

# Collection of payments via the Internet with payment cards

## Definitions

**General agreement** – General payment service agreement, conditions of which are applied to the Merchant.

**Deposit** – funds reserved on the Merchant's Paysera account, which secure payers' requirements to the Merchant arising from disputes.

**E-shop** – a website of the Merchant provided in the Questionnaire, where the Merchant offers their goods and services.

**Refund** – a claim against the Client to refund money when disputing the Transaction according to ICCO regulations.

**Questionnaire** – a questionnaire where the Merchant provides detailed information about him/herself, their E-shop, goods and services and types of accepted Cards. The Questionnaire is an integral part of the present Supplement.

**Card** – Visa, Visa Electron, MasterCard or Maestro payment card used to carry out Transactions.

**Cardholder** – a legal or natural person who pays with the Card for goods and/or services of the Merchant on the E-shop.

**Merchant** – a Client of Paysera System, a legal person registered in the center of registers of a member country of the European Union, who has entered into the General agreement with Paysera and while selling goods and services uses one or more services of payment collection for Merchants indicated in the System and provided by Paysera, and aims to use the service of Collection of payments via the Internet with payment cards resold by Paysera.

(\*Explanation: When provisions of the General Payment Service Agreement are applied for all Clients – both Merchants and other Clients – the term “Client” is used; whereas when provisions of the General payment agreement are applied only for Merchants, the term “Merchant” is used).

**PCI DSS** – payment card industry data security standards.

**Buyer** – the payer and/or the final recipient of services provided and goods sold by the Merchant using the System for collection of payments.

**Project** – a detailed description of the goods and/or services provided by the Merchant for the purpose of payment collection from Buyers for goods or services provided by the Merchant by methods indicated in the System.

**Partner-Bank** – a bank which provides the service of acceptance and administration of Cards and cooperates with Paysera when providing the Merchant with the possibility to accept payments of the Buyers by Cards, i.e. AS Latvijas pasta banka, reg. No. LV50103189561, address Brīvības 54, Ryga, Latvija, LV-1011, [www.lpb.lv](http://www.lpb.lv), [info@lpb.lv](mailto:info@lpb.lv).

**Recurring payment service** – service that enable Merchant to provide the Buyer with the ability to sign up for automatic billing and with the ability to charge the Buyer automatically and (or) regularly using Buyer's payment card.

**Rules on cancellation of purchases** – rules, publicly submitted and confirmed by the Merchant, regulating cancellation of purchases of goods and/or services made in the E-shop of the Merchant.

**Interface** – interface (software) between Paysera and the Merchant, securing reception of Transaction authorization messages and administration of Cards in real time.

**Transaction** – a financial action performed to carry out the purchase of goods or services on the E-shop using the Card.

**Transaction data** – information on the Transaction and information about the Card used for the Transaction and identification of the Cardholders.

**ICCO** – International VISA and/or MasterCard credit card organizations.

## General provisions

1. The service of collection of payments via the Internet provides the Merchant with the possibility to collect payments from Buyers using Cards indicated in the System.
2. When using this service, all conditions of the General agreement, Supplement “Collection of Payments from Buyers via the Internet”, additional conditions laid down in this Supplement and ICCO rules are applied to the Merchant. The Merchant confirms that s/he has learned the present conditions and commits to comply with them. In case of discrepancies between the Agreement, its Supplements and ICCO rules, ICCO rules shall apply. Terms in the present Supplement are used in the meaning indicated in the General agreement.
3. In order to use this service, the Merchant shall submit Paysera their Project, data on the headquarters of their activity, name(-s) used in the activity and other documents required by Paysera in the System. The service is provided only after the Merchant submits all documents and information requested by Paysera.
4. Paysera has the right to refuse to confirm the Project and provide the service to the Merchant without explanation.
5. The service is provided after Paysera confirms the Project of the Merchant and receives all mandatory documents of the Merchant, and the Merchant performs integration in accordance with the integration instructions provided by Paysera.
6. This Supplement sets forth and specifies conditions of payment collection via the Internet and liabilities of the Parties when the Payer pays the Merchant via the Internet by Cards.
7. This Supplement is drawn up in accordance with the legislation of the European Union regulating provision of payment services and payments with payment cards, rules of VISA and MasterCard organizations and rules for using cards set by Partner-Banks of Paysera.
8. This Supplement is an integral part of the General agreement and thus shall be read and explained together, in accordance with the general context of the contractual documents.
9. The Supplement can be applied only for legal persons who are registered in the center of registers of a member country of the European Union and have entered into the General agreement with Paysera.

## Rights and liabilities of the Merchant

10. The Merchant commits to:
  - 10.1. accept from the Cardholder Cards which have been indicated in the Merchant's Questionnaire as payment instruments for goods and services provided in the E-shop of the Merchant;
  - 10.2. pay for the service commission fees which are indicated here;
  - 10.3. if the Cardholder refuses the purchased goods and/or services or if the Merchant does not deliver the goods and/or services properly, The Merchant, after receiving respective information, commits to return to the Cardholder the amount of the transaction partially or fully according to the Rules on cancellation of purchases confirmed by the Merchant and publicly available to Buyers;
  - 10.4. after receiving the message on Refund from Paysera, the Merchant commits to inform Paysera about their decision in 3 calendar days: either to perform the Refund or to dispute it providing Paysera with documents confirming the Transaction. If the Merchant does not agree with the complaint of the Buyer and the requirement for refund and disputes it, s/he has to cover all expenses arising out of the dispute, including the commission fee of the handling of the complaint and the appeal, and also potential arbitration costs;

10.5. use only the Interface provided by Paysera for accepting Cards in the E-shop;

10.6. make sure that employees or representatives of the Merchant are responsible for execution of this Supplement, ICCO rules and their amendments;

10.7. cooperate with and provide Paysera necessary help in the event of a dispute over Transactions of Card holders in the E-shop;

10.8. inform Paysera about any frauds or unauthorised actions related to Cards and execution of liabilities set forth in this Supplement;

10.9. accept all valid and appropriately identified Cards as instrument for cashless payments for goods and/or services, indicating the price of the goods and/or services during the Transaction;

10.10. ensure compliance of their E-shop with ICCO requirements;

10.11. send copies of documents confirming the Transaction requested by Paysera not later than within 3 calendar days from the request (by fax, email, registered mail, or in other way when the fact of delivery can be confirmed). If the Merchant cannot send the requested documents within the time limit indicated above, s/he has to inform thereof in written and indicate the date of information delivery and the reason for not sending the information on time or not sending it at all. If the representative of Paysera arrives at premises of the Merchant, s/he has the right to receive a copy of information confirming the Transaction;

10.12. comply with the Paysera General agreement and its Supplements, instructions of the Partner-Bank (if such are provided during the period of execution of contractual liabilities) and rules of the International credit card organizations. The liability is also valid for the rules, orders and requirements of acceptance of Cards adopted after signing this Supplement;

10.13. fill in and submit the Questionnaire provided by Paysera (the original);

10.14. under the request of Paysera to prevent violation of the rules of this Supplement and ICCO, the Merchant commits to prevent such violation in 3 days after receiving the notification;

10.15. the Merchant can use the service of Collection of payments only in the E-shops of the Merchant and only by the website addresses (URL) which have been provided in the Questionnaire submitted by the Merchant and in the Project, and confirmed by Paysera. If there any amendments in information indicated in the confirmed Project, the Merchant shall inform Paysera thereof immediately, and the amendments of the Project are confirmed according to the same procedure as the Project itself;

10.16. upon reception of a demand from Paysera, immediately perform changes on their websites, and perform other necessary and appropriate actions to ensure compliance of the Merchant with ICCO rules on the use of trade marks;

10.17. submit all documents and information requested by Paysera (if the Merchant does not execute the requirements, Paysera has the right to suspend provision of services).

11. The Merchant has no right to:

11.1. charge an additional fee for the payment to be carried out by Card (except for cases, when it is set out in the legislation and aligned with Paysera and the Partner-Bank according to the rules of ICCO). If the additional fee is set out in the legislation, it has to be included into the amount of the Transaction and cannot be collected separately;

11.2. set a minimum Transaction amount;

11.3. accept the Card as payment with the aim to cover or refinance any other liability than indicated in this Supplement or in the Questionnaire;

11.4. issue cash for the Transaction or after canceling it;

11.5. issue a bill of exchange, check or any other payment document for further payments;

11.6. split the Transaction into separate pieces;

11.7. store and reveal data of the Cardholder, Card number, Card validity date, CVC/CVV and any other information related to the acceptance of the Card or the Cardholder to third parties. This liability of the Merchant is termless;

11.8. accept the Card as a payment instrument for commercial activity performed by a third party;

- 11.9. issue electronic money as the result of the Transaction;
  - 11.10. use Card data for other purposes than Transaction processing before, after and during the Transaction;
  - 11.11. submit for execution the Transaction which is fraudulent or unauthorised by the Cardholder, when the Merchant knows about it or is supposed to know; also, the Transaction which is carried out with a fraudulent purpose upon the agreement with the Merchant. The Merchant is liable for actions of his/her employees, agents, mediators, and representatives when executing conditions of this Supplement;
  - 11.12. reveal any information which has become known when carrying out liabilities set forth in this Supplement to third persons.
12. The Merchant confirms and agrees that:
- 12.1. ICCO are the only and exclusive owners of card trademarks;
  - 12.2. ICCO can at any time, immediately, without a prior warning and for any reason forbid the Merchant to use card trademarks and/or demand to terminate the present Supplement with the Merchant (the Partner-bank also has the present right);
  - 12.3. ICCO can at any time enforce implementation of ICCO rules and forbid the Merchant to perform any activity which causes or can cause damage to ICCO, including damage to business reputation and damage which can have a negative impact on the integrity of the Interchange System and pose a threat to confidential information of ICCO;
  - 12.4. the Merchant will comply with all ICCO rules taking into account relevant amendments and supplementation of the rules;
  - 12.5. the Merchant will not dispute the ownership of card trademarks;
  - 12.6. the Merchant will refrain from any action which can interfere or prevent ICCO from implementing their rights.
13. In exceptional cases, under a requirement of the Partner-Bank or ICCO to continue provision of services, the Merchant may be required to sign an agreement with the Partner-Bank and/or fill in additional questionnaires and/or other documents provided by the Partner-Bank.

## Right and liabilities of Paysera

14. Via the Interface, Paysera transfers information about the Transaction provided by the Merchant to the Partner-Bank, and the answer of the Partner-Bank regarding the Transaction to the Merchant.
15. Paysera has the right to require information about Refunds and other information about the Merchant requested by the Partner-Bank or ICCO.
16. Paysera informs the Merchant that both Paysera and the Partner-Bank have the right to:
  - 16.1. detain the funds of the Transaction for up to 5 business days, if, according to the requirements or recommendations of ICCO, the Transaction has to be verified;
  - 16.2. detain the funds of the Transaction for up to 180 days, if, according to the rules of ICCO, a request for the Refund has been submitted or a real threat arises that such request will be submitted;
  - 16.3. detain the funds of the Transaction and authorization of other Transactions, if there is a suspicion about money laundering or other suspicious transactions.
17. Paysera has the right to:
  - 17.1. deduct the amounts of Transactions from the Merchant's Paysera account under requests for Refund according to the rules of ICCO;
  - 17.2. detain the amount of funds, matching any financial request submitted to the Merchant by Paysera or the Partner-Bank;
  - 17.3. check whether operations performed by the Merchant meet the conditions of this Supplement;

17.4. Paysera has the right to require and the Merchant shall provide Paysera with their internal procedures related to the connection of the Interface and administration and cancellation of payments not later than within 7 calendar days from reception of the requirement;

17.5. detain on the Merchant's Paysera account any expenditure amounts, including fines of the Partner-Bank or ICCO, legal expenses and Transaction amounts under dispute incurred by Paysera due to the Merchant's activity and Transactions in the E-shop.

18. Paysera commits to ensure that Paysera will comply with all PCI DSS requirements applied for Paysera to the extent, to which it is related to storage, processing and transfer of payment card data, and to safety and storage environment of payment card data.

## Payment

19. Paysera commits to credit amounts of Transactions carried out by Buyers, excluding commission fees, to the Paysera Account indicated by the Merchant. Applied commission fees are indicated here.

20. Paysera has the right to detain a Deposit on the Merchant's Paysera account for up to 180 days (if no requirements for Refunds are submitted). The standard size of the Deposit as payment reservation and its detention time limits are given here. Paysera can set other sizes of the Deposit and its detention limits individually for each Merchant.

21. Paysera has the right to deduct the following amounts required by Paysera from the Merchant's Paysera Account:

21.1. amount of the Transaction, if Paysera has received from the Partner-Bank information about the Refund carried out according to the rules of ICCO;

21.2. fines of the Partner-Bank and/or ICCO for the Merchant for not submitting the information confirming the Transaction on time;

21.3. expenses incurred by Paysera due to the error of the Merchant made when accepting Cards or carrying out the Transaction or due to sending false, incorrect data;

21.4. incurred expenses or imposed fines, if the Merchant violates the rules of ICCO, including but not limited to, cases related to the Refunds, amounts of fraudulent Transactions and Transaction processing. Incurred expenses include both the expenses of Paysera and the expenses of the Partner-Bank, if ICCO imposes a fine related to the Transaction(s) of the Merchant;

21.5. expenses incurred by or fines imposed on Paysera, if the Merchant reveals data of the Card to a third party or uses information received on the bases of this Supplement in other illegal or dishonest way;

21.6. expenses incurred by or fines imposed on Paysera, if the Merchant has not saved data of the Transaction (except for sensitive data prohibited to save according to the requirements of PCI DSS);

21.7. if the Merchant violates the General agreement and/or this Supplement and Paysera has incurred expenses due to that.

22. If the Merchant violates the rules of ICCO and as the result ICCO imposes a fine on the Partner-Bank or Paysera, Paysera has the right to deduct from the Merchant's Paysera Account in the System amounts to cover all fines and all other expenses incurred due to the Merchant's violation fully or partially, and also cover all the expenses of Paysera and the Partner-Bank to prevent violations.

23. If there is insufficient amount of funds on the Merchant's Paysera Account to cover fines, expenses or other financial liabilities under this Supplement, the Merchant commits to pay Paysera the required amounts in 5 business days from reception of the notification from Paysera, by transferring the indicated amount to the account indicated by Paysera.

24. The Merchant provides Paysera an irrevocable power of attorney to deduct from the Merchant amounts related to handling of the Merchant's complaints and disputing Refunds or fines, without additional confirmation or power of attorney.

25. By signing this Supplement the Merchant confirms that their activity is legal and will remain legal during the validity period of the Supplement, and also complies and will comply with the legal acts valid in the location of the Merchant and rules of ICCO.

# Classification of violations according to ICCO and liability of the Parties

26. Under A-class violations, Merchant's activity in illegal medicine sales, child pornography, bestiality, sales of tobacco products, gambling, promotion of coercion, hatred and violence and processing and aggregation of payments of third parties is understood. If the Merchant violates requirements of the ICCO or commits any other A-class violation according to the rules of ICCO, Paysera has the right to perform the following actions in respect of the Merchant without a prior warning:

26.1. deduct a fine of 1000 euro from any of the Merchant's Account for every day from the day of signing this Supplement;

26.2. deduct all fines imposed by ICCO for violations of the rules of the organization from any of the Merchant's Account;

26.3. detain funds till the indicated violation is corrected and indicated fines are paid;

26.4. terminate provision of the service under this Supplement immediately and, in exceptional cases, under other Supplements and the General Agreement as well.

27. B-class violations are violations which are not mentioned under A or C-class violations, such as BRAM, i.e. violation of Business Risk Assessment and Mitigation programs (products or services are illegal and their sale violates the reputation of ICCO); excessive Refunds (number of Refunds exceeds 50 and/or 0,50% from all the transactions per month); Fraud operations; disclosure of data (the merchant has intentionally or due to negligence illegally and without an authorization disclosed, used or created conditions for disclosure and usage of users' data); significant violation of the present agreement (e.g. provision by the Merchant of false information about him/herself and/or his/her activity). If the Merchant violates ICCO or commits any B-class violation, Paysera has the right to perform the following actions in respect of the Merchant without a prior warning:

27.1. deduct a fine of 500 euro from any Merchant's Account for every day from the day of signing this Supplement;

27.2. deduct all fines imposed by ICCO for violations of the rules of the organization from any of the Merchant's Account.

28. Under C-class violations, non-compliance of information provided by the E-shop with the following requirements is understood: status of the internet website, certificate, name and address of the company, description of the sold goods or services (including sizes and photographs), logotypes of International credit card organizations, description of payment methods, including transaction currency, customer support contact information, including post address and telephone number, goods and money refund rules, user personal data security policy, safety requirements for card data transfers, copyrights; possibility for the user to agree with the goods and money refund rules, purchase conditions visible to the Cardholder during the order. If the Merchant violates the ICCO requirements or commits any C-class violation, Paysera has the right to perform the following actions in respect of the Merchant without a prior warning:

28.1. deduct a fine of 100 euro from any of the Merchant's Account for every day from the day of signing this Supplement;

28.2. deduct all fines imposed by ICCO for violations of the rules of the organization from any of the Merchant's Account.

29. Above-indicated classification and liability depends on ICCO and the Merchant commits to reimburse the fine imposed by ICCO or the Partner-Bank due to the Merchant's violation.

30. The Merchant also commits to pay a fine of 25000 euro for each material violation of provisions of this Supplement.

31. Paysera is not liable for losses of the Merchant or third parties incurred due to actions or a failure to act of communication companies, other banks or third parties.

32. Paysera is not liable for losses of the Merchant incurred due to detainment or suspension of the amount of funds of the Transaction, performed under the conditions of this Supplement or the General agreement.

## Termination of service provision

33. Paysera has the right to terminate provision of the service unilaterally according to the Supplement and suspend cooperation with the Merchant informing him/her hereof, if it determines that:

- 33.1. the Merchant provides incorrect information to Paysera;
  - 33.2. the Merchant has not informed Paysera about a change in the legal status of the Merchant or some other important information set forth in this Supplement;
  - 33.3. the Merchant does not comply with the requirements or recommendations of the ICCO or violates any provision of this Supplement;
  - 33.4. the Merchant is insolvent;
  - 33.5. Merchant's Paysera Account has been arrested;
  - 33.6. the Merchant engages in the activity that can harm the reputation of Paysera, the Partner-Bank or ICCO;
  - 33.7. the Merchant carries out Transactions which are considered fraudulent and/or illegal activity;
  - 33.8. the Merchant, violating the established procedure, uses the service of Collection of payments by payment cards on website addresses (URL) which have not been indicated in the Merchant's Project or its amendments and have not been confirmed by Paysera;
  - 33.9. if ICCO or the Partner-bank demands it;
  - 33.10. in other significant cases.
34. Warning about the termination of provision of the service does not release the Merchant from covering all losses, and also does not release other Merchants from executing liabilities to Paysera.
35. Paysera has the right to terminate provision of services according to the present Supplement without a prior warning if the Partner-Bank refuses to provide or has no right to provide the present service or use relevant card trademarks, and also if Paysera loses its right to provide relevant services.
36. The Supplement comes into effect after the Merchant expresses their consent with its conditions electronically, which is considered an electronic signature, and after the Merchant submits the completed Questionnaire.
37. By agreeing to conditions of this Supplement, the Client confirms that s/he has all the necessary powers of attorney to order this service under the name of the legal person.

## Specific provisions related to Recurring payment service

38. In order to use Recurring payment service, Merchant shall submit Paysera a relevant Project or amendment of Project. All the aforementioned conditions apply to Merchant using Recurring payment service in addition to the clauses stated in this chapter.
39. In order to use Recurring payment service, Merchant must conclude a recurring transaction agreement (hereinafter – RTA) with a Buyer, where Merchant must:
- 39.1. obtain express consent from the Buyer at the point of checkout or sale to periodically charge for recurring services and agree the length of time that permission is granted for;
  - 39.2. when obtaining that consent, the Merchant must provide the Buyer with the following information:
    - 39.2.2. the payment date and whether it is fixed or variable;
    - 39.2.3. the agreed method of communication for all future correspondence.
  - 39.3. retain an evidence of that permission in a format where it was given (such as email, other electronic record or paper or clear description of process if permission is given explicitly in the process and there is no possibility to continue process without a permission) for the duration of that recurring transaction and provide it to Paysera (or Buyer's card issuer) upon their request.
40. All recurring transactions must be authorised. Failure to get authorization of a recurring transaction or the submission to clearing of a recurring transaction that has previously been declined may result in ICCO noncompliance action.
41. Merchant should ensure that s/he do not:

41.2. include any charges or payments other than those referred to in the RTA;

41.3. submit a recurring transaction if it receives response indicating revoked authorization for further transactions;

41.4. submit incorrect or misleading authorization data in an attempt to avoid a stop instruction placed against a card;

41.5. store data of Card after authorization.

42. Merchant has to:

42.1. ensure that billing is stopped immediately upon the customer fulfilling the cancellation terms – provide them with cancellation confirmation including when the last payment is due if this has not already occurred, or if a credit is due when the credit will be processed;

42.2. ensure that the customer is notified when goods or services cannot be delivered or provided on the agreed date;

42.3. train Merchant's sales and customer service staff on the proper procedures for setting up and submitting recurring transactions, as they are particularly customer service sensitive.

43. Merchant must use the agreed method of communication and provide notification to the customer prior to a recurring transaction or immediately after processing it if any of the following apply:

43.1. more than six months have elapsed since the previous recurring transaction;

43.2. the RTA has been changed, including any change to the amount or the date of the recurring transaction.

44. Merchant must ensure the following:

44.1. provide an on-line cancellation procedure for recurring transactions;

44.2. check customer contact records for cancellation or non-renewal requests related to recurring transactions;

44.3. if a cancellation request is received too late to prevent the most recent recurring transaction from posting to the customer's account, process the credit as soon as possible and notify the customer.

44.4. Should a customer dispute a recurring transaction and/ or their card issuer raises a chargeback this may not be challenged under Visa Europe rules. The merchant must pursue the matter direct with their customer.