

Saudi Arabian Riyal Interbank Express “SARIE”



Direct Debit Scheme Information

Customer Quick Reference Guide

What is a Direct Debit?

A direct debit is a quick, easy and convenient method of making regular payments (e.g. bills, installments, subscriptions ..etc) without having to visit a bank. Direct Debits are used throughout the world and are acknowledged as one of the most cost effective and efficient methods of processing regular and periodic payments.

What is a Direct Debit Mandate?

A Direct Debit Mandate is an instruction from a customer to his bank authorizing a specific organization, known as the Originator, to collect varying amounts from his account in settlement of outstanding bills for goods or services provided. Once the Direct Debit Mandate has been signed, and returned to the Originator, the bank will look after all further payments.

What Companies Use the Direct Debit Scheme?

Direct Debits are used for bill collection throughout the world, by insurance companies, utilities, finance companies, service suppliers, automobile companies, and other organisations, which receive regular and periodic payments. It is generally acknowledged by Originators to be the most cost effective and efficient method of bill collection.

Who is involved?

The participants in the Direct Debiting Scheme are:

- a The **Originator**, i.e. The Company that provides the goods or service
- b The **Sponsoring Bank**, where the Originator maintains its account.
- c The **Payer**, i.e. the Bank customer who wishes to pay the bills and whose account is to be debited;
- d The **Paying Bank**, i.e. the Bank holding the Payer's account, which is to be debited.

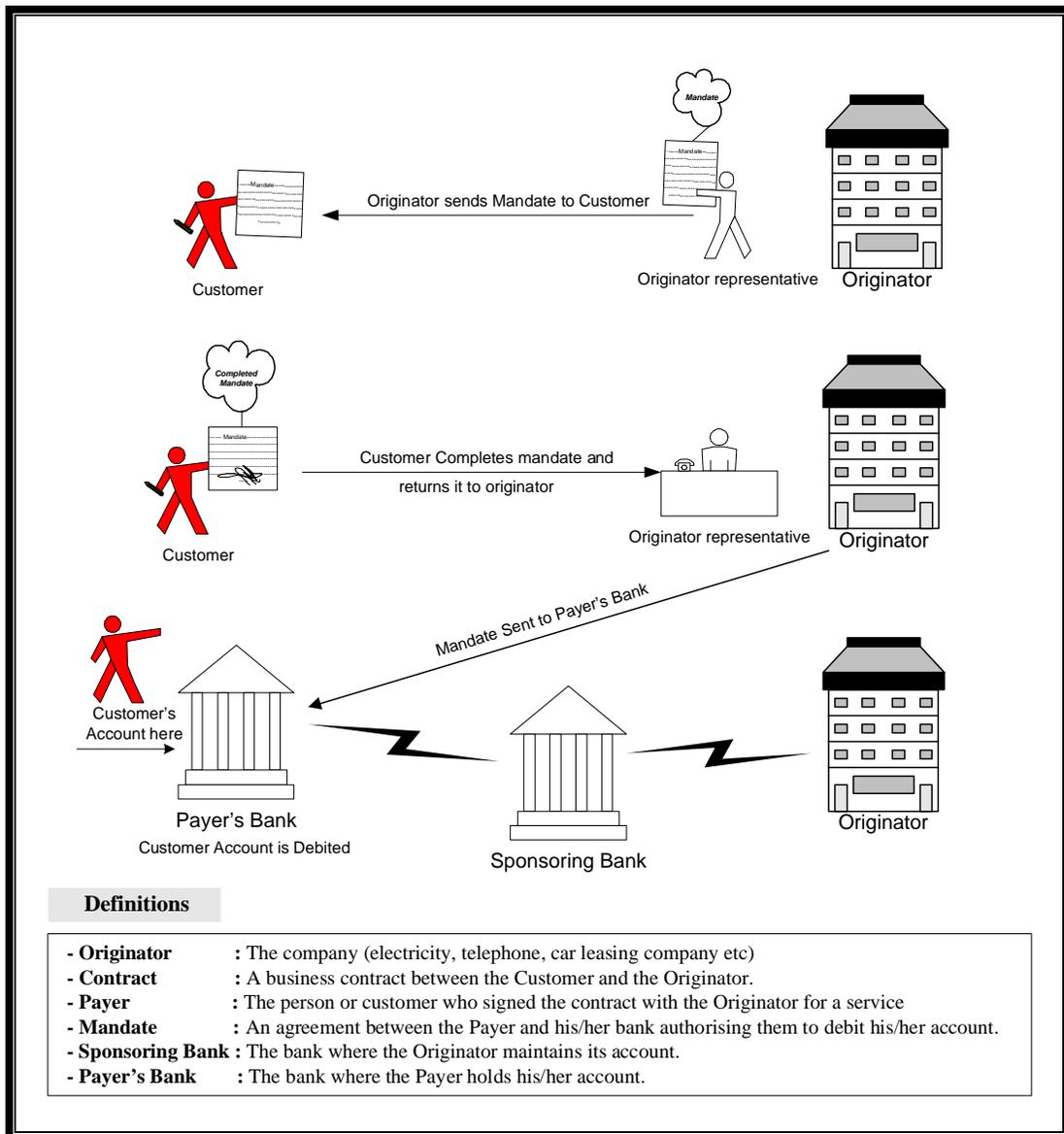
How the Direct Debit Scheme Works

The following table outlines the steps involved in setting up a direct debit.

Step	Action
1	The Originator invites the Payer to pay his bills by using the automated Direct Debit Scheme
2	The Payer agrees to use the scheme, completes a Direct Debit mandate form and returns it to the Originator.
3	The Originator sends the completed original Direct Debit mandate to the Paying Bank.
4	The Paying Bank then records the fact that the Payer has given permission to the Originator to debit his account subject to the terms of the mandate he has signed.
5	The Originator starts presenting Direct Debits to the customer's account on or after the date agreed
6	The Paying Bank debits the Payer's account (the account nominated in the mandate), and the Originator's account is credited.
7	Direct Debits can be presented for payment for as long as the mandate remains valid.

See diagram next page

How Direct Debits Work



Benefits for Payers

- A simple, safe and convenient method of payment, which enables the Payer to have his bills settled as and when they fall due.
- No longer any need to queue in a bank in order to pay bills
- No further need to write out and mail checks;
- No worries about overlooking payment dates if you are on holiday or working abroad. With many companies late payments incur financial penalties and/or termination of service;

Is it Safe?

Yes, the scheme is completely safe and is sponsored and governed by the Saudi Arabian Monetary Agency (SAMA). Customers need not be concerned about signing a mandate allowing bills to be paid directly from their accounts, as the scheme rules guarantee a refund if any incorrect amounts are deducted. In fact, it is safer paying by direct debit than by cash or cheque because of the scheme guarantee.

Originators are bound by the Direct Debit scheme rules, and consequently may only submit debits to your account strictly in accordance with the terms of your contract with them.

What will it cost me as a Payer?

It will cost you nothing; the service is completely free to Payers.

Seeking Refunds

Payers can at any time question the validity of a direct debit applied to their accounts. If a customer wishes to make a claim, he should contact his bank and provide them with the relevant details. He should also complete the DD claim form, which will be available at the bank. If it is proven that an error has been made by the Originator or the bank, the Payer will receive a full and immediate refund under the terms of the Direct Debit scheme rules.

What do I need to do if I want to pay my bills by Direct Debit?

As long as the company you wish to deal with is a participant (Originator) in the Direct Debit scheme, all you need to do is approach the company (media services, loan / car repayments, insurance, credit cards etc) and sign a direct debit mandate form. This authorises that company to debit your account with the relevant amount when it falls due. You then return the completed and signed mandate to the company, and your bank will look after the rest.

What else do I need to do?

It is very important to remember that as with any payment method, you must retain sufficient funds in your account to service your payments as they fall due. Failure to do so will result in Direct Debits being returned unpaid which will then result in your bills not being paid.

More Information

You can find more information on Direct Debit at

- 1) Your local bank, or
- 2) At the SAMA website – www.sama.gov.sa

Direct Debit Mandate

This page contains the standard format of the Direct Debit Mandate. This is the only mandate format that can be used in the Direct Debit Scheme.

 DIRECT DEBIT MANDATE									
<p style="text-align: center;">COMPANY AND MANDATE DETAILS</p> <p><i>Company Name</i></p> <p style="padding-left: 40px;"><i>Address</i></p> <p><i>Originator ID</i></p> <p><i>Mandate Reference Number</i></p> <p><i>Please complete points 1 to 4 to authorise your Bank to make payments directly from your account. Then sign and return this form to the above Company:</i></p>	<p style="text-align: center;">YOUR INSTRUCTIONS TO THE BANK</p> <p><i>4. I authorise you to pay Direct Debits from my account at the request of (Company name)</i></p> <p><i>subject to the safeguards provided by the Direct Debit scheme rules.</i></p> <p><i>Amounts are not to exceed SAR</i></p> <p><i>Effective from :</i> / /</p> <p><i>Until (optional) :</i> / /</p>								
<p style="text-align: center;">YOUR BANK DETAILS</p> <p><i>1. The Manager</i></p> <p style="padding-left: 40px;"><i>Bank Name</i></p> <p style="padding-left: 40px;"><i>Bank Address</i></p> <p><i>2. Account Holder</i></p> <p style="padding-left: 40px;"><i>Name</i></p> <p><i>3. Account Number</i></p>	<p style="text-align: center;">YOUR SIGNATURE</p> <p><i>5. I shall inform the bank and the company in writing if I wish to cancel this mandate.</i></p> <p><i>I will retain sufficient funds in my account to service this Direct Debit.</i></p> <p><i>Signature (s):</i></p> <p><i>Date :</i></p>								
<p>Bank Use Only</p>									
<p>Mandate Status : <input type="checkbox"/> Accepted <input type="checkbox"/> Rejected Reason for Rejection</p>									
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<p>FOR FURTHER DETAILS PLEASE REFER TO THE DIRECT DEBIT SCHEME RULES AT YOUR BANK OR VISIT THE SAMA WEBSITE AT www.sama.gov.sa</p>									