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# M-PESA CONSIGNMENT STOCK FINANCING TERMS & CONDITIONS

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**Merchant Stock Loan Financing**

**NOVEMBER 2023**

**M-PESA LIMITED**

Offices at 11<sup>th</sup> Floor, Vodacom Tower Ursino Estate Plot No. 23, Bagamoyo Road  
P.O. Box 2369 Dar Es Salaam, Tanzania. [www.vodacom.co.tz](http://www.vodacom.co.tz)

## CONSIGNMENT M-PESA MERCHANT STOCK FINANCING TERMS & CONDITIONS

### 1. THE AGREEMENT & APPLICABILITY

- 1.1. This Agreement sets out the complete Terms and Conditions (hereafter **Conditions Of Use**) are issued in Bi-Partite collaboration in partnership between Vodacom PLC, M-Pesa Limited and NCBA Bank (hereinafter **"M-PESA Limited"** or **"we"** or **"us"** **"ourselves"** or **"our"** or **"Bank"** or **"Consignor"**) to M-Pesa Merchants or VTL Super-Dealer (hereinafter (**"Super Dealer"** or **"Consignees"** or **"you"** or **"your"** or **"user"** **"yourself"**) which shall apply when you use the Merchant Stock Financing Loan Service (**the Service**) through M-Pesa System and is available at Our website located at <https://www.vodacom.co.tz/> (the **"Website"**).
- 1.2. By choosing to use this Merchant Stock Financing Loan Service (**"Service"**) you agree to establish a direct contractual relationship with NCBA BANK TANZANIA (**"Bank"**) and you further agree to be bound by these Conditions Of Use.
- 1.3. You acknowledge and agree that M-Pesa Limited is offering you a platform to build your relationship with Bank and M-Pesa Limited shall have no direct obligation or right into your contractual relationship with a Bank,
- 1.4. These Conditions Of Use shall apply and bind to all M-Pesa Merchants/VTL Super-Dealer who register and uses the Merchant Stock Financing Loan Service (as defined herein). Any amendments or variations made to these Condition Of Use shall take effect on their date of publication/notice or as otherwise provided in such amendment or variation and posted on the Website.
- 1.5. Please read these Conditions of Use, and any schedule/annexure in conjunction with M-Pesa Merchant Terms and Conditions, M-Pesa Consumer Terms and Conditions and GSM Consumer Terms and Conditions that shall form part of these Terms and Conditions
- 1.6. This is not an international Consignment rather local Consignment,
  - 1.6.1. Whereas Consignor (Vodacom PLC Tanzania) wish to sell a certain product/stock (e.g. Airtime Scratched Vouchers) or products, specifically the following which shall hereafter be referred to generally as a product on consignment.
- 1.7. Whereas Consignees (M-Pesa Merchant/Super Dealer) wishes acquire a loan at a Bank through M-Pesa to purchase and sell the product on behalf of Consignor, including accepting delivery of the product and making proper complete upfront payment to Consignor once the loan obtained, and Consignees is responsible to repay the loan in full on due time without hesitate.

### 2. DEFINITIONS AND INTERPRETATION

- 2.1. In these **'Terms and Conditions'** the following words and expressions (save where the context requires otherwise) bear the following meanings:
  - 2.1.1. **"Agreement"** means these Conditions of Use
  - 2.1.2. **"BOT"** means the Bank of Tanzania
  - 2.1.3. **"Business/Lipa Number"** means a destination code or numbering plan created by M-Pesa Limited for the identification of M-PESA Merchant Accounts; which pools funds collected through the M-PESA Buy Goods functionality on specific Lipa number, this number used by M-Pesa Subscriber in order to transact.
  - 2.1.4. **"Merchant"**, **"M-Pesa Cash Merchant"**, **"Merchant"** or **"Lipa kwa Simu Yako Merchant"** means duly authorized provider of M-PESA Merchant services either being a Legal or Natural Person
  - 2.1.5. **"Conditions Of Use"** means these Terms & Conditions; including any amendments and or any document or information provided by the bank and or all annexure, schedules, exhibits, appendices attached or provided or submitted or set as a notice to you or incorporated by reference from time to time by us.
  - 2.1.6. **"Credit Reference Bureau"** means a credit reference bureau duly licensed under the Bank of Tanzania Act pursuant to the Bank of Tanzania (Credit Reference Bureau) Regulation 2012 to inter alia, collect and facilitate the sharing of customer credit information;
  - 2.1.7. **"Customer"** means the person in whose name on the Merchant Stock Financing Loan Service (the Service) with the bank is existing some time called M-Pesa Subscriber or a Merchant or M-Pesa Merchant, in this context refers as **Consignee**;
  - 2.1.8. **"Customer Care Centre"** means any Vodacom Retail Shops or such other retail outlets or outlets as may be notified to the Customer by the bank from time to time;
  - 2.1.9. **"Details"** or **"details"** mean the details of the Customer or Instructions related to the Payments made/to be made by the M-Pesa Users for the Services
  - 2.1.10. **"E-Money"** means the electronic value issued by M-Pesa Limited and representing an entitlement to an equivalent amount of the Cash held by the Custodial Trustee in respect of the acquisition of such electronic value;
  - 2.1.11. **"Bank Credit Scoring Engine"** or **"Credit Score"** means a service provided by Bank to determine the creditworthiness of a merchant and assign a score using GSM, M-Pesa, Merchant till data and any other relevant data that can be provided.
  - 2.1.12. **"Extension Period"** means additional payment period that you will be required to clear your debt after you have defaulted to make payments of the Loan during the Service Period. This Extension Period may be provisioned at the Lender's discretion and at an extra fee
  - 2.1.13. **"Group"** means Transactional Group or Standard Group i.e. Repayment Types
  - 2.1.14. **"GSM"** or **"Network"** means the Global System for Mobile telecommunication (**"GSM"**) system operated by Vodacom Tanzania PLC (Vodacom) and covering those areas within the United Republic of Tanzania as stipulated from time to time by Vodacom and or M-Pesa Limited; mostly associate with Data/Internet, Voice, SMS, GSM-VAS and the like
  - 2.1.15. **"Lender"** or **"Bank"** or **"NCBA Bank"** means NCBA Bank Tanzania Limited, a company Incorporated in Tanzania with Incorporation under the Companies Act No.12 of 2002 and duly licensed to carry on Banking Business under the Banking and Financial Institutions Act 2006; located in address P.O. Box 20268, Amani Place Building, 1st, 2nd & 10th Floor, Ohio Street in Dar es salaam, United Republic of Tanzania; the Bank which wishes to use the credit decision service for merchant lending in the (**"M-Pesa"** branded) Loan Marketplace;
  - 2.1.16. **"Lien"** means a right to keep possession of property or e-money or cash at bank belonging to another person until debt owed by that person is discharged.

- 2.1.17. **"Loan"** or **"Loan Amount"** means total amount including service fees or any accrued amount requested by the Customer on a credit basis to increase their Lipa Number account or Merchant Account balance in accordance with these Conditions Of Use;
- 2.1.18. **"Merchant Account"** means the account belonging to the Merchant created in the M-PESA system through which the Merchant receives E-money payments and reflects merchant's transactions
- 2.1.19. **"M-PESA Account"** means an account maintained by an **M-PESA Subscriber** used for holding E-Money in the M-Pesa system, withdrawing E-Money from the M-Pesa system and or depositing E-Money into the M-Pesa system
- 2.1.20. **"M-Pesa Limited"** means a Company whose head office is at Vodacom Tower, 11th Floor, Ursino Estate, Bagamoyo Road, Dar Es Salaam, Tanzania, and any business or other person to whom any or all of our rights and or responsibilities under this Agreement may be transferred
- 2.1.21. **"M-PESA Subscriber"** means any person registered to use the M-PESA System to send or receive money or make payments used interchangeably with word "Customer" or "Consignee";
- 2.1.22. **"M-PESA System"** means the system operated by M-Pesa Limited in the United Republic Of Tanzania for the provision of the M-PESA Service using the Vodacom Network;
- 2.1.23. **"M-Pesa"** or **"M-Pesa Service"** means a mobile money transfer and payment service offered by M-Pesa Limited under the M-PESA Marks through M-Pesa System
- 2.1.24. **"MSISDN"** means the unique Mobile Subscriber Integrated Service Digital Network Number issued to a M-Pesa subscriber and is used to identify the subscriber on Vodacom's Network;
- 2.1.25. **"Network"** means Vodacom's mobile cellular network;
- 2.1.26. **"Assistance's ID"** means an alphanumeric identification code that uniquely identifies You for the purpose of security of the Service and created in accordance with clause 4
- 2.1.27. **"PIN"** means the personal identification number that uniquely identifies You for purpose of use of the Service and created in accordance with clause 4
- 2.1.28. **"Request"** means an instruction received by M-Pesa Limited from Your mobile phone handset and MSISDN and made via the USSD System and upon which we are authorized to act;
- 2.1.29. **"Lending Service"** means the M-Pesa Limited's service offered by M-Pesa Limited in Bi- Partite partnership with Vodacom PLC Limited, Bank in which Consignee (i.e. M-Pesa Merchants) can secure funds on credit, make payments and make upfront payment for purchase product to Consignor (Vodacom PLC) through M-Pesa system in accordance with these Conditions of Use
- 2.1.30. **"Interest"** means the amount you pay on top of Principle amount borrowing from the Lender, such amount of money depends on your credit score as well as the Lender's risk appetite.
- 2.1.31. **"Service Period"** means any period of time as prescribed by M-Pesa Limited in partnership with the Lender from time to time for purposes of repayment of the loan
- 2.1.32. **"SMS"** means a short message service;
- 2.1.33. **"Standard Repayment"** means the repayment plan that allows you to repay the Loan Amount manually (self-initiate the repayments to your Loan Amount) within the Service Period. If at the end of Service Period You have not repaid the Loan Amount either in whole or in part, you will be required to repay the Loan Amount in accordance with the extension period if any. Otherwise, other recollection measures may be applied.
- 2.1.34. **"System Menu"** or **"M-Pesa Menu"** means the USSD System menu accessible on the Network and through the Customer's MSISDN for purposes of issuing instructions and/or Requests to M-Pesa in order to access the Service;
- 2.1.35. **"Transaction"** means any movement of e-money or cash from one M-PESA user to another pursuant to instructions initiated on the M-PESA System and includes reversals;
- 2.1.36. **"Transactional Repayment"** means the repayment plan that M-Pesa Limited will deduct a percentage amount from Your incoming transactions during the Service Period, and until the Loan Amount has been fully repaid. At the same time, You may also self-initiate the repayments to Your Loan Amount. In instances where the amounts deducted from the transactions are insufficient to repay the Loan Amount within the Service Period, you will be required to make payments manually (self-initiate the repayments to Your Loan Amount) within the Service Period or in accordance with the Extension Period if any. Otherwise, other recollection measures may be applied.
- 2.1.37. **"USSD Designated Code"** means the USSD system code number assigned by which the Customer may access the Service through Vodacom Network, in this context refer to **\*150\*00#**;
- 2.1.38. **"USSD System"** means the USSD service in which the Customer may instruct M-Pesa Limited and operate the Services, the USSD System is accessed by dialing the USSD Designated Code;
- 2.1.39. **"USSD"** means the Unstructured Supplementary Service Data System;
- 2.1.40. **"VTL"** means **Vodacom PLC LTD**
- 2.1.41. **"Website"** means the site located at <https://www.vodacom.co.tz/>
- 2.1.42. **"We"** or **"we"** **"our"** and **"us"** or **"Bank"** its variants mean M-Pesa Limited or Vodacom PLC Tanzania or NCBA Bank and which description shall where the context so permits include the successors and permitted assigns
- 2.1.43. **"You"** or **"Your"** **"Yourselves"** or its variants means the Cash Merchant, M-PESA Cash merchants or Lipa kwa Simu, Merchants;
- 2.2. The word **"Customer"** shall include both the masculine and the feminine gender as well as juristic persons;
- 2.3. Words importing the singular meaning where the context so admits include the plural meaning and vice versa.
- 2.4. Headings in these Conditions of Use are for convenience purposes only and they do not affect the interpretation of this Agreement.

### 3. ACCEPTANCE OF THE TERMS AND CONDITIONS

- 3.1. The Consignor owns the Product/Stock, under the Condition Of Use of these Agreement, Consignor grants to sell the Product/Stock to Consignee, the Consignees under this Condition Of Use may receive Loan from Bank to Pay Off the Consignor upfront for stock to be liaised. Consigner grant this right exclusively.

- 3.2. These Conditions Of Use apply and shall take effect once You register for the Service (“Effective Date”). By using or continuing to use the Service, you are considered to have read, understood and accepted these Conditions Of Use and to be legally bound by these Conditions Of Use.
- 3.3. For the avoidance of doubt, Customers shall remain liable for all outstanding Loan Amounts not repaid during the Service Period.
- 3.4. These Conditions Of Use may be amended or varied by M-Pesa Limited from time to time and Your continued use of the Service constitutes Your agreement to be bound by such amendment or variation.

#### **4. SERVICE SUBSCRIPTION BY CONSIGNEES/CUSTOMER**

##### **4.1. Account Opening**

- 4.1.1. In order for you to use the Services, you must be a registered and authorized M-Pesa Merchant.
- 4.1.2. You Must be a Consignee with at least experience of 12 months as Super Dealer under operations qualified for the Service that is listed on Merchant Stock Financing Loan Service.
- 4.1.3. Access to the Service shall be through the USSD Designated code on Vodacom’s Network or any other designated channel as shall be informed from time to time by M-Pesa Limited.
- 4.1.4. All instructions to M-Pesa Limited to activate an Account or for use of the Service shall be made electronically through the M-Pesa Menu that will only be accessible to You through the USSD Designated Code
- 4.1.5. To activate the Service, you must dial the USSD Designated Code and select the option made available on the System Menu for purposes of accessing the Services.
- 4.1.6. You will be deemed to have read and understood and accept these Conditions of Use
- 4.1.7. On the USSD System Menu, you will be required to accept these Conditions Of Use and enter PIN to verify you agreed and approve for use of the Service. For avoidance of doubt, Merchant is wholly responsible for maintaining the confidentiality of PIN and account and for any and all activities that occur under Merchant’s account.
- 4.1.8. By using or continuing to use and operate the Merchant Stock Financing Loan Service
- 4.1.9. By accepting these Terms and Conditions, you agree that we reserve the exclusive right to set the Loan limit, tenure, service fee, Extension Period (First or Final) and any fee/charges associated with this service.
- 4.1.10. Upon completion of a successful Loan application request You will receive SMS confirming processing of the Loan application and verification of release of funds.

##### **4.2. Verification Of Personal Information**

- 4.2.1. You must be physically verified on your existence of the business and location of the Business including all other necessary information that will be needed confirming your identity. (KYC-Know Your Customer Information including NIDA-National Identification Number (NIN) and or Business License)
- 4.2.2. You will be required to enter your business identifier e.g. PIN number and or Assistance’s ID to opt in/out and or operate the service
- 4.2.3. Upon successful activation, you will receive a further prompt from the USSD System Menu prompting more details then finally you will receive an SMS confirming successful registration.

##### **4.3. Application Authorization**

- 4.3.1. You hereby agree and authorize us to share your personal information held by us to the Lender and Bank Credit Scoring Engine in respect of provision of this Service. Such personal information includes but is not limited to your phone number, name, date of birth, ID type, and ID number and such other information that will enable us to identify you and comply with the regulatory “Know Your Business/Customer” requirements.
- 4.3.2. You also hereby agree and authorize us to use information relating to your use of the M-PESA service, Merchant TILL, GSM Service for purposes of delivering the Services (“M-PESA Information”).
- 4.3.3. We reserve the right to request further information from you pertaining to your application to register for the Service at any time. Failure to provide such information within the time we require may result in a decline of your application to register for the Service.
- 4.3.4. We reserve the right to verify the authenticity and status of your M-Pesa/Merchant Account, transactions and may in our sole discretion accept or decline your application with or without notifying you, though will (not our obligation) try to notify.
- 4.3.5. Our acceptance or decline of your application to register for the Service shall be communicated through an SMS sent to your Vodacom registered mobile phone number (MSISDN) associated with your M-PESA Merchant account and or Equipment.
- 4.3.6. Once and upon successfully accessing the service you’re fully aware and agree that your personal number (M-Pesa Account) set in your Merchant Account profile might be used as part of Know your Business/Customer as well as part of Credit Score engine process and Transactional repayment
- 4.3.7. By accepting these Terms and Conditions, you agree that we reserve the exclusive right to send you promotional text messages from time to time relating to the Service

#### **5. CONSIGNEES LOAN REQUEST & TRANSACTIONAL REPAYMENT**

##### **5.1. Application and Appraisal**

- 5.1.1. You will be required to enter Your M-Pesa PIN and or Assistance’s ID at all times before You request a loan.
- 5.1.2. We will consider your instruction/request that (even if you may feel that or have substance to believe that the PIN used without your consent) its only you requesting for the service and we will execute it accordingly, you acknowledged and agreed that once request submitted there no way to revert it back.

- 5.1.3. When you are applying for Merchant Stock Financing Loan Service from the bank, your application shall be digitally or manual appraised accordingly to the applicable loan appraisal process of the bank that including Credit Scoring and Credit Limits reviewed from time to time; the we/Bank reserve the right at its sole discretion and without assigning any reasons to approve or decline your application. You shall be required to pay any outstanding and or accrued loans immediately before next application.
- 5.1.4. You will not be able to apply for the loan in case of suspension, termination or freezing the service (i.e. for the case account not active) and or your M-Pesa Account, you will be required to contact M-Pesa customer care center for further details
- 5.1.5. You will be pre-qualified for a loan periodically, and the minimum and maximum amount of loan that you qualify for will be communicated to you. This pre-qualification is only for information purposes, and we retain the right to change all aspects of your merchant loan offer at the time you make an official application
- 5.1.6. You may request for an M-PESA Merchant Loan by selecting and validating the option on the Lipa Service Menu made available for that purpose.
- 5.1.7. Upon successful completion of the Loan application request, if You requested a Loan, you will receive an SMS advising that the respective Merchant Account has been credited with the funds equivalent to the Loan Amount.
- 5.1.8. If you are not allocated a Loan Limit as per credit scoring engine, you will be notified of the reason and you must continue to transact on your Lipa Number in order to build a transaction history and enhance your credit score in order to be eligible for a Loan Amount.
- 5.1.9. You may check your Loan Limit using the appropriate menu option provided on your Equipment through the USSD Designated Code.
- 5.1.10. We may from time to time prescribe the minimum and or maximum Loan you may be able to request on the service.

## 5.2. Credit Scoring

- 5.2.1. Credit Scoring and provision of M-Pesa Merchant Loan Limit will be based on a score provided by the Bank Credit Scoring Engine embedded in the Loan Management Platform.
- 5.2.2. The Loan Limit is subject to review from time to time and we reserve the right to vary your Loan Limit without notice; we shall try to notify you of any variation to the Loan Limit when deemed necessary via SMS upon request.

## 5.3. Interest & Fees/Charges

- 5.3.1. You are well aware and agreed that the Service include interest and you hereby agreed to pay it within specified loan window period though you also authorized us to deduct you interest rate as specified by us from time to time or as per below chart
- 5.3.2. We shall be entitled to vary the basis the on which the interest is calculated in respect of loan and or adopt different Bank benchmark and or vary the rate of interest margin chargeable to such other rate which we consider appropriate in all the circumstances and subject applicable restrictions concerning the benchmarked for the interest rates, the Bank will make appropriate effort when applicable to notify you
- 5.3.3. You hereby agree to pay all Interest payable in connection with your use of the Services.
- 5.3.4. You shall pay a loan including any interest to the bank and failure to do so you authorized us to deduct from your Loan Account or any Account of yours known by us (without prior notice you, though we will try to let you know incase its practicable possible though you aware and agreed it's not our obligation to do so):
  - 5.3.4.1. any Interest payable in respect of the Services;
  - 5.3.4.2. any legal charges including advocate and client costs incurred by the us in obtaining legal advice in connection with your Loan Account and your dealings with the us or incurred by the us in any legal, arbitration or other proceedings arising out of any dealings in respect of your Merchant Stock Financing Loan Service; and
  - 5.3.4.3. all other interest, expenses and taxes, duties, impositions and expenses incurred in complying with your Requests.

Fee	Rate	Definition
Processing Fee	0.3% of Principle Amount	This is the cost of Processing the Loan; it is Applied on day 1 of taking the Loan
Interest	0.2% of Principle Amount	This is the Basic Interest Rate; it is Applied on day 3 of taking the Loan
Late Fee	0.3% of Outstanding Amount	This is a Penalty Fee for Late Repayment; it is Applied on day 9 of taking the Loan

- 5.3.5. You hereby agree to pay costs charges and expenses incurred by us in obtaining or attempting to obtain payment of any loan owed under your Merchant Stock Financing Loan Service.
- 5.3.6. All fees, charges related to the transactions in this Conditions of Use shall be bear by Consignee/you as determined by us from time to time
- 5.3.7. All charges will be deducted on your M-Pesa Account on available balance, including the loan applied and or at Bank side when process the loan.

## 5.4. Checking Loan Status

- 5.4.1. You may check the balance of Your Loan Amount by selecting the option made available for that purpose on the System Menu.
- 5.4.2. You will receive a message on the System Menu, confirming the status of any Loan Amount outstanding and the repayment due date of such Loan Amount.

## 5.5. Loan Transactional Repayment

- 5.5.1. All Loan transactional repayments b the Customer hereunder shall be made without setoff/lien or counterclaim, by the Customer, the Bank or such account as the Bank may from time to time notify to the Customer based on scenario at that time.
- 5.5.2. You will be required to enter your M-Pesa PIN and or Assistance's ID at all times when attempt to repay your loan; additionally, you may only repay the loan through the permitted transactions initiated via the M-Pesa USSD Designated Code to the extent that was agreed upon during the loan application process.
- 5.5.3. With respect to the Loan, and depending on the Group in which M-Pesa may select You to be part of, You will be required to repay the Loan Amount during the Service Period, and until the Loan Amount has been fully repaid.



- 5.5.4. You will be solely responsible for ensuring that the Loan Amount is fully repaid including the total interest and any available accrued fee and charges as in accordance with this clause **Error! Reference source not found.**
- 5.5.5. In instances where the amounts deducted from the transactions are insufficient to repay the Loan Amount within the Service Period; You will be required to make payments manually (self-initiate the repayments to Your Loan Amount) within the Service Period or the Extension Period if any.
- 5.5.6. You will not be allowed to change your nominated account by means of a **SIM Swap** or terminate/opt out the service if the loan has not been sufficiently repaid.
- 5.5.7. Upon successful completion of the re-payment request made pursuant in this clause; You will receive an SMS confirming that the re-payment has been received and the status of the Loan Amount including whether or not the Loan Amount has been fully repaid.
- 5.5.8. If Your M-Pesa/Merchant Account does not have sufficient funds to fulfil the re-payment request, you will receive an SMS informing that the payment Request was unsuccessful. You will be required to top up your account and reprocess repayment once again.
- 5.5.9. Notwithstanding the foregoing, you will have the discretion to repay the entire Loan Amount prior to the expiration of the Service Period

#### 5.6. The PIN

- 5.6.1. Consignee shall select your own PIN (any complex 4-digit number) at the time of activating M-Pesa Merchants Account
- 5.6.2. The security of the PIN is very important and you shall not disclose your M-Pesa Merchants Account PIN to anyone. If M-Pesa Merchants Account PIN failed to be observed, any of the security requirement; You and only you carry sole risk as to consequences, and incur liability for unauthorized use.
- 5.6.3. As matter of courtesy; we advised that, you should not select the PIN that is easily to be identified or identifiable with anyone, e.g. birth date, car registration number, or repeated number, series numbers, etc. you should not write or indicate the PIN on your Equipment or any other items, or product you have carry or at your stores.
- 5.6.4. We shall always believe that all Transactions Request is generated and performed and authorized by you all the time.

#### 5.7. Loss & Damage

- 5.7.1. We shall not be liable for the damage or loss of the product/stock paid, Consignee agreed and acknowledge that shall proceed with repayment of loan regardless of any loss or damaged
- 5.7.2. We [Bank, M-Pesa Limited or Consignor (Vodacom PLC Tanzania)] be liable to you for any damage or loss you may suffer as a result of your use of the Service and dealings with Bank and you hereby absolve and hold neither M-Pesa Limited nor Vodacom PLC Tanzania harmless against any such losses or damage.
- 5.7.3. Consignee shall be liable for any loss or damage occurred to the product paid under this Conditions of Use if its damage or got lost before sale, consignee advised that must maintain insurance in an amount equal; to or greater that the replacement cost of the product purchased under this Service (Merchant Stock Financing Loan Service).

### 6. CONSIGNEES IN EVEN OF DEFAULT

- 6.1. In case responsibly you fail to repay the loan on due date as Transactional Repayment schedule planned on Merchant Stock Financing Loan Service, you will not be considered as having been fully repaid and closed your debt; the loan shall be considered paid in full if it reaches zero outstanding balance anytime on due date or before the due time.
- 6.2. While a Loan Amount is due, any funds crediting any of your M-PESA Accounts will be automatically deducted until repayment of the outstanding Term Loan balance and the Interest and Late Fee has been made in full.
- 6.3. You hereby authorize and instruct M-PESA to enable Bank to automatically debit your account upon defaulting Transactional Repayment duration.
- 6.4. We will use reasonable efforts to notify You of the outstanding Loan Amount prior to either expiry or upon the expiry, and/or after the expiry of the Service Period, by way of SMS. Notwithstanding the foregoing, it is Your responsibility to ensure Your Loan is paid within the Service Period or the Extension Period if any
- 6.5. To qualify for a new Loan, you will be required to first repay in full the total outstanding Loan Amount within that Loan's Service Period or Extension Period if any.
- 6.6. You agree that M-Pesa Limited or its partners engaged in the provision of the Service may forward Your credit information to a licensed Credit Reference Bureau for blacklisting if You do not repay the balance of the Loan Amount within the Loan's Service Period and/or the Extension Period
- 6.7. In addition to these Conditions Of Use; You agree that the Lender or its partners engaged in the provision of the Service may recruit a specialized loan recovery agency for the purpose of recovering any outstanding Loan Amount and/or transaction charges and any other amounts payable if You do not repay the Loan Amount within the applicable Service Period, First Service Period Extension, or Final Service Period Extension or as per our discretion.
- 6.8. In addition to the above, in the event that You do not repay the Loan Amount, before the expiry of any Final Service Period Extension, you will not be permitted to use, or have any access to, the Service from the Lender under the Service until the Loan Amount is repaid in full.
- 6.9. In the event You do not repay the Loan Amount before the expiry of any Final Service Period Extension, M-Pesa Limited are entitled and may suspend or freeze the Customer's identity or Accounts until such a date when the full Loan Amount will be repaid.
- 6.10. You agree that following any action that we may take pursuant to this clause, that such Credit Reference Bureau that has received Your credit information may reasonably act on such information to blacklist you from obtaining any futures Loans or other credit facilities (including those advanced by any third party) and that the Bank/Lender may reasonably act on such information to prevent You from using any of its Services or products.

**7. LIEN**

- 7.1. We shall have a general lien over all Merchant property/assets in its possession if you owe any money to the Bank including but not limited to cash, goods, securities, or valuables deposited for safe custody as security, cheques presented, bills, Other M-Pesa Accounts as a shareholder or under same entity name apart from Merchant and any other assets, and also over all property over which by the general law we has lien.
- 7.2. We reserve the right to request for further information from you or other governmental and or non-governmental authorities or bodies pertaining to your movable or immovable property charged to secure repayment of any money, whether or not that money has been repaid, and over all property in respect of which, by the general law, the Bank has lien.
- 7.3. Where you are indebted to us in circumstances giving us a right of set off, all property (including Other M-Pesa Accounts apart from Merchant) held under your name or your business name(shareholder) or to your account by the Bank or M-Pesa Limited shall be deemed to be held as security for the debt.
- 7.4. You hereby constitute us as your attorney for the purposes of any transaction that requires execution on your behalf in relation to your assets for purposes of discharging the debt.
- 7.5. Every Loan taken is attached to the M-Pesa Merchant Standard Identifications including the National Identification Number (NIN) or other Government Provided Identifications. You hereby authorize and instruct M-PESA to enable Bank to do automatic deductions to any other M-Pesa Accounts (Merchant, Agent and Customer Account) that is registered under your National Identification Number (NIN) or other Government Provided Identifications upon defaulting repayment duration.
- 7.6. The Bank shall have a right, both now and in the future, of lien and set off over funds held by you in your M-Pesa Accounts, or any other M-Pesa Account held by you and/or any other account held by you in the Bank including Customer Accounts and or Merchants Accounts and or Business Accounts and or Customer Account registered under your National Identification Number (NIN) or other Government Provided Identifications upon defaulting repayment duration.
- 7.7. You hereby authorize and instruct M-Pesa to enable Bank to conduct Phone Calls /Notice you onto follow up for Loan Repayment in case of defaulting repayment duration.
- 7.8. You hereby authorize and instruct M-Pesa to enable Bank to conduct Physical Visits to obtain any further information relating to Loan or follow up for Loan Repayment in case of defaulting repayment duration

**8. SET OFF**

- 8.1. We may when practically possible notice, set off against any account indebtedness of the Customer, M-Pesa Subscriber
  - 8.1.1. Any other account whether current, loan, saving, mobile savings (such as M-Pesa Customer; M-Pesa Agent, M-Pesa Merchant, M-Pesa Business, etc.), or loan any other type
  - 8.1.2. Any time of other deposit
- 8.2. We, upon the exercise of the foregoing right is subject to any other Applicable Laws and notification to you when practical possible, set off his account against any other account or indebtedness in respect of which the Customer is liable notwithstanding that some other person may also be liable in respect thereof.

**9. DISCLOSURE OF INFORMATION**

- 9.1. By registering for the Service, you authorize us to reveal, receive, record or utilize Your information or data (including transaction or mobile data relating to M-PESA and GSM respectively) relating to Your use of the Service:
- 9.2. By registering for the Service, you authorize us to reveal, receive, record or utilize Your information or business transaction data (including transaction on your Business, Transaction History, data relating to M-PESA and your Stock Seller) relating to Your use of the Service:
- 9.3. By registering for the Service, you authorize us to reveal, receive, record or utilize Your information or data (including National Identification Number (NIN), Business Registration Number, Tax Identification Number) that will be used to check your data on Credit Reference Bureau
- 9.4. You hereby authorize and instruct M-Pesa to enable Bank to a conduct a search on Credit Reference Bureau your National Identification Number (NIN) and Business Registration to check on your Loan History and your Credit Information.
  - 9.4.1. To any local or international law enforcement or competent regulatory or governmental agencies for purposes of aiding in the prevention, detection, investigation or prosecution of criminal activities or fraud;
  - 9.4.2. To a Credit Reference Bureau to perform any credit risk assessment and for data analysis and performance
  - 9.4.3. To a third party involved in the provision of the Services and the Lender;
  - 9.4.4. To our lawyers, auditors, debt collectors, loan recovery agencies or other professional advisors or to any court or arbitration tribunal for the purposes of any proceedings or to a consumer complaint committee;
  - 9.4.5. For reasonable commercial purposes connected to Your use of the Services, such as marketing and research related activities; and
  - 9.4.6. For any business practices including but not limited to quality control, training and ensuring effective systems operation.
- 9.5. You acknowledge that we may retain your transaction data for a period as may be required by any law or regulation within our capacity.
- 9.6. We respect Your privacy and at all times we will ensure within our control endeavor to that information shared with any third party in accordance with clause 10.1 is shared on confidential basis and strictly to the extent necessary for purposes provision of the Services or for any purpose set out under these Conditions Of Use.

**10. INDEMNITY AND EXCLUSION OF LIABILITY**

- 10.1. Access to the Service may be affected by factors outside our control such as system downtime or failure. Uninterrupted access may also arise as a result of scheduled or unscheduled periodic testing, repair, upgrade or maintenance and other factors. We will use all reasonable efforts to ensure that Your Loan Requests are processed in a timely manner and in accordance with the requirements based on credit scoring offered periodically and randomly. Notwithstanding the foregoing, we do not make any representations or warranties as to continuous, uninterrupted or secure access to the Service.

- 10.2. In return for the provision of the Services by ourselves, you agree to protect us and absolve us against any law suits, losses, charge, damage, liability, expense (including legal fees), fee or claim that we may suffer, incur or otherwise as a result of our provision of the Services to You. The protection and absolution You provide also includes any claim made by a third party against us that may result from You being in breach of these Conditions Of Use.
- 10.3. While we will make every commercially reasonable effort to ensure that You receive proper Service, we will not be responsible to You or to any other person claiming under You for any losses or damage, regardless of the nature in connection with the following unless procured through our own willful default or fraud:
  - 10.3.1. A failure, malfunction, interruption or unavailability of the USSD Designated System, Your mobile phone apparatus, the Network or the M-PESA System or the unavailability or any delays in disbursement of the Loan Amount;
  - 10.3.2. Your failure use or to give proper or complete instructions using the USSD System;
  - 10.3.3. Any fraudulent or illegal use of the Service, the USSD System, the M-PESA System and/or Your mobile phone devices;
  - 10.3.4. Any loss that may arise as a result of any negligence on Your part including revealing Your Service PIN to a third party
  - 10.3.5. Your failure to comply with these Conditions Of Use; or
  - 10.3.6. Other circumstances whatsoever not within our control including, without limitation, force majeure, error, interruption, delay or non-availability of the M-Pesa System, the USSD System, terrorist or any enemy/competitor action, equipment failure, loss of power, adverse weather or atmospheric conditions, and failure of any public or private telecommunications system, lack of available resources, strikes or labor disputes.
- 10.4. We will not be responsible for any loss of profit or anticipated savings or for any indirect or consequential loss or damage of whatever kind, howsoever caused, arising out of or in connection with the Service even where the possibility of such loss or damage is notified to us.
- 10.5. We exclude any warranty and obligations that are implied by law and not set out in this Agreement to the extent that we are permitted by law.
- 10.6. In the event of any liability arising under these Conditions Of Use as a result of which we and or third part engaged to provide the service are found legally responsible You agree that our maximum aggregate liability to You or to any other person shall be limited to the Loan Amount outstanding at the time such liability arose.
- 10.7. We shall not become liable to you for any indirect or consequential loss or damage of whatever kind, howsoever caused, arising out of or in connection with your application for or your use of the Service
- 10.8. Consignor or Bank or M-Pesa Limited shall not become liable to you for any indirect or consequential loss or damage of whatever kind, howsoever caused, arising out of or in connection with your application for or your use of the Services

## **11. INTELLECTUAL PROPERTY RIGHTS**

- 11.1. You agree that the intellectual property rights in the USSD System, the M-PESA System, the Service (and any amendments, upgrades or enhancements made) and all associated documentation that
  - 11.1.1. we provide to You through the USSD System or the Service or otherwise are vested either in us or in other persons from whom we have a right to use and to sub-license the USSD System and/or the Service or the M-Pesa System and the said documentation.
- 11.2. You acknowledge those rights and You agree not to infringe such intellectual property rights. You will not duplicate, reproduce or in any way tamper with the M-PESA System, the USSD System or the Service and associated documentation without our prior written consent.

## **12. IRREVOCABLE AUTHORITY OF THE LENDER**

- 12.1. You hereby irrevocably authorize the Lender to act on all Requests received by the Lender from you (or purportedly from you) through the System and to hold you liable in respect thereof, notwithstanding that any such requests are not authorized by you or are not in accordance with any existing mandates given by you.
- 12.2. If you request the Lender to cancel any transaction or instruction after a Request has been received by the Lender from you, the Lender may at its absolute discretion cancel such transaction or instruction.
- 12.3. The Lender shall be entitled to accept and to act upon any Request, even if that Request is otherwise for any reason incomplete or ambiguous if, in its absolute discretion, the Lender believes that it can correct the incomplete or ambiguous information in the Request without any reference to you being necessary.
- 12.4. In the event of any conflict between any terms of any Request received by the Lender from you and these Terms and Conditions, these Terms and Conditions shall prevail.

## **13. CONSIGNEES EQUIPMENT AND RESPONSIBILITIES**

- 13.1. You shall at your own expense provide and maintain in safe and efficient operating order your Equipment necessary for the purpose of accessing the System and the Services.
- 13.2. You shall be responsible for ensuring the proper performance of your Equipment. Neither M-Pesa Limited nor The Lender shall be responsible for any errors or failures caused by any malfunction of your Equipment, and shall not be responsible for any computer virus or related problems that may be associated with the use of the System, the Services and the Equipment. For avoidance of doubt, the System mentioned hereinbefore shall comprise System pertaining to Your personal equipment.
- 13.3. You shall follow all instructions, procedures and terms contained in these Terms and Conditions concerning the use of the System and Services
- 13.4. You shall take all reasonable precautions to detect any unauthorized use of the System and the Services. To that end, you shall ensure that all communications from M-Pesa Limited and or the Lender are examined and checked by you or on your behalf by your own designated persons as soon as practicable after receipt by you in such a way that any unauthorized use of and access to the System will be detected.
  - 13.4.1. You shall immediately inform M-Pesa Limited through the Customer Care Centre in the event that:



- 13.4.2. You have reason to believe that your PIN is or may be known to any person not authorized to know the same and/or has been compromised; and/or
- 13.4.3. You have reason to believe that unauthorized use of the Services has or may have occurred or could occur and a transaction may have been fraudulently input or compromised.
- 13.5. You shall at all times follow the security procedures notified to you by M-Pesa Limited from time to time or such other procedures as may be applicable to the Services from time to time. You acknowledge that any failure on your part to follow the recommended security procedures may result in a breach of your confidentiality. In particular, you shall ensure that the Services are not used or Requests are not issued or the relevant functions are not performed by anyone other than a person authorized to do so.
- 13.6. You shall not at any time operate or use the Services in any manner that may be prejudicial to M-Pesa Limited or the Lender

#### **14. SUSPENSION AND TERMINATION**

- 14.1. We may at any time, with notice to You, suspend, terminate or vary our business relationship with You. The exercise of the foregoing right is subject to any other Applicable Laws.
- 14.2. You shall immediately inform M-Pesa Limited if Your Lipa Number associated with use of the Services has been changed.
- 14.3. We may cancel credits or Loans which we have granted and require the repayment of outstanding debts or Loans immediately or otherwise upon SMS notice or other means necessary.
- 14.4. We have a right to suspend the Services:
  - 14.4.1. If You use the Service for any unauthorized purposes;
  - 14.4.2. If we detect any abuse/misuse, breach of content, fraud or attempted fraud relating to Your use of the Service;
  - 14.4.3. If we are required or requested to do so in order to comply with an order or instruction of or a recommendation from the government, court, regulator or other competent authority;
  - 14.4.4. If we reasonably suspect or believe that You are in breach of these Conditions Of Use;
  - 14.4.5. If You fail to repay the Loan Amount accrued for more than the calendar days applied for.
  - 14.4.6. If required to do so to address technical problems or for reasons of ensuring safety;
  - 14.4.7. To facilitate update or upgrade the contents or functionality of the Service from time to time;
  - 14.4.8. Where You remain inactive for any period of time that we may determine but in no event less than two to three (2-3) months; or
  - 14.4.9. If we decide to suspend or cease the provision of the Service for commercial reasons or for any other reason as we may reasonably determine.
- 14.5. You may opt out of the Service by deregistering an Account using the option made available for that purpose under the System Menu USSD Designated Code.
- 14.6. Termination shall however not affect any rights and responsibilities of either party that arose prior to termination, including repayment of any outstanding Loan Amount.

#### **15. NOTICES**

- 15.1. We may send information concerning the Merchant Stock Financing Loan Service via SMS to the Vodacom Mobile Phone number associated with your M-PESA Account.
- 15.2. You acknowledge that you have no claim against the bank for damages resulting from losses, delays, misunderstandings, mutilations, duplications or any other irregularities due to transmission of any communication pertaining to the Merchant Stock Financing Loan Service.
- 15.3. We are entitled to send information, telemarketing to you via SMS to the contact Mobile Phone number connected to the service or associated with M-Pesa Account. These SMS's may be for information purpose.
- 15.4. We may as well send other necessary information via Radio, TV, Newspaper, Email Radio, TV, Newspaper, SMS, Website, or Email
- 15.5. By accepting these Conditions Of Use, you agree that we reserve the exclusive right to send you promotional text messages, text messages or Email from time to time relating to the M-Pesa Services

#### **16. GENERAL**

- 16.1. If any clause or part of these Conditions Of Use is found to be in conflict with any applicable law such clause will be severed and subject to amendment, modification or deletion by us without affecting the validity or enforceability of the remaining Conditions Of Use.
- 16.2. These Conditions Of Use constitute together with the schedules constitute the entire agreement between us with respect to the Service.
- 16.3. We reserve the right to amend or review these Conditions Of Use from time to time as we introduce new functionalities to the Service or as may be required by law or as per normal business review. Such amendments or variations will be notified to You on the Website <https://www.vodacom.co.tz/> prior to implementation and by Your continuing to operate the Service You shall be considered to have accepted those variations and amendments.
- 16.4. You may not assign any right or obligation that may arise under these Conditions Of Use without our consent.
- 16.5. You will be required to pay any levy, tax and the like as directed by Authority
- 16.6. You agree that our rights will not be lessened or restricted or denied because of any leniency/tolerance or restraint/restriction extended by us to You by any delay in exercising or failure to exercise any of our rights unless provided to You in writing and signed by our duly authorized representative. No waiver by us of any breach of these Conditions Of Use by Yourself shall operate as a waiver/abandonment of any subsequent/subsequence breach.

#### **17. CUSTOMER CARE & DISPUTE RESOLUTIONS**

- 17.1. You may contact us through our customer care center lines 100 or other customer care contacts provided channels on our social media or Website (i.e. TOBi Online or Submit enquires) to report any disputes, claims or discrepancies in the Service.
- 17.2. Our customer care representatives will handle the reported case(s) in accordance with our standard complaint handling procedures.

- 17.3. Calls to call center may be recorded for quality assurance or for any business practices including but not limited to quality control, training and ensuring effective systems operations
- 17.4. To help us serve you better, kindly bring all relevant details relating to your complaint (e. g date & time of the incident, product, details of any person you have spoken to in relation to your complaint etc.). The Complaints process is free of charge.
- 17.4.1. **Mobile Money Complaint** - If your mobile money related complaint has not been resolved to your satisfaction within 21 days of raising it with Vodacom, you have the right to raise your complaint with The Bank of Tanzania in this manner:
- 17.4.1.1. Step 1: Go to BoT Website: <https://www.bot.go.tz> to get the BOT Complaint Form
- 17.4.1.2. Step 2: Send the Complaint Form to BoT by any of the following methods:
- 17.4.1.2.1. By Hand: The Financial Consumer Unit Bank of Tanzania Head Office, 2 Mirambo Street, Dar Es Salaam, ground floor, Middle building.
- 17.4.1.2.2. By Post: The Financial Consumer Unit Bank of Tanzania P. O. Box 11884 Dar Es Salaam,
- 17.4.1.2.3. By Fax/ By facsimile: +255 22 2234067
- 17.4.1.2.4. By phone: +255 22 2233265/ +255 22 2233246
- 17.4.1.2.5. By Email To the attention of the Head of the Financial Consumer Protection Unit i.e. [complaints@bot.go.tz](mailto:complaints@bot.go.tz)
- 17.4.1.2.6. By Website (Online) <https://www.bot.go.tz>
- 17.4.2. **Mobile Money Complaint**-If your mobile money related complaint has not been resolved to your satisfaction with the determination or Revision of determination by the Bank of Tanzania, the complainant may apply for a judicial review to the Court.
- 17.4.3. **GSM Complaints**: - If your complaint has not been resolved to your satisfaction within 30 days of raising it with Vodacom, you have the right to raise your complaint with Tanzania Communication Regulatory Authority in this manner:
- 17.4.3.1. Step 1 Go to TCRA Website: [www.tcra.go.tz](http://www.tcra.go.tz) to get the TCRA Complaint Form
- 17.4.3.2. Step 2: Send to the TCRA Complaint Form to TCRA by any of the following methods:
- 17.4.3.2.1. By Hand: The Consumer Affairs Department Tanzania Communication Regulatory Authority Mawasiliano Towers, Plot No 2005/1, block C, Sam Nujoma Road, Dar es Salaam
- 17.4.3.2.2. By Post: The Consumer Affairs Department Tanzania Communication Regulatory Authority (TCRA) Towers, P. O. Box 474, Dar es Salaam
- 17.4.3.2.3. TCRA-By Fax: +255 22 2412009/10
- 17.4.3.2.4. TCRA- By Email: [complaints@tcra.go.tz](mailto:complaints@tcra.go.tz)
- 17.4.3.2.5. TCRA- By Website (Online): [www.tcra.go.tz](http://www.tcra.go.tz)
- 17.4.4. **GSM Complaints**: - If your complaint has not been resolved to your satisfaction by TCRA, you have the right to raise your complaint with Fair Competition Tribunal within 21 days after full determination by TCRA in this manner:
- 17.4.4.1. Step 1: Go to FCC Website: [www.competition.or.tz](http://www.competition.or.tz) to get the FCC Complaint Form
- 17.4.4.2. Step 2: Send to the FCC Complaint Form to FCC by any of the following methods:
- 17.4.4.2.1. By Hand: The Fair Competition Commission, GEPF house 2nd Floor, Plot No 37, Regent Estate Bagamoyo Road, Dar Es Salaam.
- 17.4.4.2.2. By Post: The Fair Competition Commission (FCC) GEPF House, P. O. Box 7883, DSM, Tanzania
- 17.4.4.2.3. By Fax: +255 22 2926126
- 17.4.4.2.4. By Email: [info@competition.or.tz](mailto:info@competition.or.tz)
- 17.4.4.2.5. By Website (Online): [www.competition.or.tz](http://www.competition.or.tz)
- 17.5. Any dispute that shall not be resolved under clause 17.1, 17.2 and or 17.3 above will be referred to the Senior Management of the bank. The bank shall deal with all disputes in a manner stipulated under the bank (Financial Consumer Protection) Regulations, 2019 and guideline for banking consumers' complaints, 2015 as amended from time to time.

**18. End**