. The Bank shall follow the below mentioned norms:

- Requisite KYC documents as per the extant KYC norms shall be obtained.
- Explicit consent through acceptance of Credit Card terms and conditions, by the cardholder shall be obtained before application submission.
- Compliance by Telemarketers of directions/regulations on the subject issued by the Telecom Regulatory Authority of India (TRAI) from time to time shall be ensured while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)".
- Add-on cards shall be issued to persons specifically identified by the principal cardholder under both personal and business credit card categories with the clear understanding that the liability will be that of the principal cardholder.

- The Bank may issue VISA, Rupay, MasterCard / Maestro, AMEX and any other brand of cards (Personalized & Non Personalized) to be used for transactions at various channels such as ATM, POS and e-commerce / online. The Bank will issue EMV Chip and PIN cards as per the extant regulatory requirements.

The Bank shall ensure adherence to established underwriting standards for all credit card applications and ensure the assessment of credit risk independently. The Bank shall follow the credit norms documented in Credit Risk & Policy note, which is reviewed by COED annually and refreshed periodically.

1(b) Terms governing conduct of credit cards:

- The Bank shall be guided by the instructions on interest rate on advances issued by RBI as amended from time to time, while determining the interest rate on credit card dues. The Bank shall prescribe Interest rate as approved by Asset Liability Committee (ALCO) and reviewed at regular intervals.
- The fees and charges for credit cards shall be governed by the Framework on charges for Retail Banking Products approved by the Customer Service Committee of the Board (CSCB).
- Customer shall be notified by the Bank about applicable charges and payment terms through credit card bill or monthly statement.
- The Bank shall ensure that the conversion of credit card transactions to Equated Monthly Instalments (EMIs) shall clearly indicate the principal, interest and upfront discount provided by the merchant/the Bank (to make it no cost), prior to the conversion. The same shall also be separately indicated in the credit card bill/statement.
- Explicit consent of the customer shall be obtained digitally, physically or through tele-confirmation during any subsequent Upgrade/Upsell on Credit card and enhancement of credit limits.
- The Bank shall submit the Card Member's data to Credit Information Company (CIC). This data includes the repayment status of all Cardholders, both defaulters and current, for the previous month. CIC uploads the submitted data onto their server in another thirty days.
- The Bank shall follow the defined Grievance Redressal Policy and Compensation policy, which is available on the Bank's website. The Bank shall further adhere to customer service norms approved by Customer Service Committee.
- The Bank shall adhere to documented operational guidelines/processes approved by the Product and Process Approval committee covering critical processes like issuance and closure of credit card, transaction authorization, blocking a lost card and transactions disputed as 'fraud' by the cardholder.

- The Bank shall adhere to the defined Group Fraud Risk Management Policy which is available on the Bank's website and is approved by the Board. Group Fraud Risk Management Policy is aligned with RBI Master Directions and extant processes in the Bank and also covers areas related to Cards.
- The Bank and its agents shall ensure adherence to the extant instructions on Fair Practices Code for lenders. The Bank shall ensure compliance with the extant guidelines in respect of engagement of recovery agents issued by RBI, as amended from time to time.
- The Bank shall adhere to the collections policy approved by Product and Process Approval Committee which is reviewed periodically.

1(c) Terms governing co-brand arrangement (policy on co-branding):

- Any co-branding arrangement shall be as per the policy approved by the board (Refer Annexure I).
- Any new co-branding arrangement shall be approved by the Business Head-Cards and Head-Unsecured Assets.

Section 2: Policy for issuance of debit cards (including co-branded debit cards)

2(a) Terms governing debit card issuance:

Issuance of Debit Cards (Including Co-Branded Debit Cards) shall be as per the process approved by Product and Process Approval Committee.

The Bank shall be guided by the following norms for issuance of Debit cards to customers:

- Debit card shall be issued only to customers having Savings account/Current account.
- Debit cards shall not be issued to cash credit/loan account holders or any other form of overdraft account. However, the Bank may provide a Debit Card to Overdraft accounts, which are linked to Pradhan Mantri Jan Dhan Yojana accounts.
- The Bank may issue VISA, Rupay, MasterCard /Maestro & other any Brand of Debit cards (Personalized & Non Personalized) to be used for transactions at various channels such as ATM, POS and e-commerce / online. The Bank is issuing EMV Chip and PIN cards as per the extant regulatory requirements.
- Option to avail debit card facility shall be provided at the time of account opening and the customer may opt out of availing the debit card. Even if the customer opts out, customer shall be able to avail all other facilities from the bank.

- Terms & Conditions governing the issue and use of all debit cards shall be made available to cardholders in writing at time of issuance of card as well as on the Bank's website.
- Explicit consent shall be obtained from the customer during issuance of debit cards for sharing customer details with any third party.
- Explicit consent shall be obtained through acceptance of Debit Card terms and Conditions and MITC by the card holder before application submission.
- Compliance by Telemarketers of directions/regulations on the subject issued by the Telecom Regulatory Authority of India (TRAI) from time to time shall be ensured while adhering to guidelines issued on "Unsolicited Commercial Communications – National Customer Preference Register (NCPR)".
- Add-on card may be issued to the persons specifically identified by the principal cardholder under personal debit card categories with the clear understanding that the liability will be that of the principal cardholder.

2(b) Terms governing conduct of debit card:

- The fees and charges for debit cards shall be governed by the Framework on charges for Retail Banking Products approved by the Customer Service Committee of the Board (CSCB).
- Explicit consent of the customer shall be obtained digitally, physically or through tele confirmation during any subsequent Upgrade/Upsell on Debit card.
- The Bank shall follow the defined Grievance Redressal Policy and Compensation policy, which is available on the Bank's website. Bank shall further adhere to customer service norms approved by Customer Service Committee.
- The Bank shall adhere to documented operational guidelines/ processes approved by the Product and Process Approval Committee covering critical processes like issuance and closure of Debit card, blocking a lost card, transactions disputed as 'fraud' by the cardholder and review of Debit Card operations.
- The Bank may provide the facility of cash withdrawal on Debit cards at Point-of-sale (POS) terminals as per limits prescribed by RBI from time to time.
- The Bank shall adhere to the defined Group Fraud Risk Management Policy which is available on the Bank's website and is approved by the Board. Group Fraud Risk Management Policy is aligned with RBI Master Directions and extant processes in the Bank and also covers areas related to Cards.

2(c) Terms governing Cobrand arrangement:

- Any co-branding arrangement shall be as per the policy approved by the board (Refer Annexure I).
- Any new co-branding arrangement shall be approved by the Business Head- Cards and Head-Unsecured Assets.

2(d) Terms governing addition of form factors for debit card:

The Bank may choose to issue Debit Card in form factors other than plastic including wearables or any other industry innovation. The Bank shall be guided by below principles for issuance of such form factors:

- The Bank may issue other form factors in place of a plastic debit card such as wearables after obtaining explicit consent from the customer.
- Other such form factors shall be subject to the specific and general guidelines applicable to debit cards as the case maybe.
- The Bank shall provide options for disabling or blocking the form factor through various channels as provided for plastic debit cards
- The Bank shall submit a detailed report to the Department of Regulation, Reserve Bank of India, prior to the issuance of any such form factors.

Annexure I

Policy on Co-branding

- The co-branding arrangement shall be approved by the Business Head - Cards and Head- Unsecured Assets.
- Any new co-brand partner shall be on-boarded considering the reputation risk to which the Bank will be exposed to in such an arrangement. The Bank shall conduct due diligence with respect to the co-branding partner.
- Due-diligence parameters that shall be considered for approving the co-branding arrangement include:
 - Distribution network
 - Services offered and the customer segment catered by the entity
 - Financial strength of the partner or its parent.
 - Profitability of the proposed co-brand program
 - Market reputation of the entity

Additionally, a Comfort letter from parent company in case of subsidiary company or from another company which has a major stake in the entity may be obtained with an assurance that they will ensure that co-brand partner entity will be adhering to their obligations. Any

waiver of the requirement for Comfort letter shall be only with approval of Business Head-Cards.

In case the proposed co-branding partner is a financial entity, it shall obtain necessary approvals from its regulator for entering into the co-branding arrangement.

- The role of co-branding partner shall be in line with extant regulatory guidelines.
- The Bank shall ensure adherence to the guidelines on 'Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks', as amended from time to time and other regulatory guidelines issued with regard to co-branding.
- The Bank shall ensure that cash backs, discounts and other offers advertised by a co-branding partner are delivered to the cardholder on time.