

PAYPAL ONLINE PAYMENT SERVICES AGREEMENT

Last updated on 16 July 2025

(Previously the PayPal Online Card Payment Services Agreement)

This PayPal Online Payment Services Agreement (“**Agreement**”) is a contract between you (“**Merchant**”, “**you**” and “**your**”) and PayPal, Inc. (“**PayPal**”, “**we**”, “**us**”, or “**our**”) and governs your use of the Online Payment Services. You must read, agree with, and accept all of the terms and conditions contained in this Agreement and the [PayPal User Agreement](#) to use any of the Online Payment Services set forth herein. By continuing to use any such Online Payment Services, you also agree to remain in compliance with all of the terms and conditions in this Agreement and the PayPal User Agreement, so please read all of the terms and conditions carefully.

This Agreement, the [PayPal User Agreement](#), and any other applicable agreement(s) you have entered into with PayPal (collectively “**PayPal Agreements**”) shall apply to your use of the Online Payment Services. If any inconsistency exists between the terms of the PayPal User Agreement and this Agreement, then, except for PayPal Checkout, the terms of this Agreement shall control in connection with your use of the Online Payment Services. The terms of the PayPal User Agreement shall control for any inconsistency for PayPal Checkout.

We may amend or otherwise revise this Agreement and any applicable policies from time to time. The revised version will be effective at the time we post it unless otherwise noted. If our changes reduce your rights or increase your responsibilities, we will provide notice of such changes in accordance with the terms of the [PayPal User Agreement](#). By continuing to use our Online Payment Services after any changes to this Agreement, you agree to abide and be bound by those changes. If you do not agree with any changes to this Agreement, you may, as applicable, terminate your use of the Online Payment Services before such changes become effective and/or close your account.

For purposes of this Agreement, “Online Payment Services” means services offered by PayPal:

- which provide merchants with the ability to accept and receive credit and debit card payments on a website or mobile application where cardholders enter their own Card Data, or by merchants manually entering Card Data given to them by a cardholder. For purposes of this Agreement, these services include Payments Advanced, Payments Pro, Payments Pro Payflow, Advanced Credit and Debit Card Payments, and Virtual Terminal (the “Card Payment Services”); and
- that allow merchants to originate Automated Clearing House (“ACH”) credit and debit entries to a bank account (the “ACH Services” or “Direct Debit”).

Part I - Product-specific terms for Card Payment Services

1.1. Interchange Plus Pricing Terms

If you choose to activate Interchange Plus Plus pricing, then the following terms will apply to you:

- a. **Interchange Pass-through Costs.** Interchange Pass-through Costs will be passed through to you in addition to all current fees as set forth on the [Fees page](#) which correspond to Interchange Plus Plus or IC++ pricing (collectively “Interchange Plus Plus” or “IC++”). Fees for card processing and third-party digital wallets will be charged monthly, all other applicable fees will continue to be charged per transaction.
- b. **Gross Settlement.** We will invoice you on the 7th of each calendar month (or a date otherwise notified by PayPal) (“Fee Invoice”) for all fees, charges, or other amounts accrued in connection with your use of PayPal’s card processing services. (“Gross Settlement”).
- c. **Currency conversion.** (a) PayPal may allow you to choose the currency in which the Fee Invoice will be billed (“Fee Invoice Currency”). If you have accepted transactions in currencies other than the Fee Invoice Currency, then PayPal will convert those currencies into the Fee Invoice Currency at the time of Fee Invoice generation. (b) PayPal may allow you to pay the Fee Invoice in the denominated currency of the linked bank account you nominate for debiting amounts owed to PayPal (“Linked Bank Account Currency”). If the Fee Invoice Currency is different from the Linked Bank Account Currency, PayPal will convert the amount of the Fee Invoice into the Linked Bank Account Currency at the time of debiting. If PayPal converts currency pursuant to this provision, it will be completed at an exchange rate that we set in accordance with the [PayPal User Agreement](#) and that includes our [Currency Conversion spread](#); or, if required by law or regulation, set at the relevant government reference rate(s).
- d. **Debit Authorization.** You authorize PayPal to debit your linked bank account and setoff from such bank account amounts to PayPal. If necessary, you also authorize PayPal to credit your account to correct erroneous debits and for fees, charges, or other amounts arising from your use of PayPal’s card processing services. You agree to provide PayPal with all necessary bank account information and grant PayPal permission to debit, setoff, or credit amounts due from your bank account on the 10th of the month (or a date otherwise notified by PayPal) and again on the 20th of the month (or a date otherwise notified by PayPal) if the authorization fails (“Debit Authorization”). You certify that the bank account information you provide to PayPal belongs to you.
- e. **Revocation of Debit Authorization.** You may revoke this Debit Authorization at any time by deactivating IC++ in your PayPal account settings. However, the Debit Authorization will continue until the end of the month and PayPal will continue to debit, credit, or setoff from your account amounts due for the last month.

You understand that revocation of the Debit Authorization does not terminate, cancel, reduce, or otherwise affect the obligations you owe to PayPal, and the Debit Authorization applies only to the method of payment and does not have any bearing on amounts due to PayPal under the Agreement.

f. **In the Event of Debit Failure.** If both debit attempts fail, PayPal may:

- deduct these amounts from your PayPal account balance;
- engage in collection efforts to recover the amount due from you; or
- take any or all other actions as provided herein or in the user agreement.

g. **Questions.** If you have any questions about the fees, charges, or amounts found in your invoices, please [contact us](#).

1.2. Service-Specific Payment Terms

- a. **VT Terms.** If you use Virtual Terminal (“VT”) only, you agree to allow PayPal to charge your PayPal account for fees that become due under this Agreement. In the event that PayPal is unable to recover any fee amount that is due from your PayPal account, PayPal may terminate your use of the Services within thirty (30) days of the date that the fee was due and you will remain obligated to pay PayPal for any unpaid amounts. If you use Payments Pro and choose to have your fees under this Agreement charged to your PayPal account, the terms of this Section 2.d.i. apply.
- b. **Payments Advanced and Pro Payflow Terms.** If you use Payments Advanced or Payments Pro Payflow, you agree to allow PayPal to charge the credit card or bank account that you provided when you registered for these Services for fees that become due under this Agreement. If you use Payments Pro and choose to have your fees under this Agreement charged to your credit card or bank account, the terms of this Section 2.d.ii. apply.
- c. **Required Use of PayPal-Hosted Pages for PayPal Payments Advanced.** Payments Advanced requires the exclusive use of PayPal-hosted templates on your checkout pages to process payments. If you use Payments Advanced to process payment sales or authorizations on non-PayPal hosted pages, you may be charged the higher monthly fee for using Payments Pro Payflow instead of the Payments Advanced monthly fee, but you may not receive full access to all features of Payments Pro Payflow. PayPal may implement this fee increase in its sole discretion at any time with thirty (30) days’ prior written notice to you. You agree to terminate your use of the Online Payment Services if you do not agree to this fee.

1.3. Failure to Use PayPal Checkout

If you fail to comply with the requirement to use PayPal Checkout described in Section 1.11, you may be subject to up to a 1% fee increase to your then current Transaction Fee rate. This fee may be included in your initial rate when you first sign up for the Online Payment Services, or may be added at any time by PayPal with thirty (30) days’ prior written notice of the fee increase. You agree to terminate your use of the Online Payment Services if you do not agree to this fee.

1.4. Risk Factors Fee

If PayPal determines that your PayPal account receives, or is likely to receive, a disproportionately high number of customer complaints, Reversals, chargebacks, disputes, claims, fees, fines, penalties or other liability (collectively “Risk Factors”), you may be subject to up to a 5% fee increase above

your then current Transaction Fee rate. This fee may be added to your initial rate when you first sign up for the Online Payment Services, or may be added at any time by PayPal with thirty (30) days' prior notice of the fee increase. You agree to terminate your use of the Online Payment Services if you do not agree to this Fee.

1.5. Processing Requirements

You agree to submit only any transactions for processing which represent a bona fide, permissible transaction free of liens, claims, and encumbrances other than ordinary sales taxes; as outlined in this Agreement and in the Card Company Rules, or which accurately describes the product or services being sold or the charitable donations being made. You authorize PayPal to submit transactions to and receive settlement from American Express and to disclose transaction and merchant information to American Express to perform analytics and create reports, and for any other lawful business purposes, including commercial marketing communications purposes and important transactional or relationship communications. You also agree to ensure data quality and that any Data is processed promptly, accurately and completely, and complies with the Card Companies' technical specifications. You agree not to process transactions or receive payments on behalf of any other party or redirect payments to any other party. You agree not to bill or collect from any cardholder for any purchase or payment on the card unless you have the right to do so under the Card Company Rules.

1.6. Data Security; Data Protection; Data Portability.

- a. **Merchant PCI Compliance.** You agree that at all times you shall be compliant with the Payment Card Industry Data Security Standards (PCI DSS), the Payment Application Data Security Standards (PA DSS), and any Card Company data security requirements, as applicable. You agree to promptly provide us with documentation evidencing your compliance with PCI DSS, PA DSS, or other Card Company data security requirements, if requested by us. You also agree that you will use only PCI compliant service providers in connection with the storage, or transmission of Card Data. You must not store CVV2 Data at any time.

Your customers' Card Data is handled by PayPal if: (a) your Service is Payments Advanced, or (b) your Service is Payments Pro Payflow and you choose to activate the "transparent redirect" feature and integrate the feature properly per PayPal's instructions. In order to verify your PCI DSS compliance in connection with these Services, you must complete PCI DSS compliance certification pursuant to the requirements that we notify to you via email.

If you are accessing the Online Payment Services through a platform service partner, you acknowledge that your platform service partner may offer solutions that help you comply with certain of these Merchant PCI compliance standards. While the platform service partner may help you comply or perform certain obligations on your behalf, you remain liable for compliance with these Merchant PCI Compliance standards.

- b. **PayPal PCI Compliance.** PayPal agrees that it shall comply with the applicable PCI DSS requirements, as such may be amended from time to time, with respect to all cardholder data

received by it in connection with this Agreement. PayPal acknowledges that it is responsible for the security of cardholder data it possesses or otherwise stores, processes or transmits on behalf of the Merchant, or to the extent that they could impact the security of the Merchant's cardholder data environment.

- c. **Card Data Usage.** Unless you get the express written consent of PayPal and each Acquiring Bank and/or the Card Companies, as applicable, you agree that you will not use nor disclose the Card Data for any purpose other than to support payment for your goods and services. Card Data must be completely removed from your systems, and any other place where you store Card Data, within 24 hours after you receive an authorization decision unless you have received the express consent of your customer to retain the Card Data for the sole purpose of processing recurring payments. To the extent that Card Data resides on your systems and other storage locations, it should do so only for the express purpose of processing your transactions. All Data and other information provided to you by PayPal in relationship to the Services and all Card Data will remain the property of PayPal, its Acquiring Bank or the Card Companies, as appropriate.

If you are using Advanced Credit and Debit Card Payments and VT for payments received through a partner platform service provider, you may not be receiving Card Data, but may receive other confidential information about another PayPal customer in order to fulfill the transaction and you will continue to be bound by the terms of our [PayPal User Agreement](#).

- d. **Audit.** If PayPal believes that a security breach or compromise of Data has occurred, PayPal may require you to have a third-party auditor that is approved by PayPal conduct a security audit of your systems and facilities and issue a report to be provided to PayPal, the Acquiring Banks, and/or the Card Companies. In the event that you fail to initiate an audit within ten (10) business days of PayPal's request, PayPal may conduct or obtain such an audit at your expense. In addition, the Card Companies may conduct an audit at any time, for the purpose of determining compliance with the Card Company Rules.
- e. **Data Portability.** Upon any termination or expiration of this Agreement, PayPal agrees, upon your written request, to provide your new Acquiring Bank or payment service provider ("Data Recipient") with any available credit card information including personal data relating to your customers ("Card Information"). In order to do so, you must provide PayPal with all requested information including proof that the Data Recipient is in compliance with the Association PCI-DSS Requirements and is level 1 PCI compliant. PayPal agrees to transfer the Card Information to the Data Recipient so long as the following applies: (a) you provide PayPal with proof that the Data Recipient is in compliance with the Association PCI-DSS Requirements (Level 1 PCI compliant) by providing PayPal a certificate or report on compliance with the Association PCI-DSS Requirements from a qualified provider and any other information reasonably requested by PayPal; (b) the transfer of such Card Information is compliant with the latest version of the Association PCI-DSS Requirements; and (c) the transfer of such Card Information is allowed under the applicable Association Rules, and any applicable laws, rules or regulations (including data protection laws).

1.7. Additional Terms for American Express Card Acceptance.

- a. American Express may use the information obtained in your application at the time of setup to screen and/or monitor you in connection with American Express Card marketing and administrative purposes.
- b. You may be converted from this Agreement to a direct card acceptance agreement with American Express if you reach certain monthly sales volumes. Upon conversion, (i) you will be bound by American Express' then-current Card Acceptance Agreement; and (ii) American Express will set your pricing and other fees for American Express Card acceptance.
- c. By accepting this Agreement, you agree to receive commercial marketing communications from American Express. You may opt out by contacting PayPal at (888) 221-1161.
- d. American Express shall be a third-party beneficiary of this Agreement for purposes of American Express Card acceptance. As a third-party beneficiary, American Express shall have the right to enforce directly against you the terms of this Agreement as related to American Express Card acceptance. You acknowledge and agree that American Express shall have no responsibility or liability with regard to PayPal's obligations to you under this Agreement.
- e. The American Express Merchant Operating Guide, which is incorporated herein by this reference, sets forth policies and procedures governing your acceptance of the American Express Card and can be accessed here: www.americanexpress.com/Merchantopguide.
- f. You may terminate your acceptance of American Express at any time upon notice.

1.8. Third-Party Terms for Advanced Credit and Debit Card Payment Add-On Features

If you choose to integrate eligible third-party wallets as [Advanced Credit and Debit Card Payment](#) add-on features, you also agree to the following applicable third-party terms:

- [Apple Pay Platform Web Merchant Terms and Conditions](#)
- [Google Pay API Terms of Service](#)
- [Google APIs Terms of Service](#)

You acknowledge and agree that the third-party features and terms are provided, updated, and noticed solely by the relevant third party (not PayPal), and that PayPal will under no circumstances be responsible or liable for any damages, losses, or costs whatsoever suffered or incurred by you resulting from any use of such third-party features or acceptance of such third-party terms.

1.9. Dynamic Currency Conversion.

You may not perform dynamic currency conversion. This means that you may not list an item in one currency and then accept payment in a different currency. If you are accepting payments in more than

one currency, you must separately list the price of each product or service in each currency.

1.10. Brand Parity.

By using the Online Payment Services, PayPal permits you to directly accept Cards. With regard to your Card acceptance, you agree to the following:

- a. Where you accept Cards on your website, you will display each Card's logo with equal size and prominence, and you shall not display a preference for, nor discriminate against, one Card over another, including your refund policies for purchases.
- b. You agree to comply with the logo usage standards located at: </webapps/mpp/logo-center>.
- c. You authorize PayPal to provide information regarding your business and individual Card transactions to third-parties for the purpose of facilitating the acceptance and settlement of your Card transactions and in connection with items, including chargebacks, refunds, disputes, adjustments, and other inquiries.

1.11. Card Not Present.

You acknowledge that PayPal routes and processes transactions, as appropriate, through the Online Payment Services via the relevant Card Company network(s) as remote (card not present) payments. If you accept a Card that is physically presented to you at the point of sale you acknowledge that the scope of your protection from chargebacks will be limited to the protection that is available for remote payments.

1.12. Required Use of PayPal Checkout, PayPal Credit.

- a. If you use Advanced Credit and Debit Card Payments, Payments Advanced, Payments Pro, or Payments Pro Payflow you must use PayPal Checkout in the following manner:
 - i. You must include a PayPal Checkout button either: (1) before you request the shipping/billing address and other financial information from your customers or (2) on the same page that you collect such information if you only use one page for your checkout process.
 - ii. You must provide your customers with the option of not storing their personal information, including their email address, shipping/billing address, and financial information.
- b. If you use Advanced Credit and Debit Card Payments or Payments Advanced, you must offer PayPal Credit as a payment option on your hosted checkout page as automatically enabled by PayPal. Any offers associated with PayPal Credit that you present outside of the hosted checkout page must be displayed in the manner prescribed and instructed by PayPal and approved by PayPal prior to posting.

1.13. Fraud Protection.

- a. **General.** Subject to the terms set forth in this Agreement, PayPal's Fraud Protection services may be made available to Merchants who use Advanced Credit and Debit Card Payments and Payments

Pro as a fraudulent transaction management tool to help you screen potentially fraudulent transactions based on the settings you may adopt. In the case of Payments Pro, alternative Fraud Protection services may be made available instead of, or in addition to, the Fraud Protection services described in this Agreement.

The Fraud Protection services may help Merchant screen potentially fraudulent transactions based on the setting the Merchant selects to adopt. For example, with the Fraud Protection services, you may set filter rules, i.e., to instruct PayPal which transactions PayPal will decline on your behalf based on abstract criteria.

PayPal may provide suggestions or recommendations regarding which filters and settings to use that may be appropriate for your business. These suggestions may take into account your profile and past transaction history.

If you are provided access to the Fraud Protection services, then it is your responsibility to set the filter rules. Please note: If you set these filter rules too restrictively, you might lose sales volume. We advise you to monitor your filter rules and settings on an ongoing basis. If you use Payments Advanced or Payments Pro Payflow, you may have the option to use our Fraud Protection services. If you use our Fraud Protection services, you are responsible for setting preferences for the PayPal Fraud Protection services. It is your responsibility to determine which transactions the Fraud Protection services will accept or reject based on the authentication information provided by PayPal.

You acknowledge and agree that you have all rights and authorities to share personal data with PayPal.

- b. **No Warranty; Limitation of Liability.** We do not represent or warrant that the Fraud Protection services are error-free or that they will identify all potentially fraudulent transaction activity. PayPal shall not be liable for your losses (such as loss of profits) or damages. The sections of the [PayPal User Agreement](#) on “Indemnification and Limitation of Liability” and “Disclaimer of Warranty and Release” apply to your use of the Fraud Protection services.
- c. **Data Protection.** Merchant may only use the Fraud Protection services, including any Data provided by you or to you, for the purpose of managing its fraudulent transaction risk and for no other purpose. You acknowledge that the Fraud Protection services do not provide Consumer Reports under the Fair Credit Reporting Act, and you will not use it, or let any other person use it, for the determination of eligibility for personal, family or household credit, loan, employment, or other purpose that would make the results from Fraud Protection be deemed Consumer Reports under the Fair Credit Reporting Act. You may not share use of the Fraud Protection services with any other person, nor may you disclose to any person the categories provided in the Fraud Protection services or the results generated from your use of Fraud Protection services.
- d. **Terms Supplemental.** These terms supplement the [PayPal User Agreement](#) that governs your

use of PayPal's services in general. PayPal reserves the right to suspend, change or cancel PayPal's Fraud Protection services at any time as it may determine in its sole discretion. PayPal reserves the right to add additional terms and conditions for continued use of the Fraud Protection services.

- e. **Payment.** If you have successfully enabled Fraud Protection Advanced, PayPal will invoice you on a monthly basis for all fees in connection with Fraud Protection Advanced ("**FPA Invoice**").

PayPal may allow you to choose the currency in which the FPA Invoice will be billed ("**Fee Invoice Currency**"). If you have accepted transactions in currencies other than the FPA Invoice Currency, then PayPal will convert those currencies into the FPA Currency at the time of Fee Invoice generation. PayPal may allow you to pay the FPA Invoice in the denominated currency of the linked bank account you nominate for debiting amounts owed to PayPal ("**Linked Bank Account Currency**"). If the FPA Invoice Currency is different to the Linked Bank Account Currency, PayPal will convert the amount of the FPA Invoice into the Linked Bank Account Currency at the time of debiting. If PayPal converts currency under this clause, it will be completed at an exchange rate that we set and is based on rates within the wholesale currency markets on the conversion day or the prior business day; or, if required by law or regulation, set at the relevant government reference rate(s).

You authorize PayPal to debit your linked bank account and setoff from such bank accounts amounts to PayPal subject to this Agreement. If necessary, you also authorize PayPal to credit your account to correct erroneous debits and for fees, charges, or other amounts arising from your use of Fraud Protection Advanced. You agree to provide PayPal with all necessary bank account information and grant PayPal permission to debit, setoff, or credit amounts due from your bank account on a date notified by PayPal or if this payment fails on a further date(s) as notified by PayPal. You certify that the bank account information you provide to PayPal belongs to you.

1.14. Chargeback Protection Tools

- a. **Chargeback Protection Tool Options.** PayPal's Chargeback Protection and Effortless Chargeback Protection tools (collectively, "**Chargeback Protection Tools**") have two main benefits. First, they analyze credit and debit card transactions for fraud risk, approving or declining transactions based on the risk ("**CBT Risk Assessment**"). Second, for Eligible Transactions and Eligible Chargebacks (defined below), Chargeback Protection Tools allow you to retain the amount that would otherwise be refunded to the buyer as part of the Chargeback process (the "**Chargeback Transaction Amount**"), and have PayPal waive Chargeback Fees and/or Chargeback Maintenance Fees (collectively, the "**Chargeback-Related Fees**") that we would otherwise charge you when a buyer files a Chargeback claim. The Chargeback Transaction Amount and the Chargeback-Related Fees are collectively referred to in this Agreement as "**Chargeback Costs**". Chargeback Costs are waived by PayPal only for Eligible Transactions and only for Eligible Chargebacks. The waiver of Chargeback Costs does not apply to any fees charged by third parties involved in

processing the transaction and managing chargeback claims, including but not limited to financial institutions, banks, and networks. Such third parties may assess additional fees related to chargebacks, which cannot be waived by PayPal and will be passed through to you at the amounts established by those third parties.

It is your sole responsibility to provide any necessary notices and disclosures to, and obtain any required consents from, your customers on your website or mobile application relating to your use of the Chargeback Protection Tools. You acknowledge and agree that PayPal does not represent or warrant that its risk assessment as part of Chargeback Protection Tools will be error free or that it will identify or prevent all fraudulent transaction activity.

There are two types of Chargeback Protection Tools:

- i. **“Chargeback Protection”**: requires you to provide proof of shipment or proof of delivery for goods or services for Eligible Transactions within two (2) days of PayPal’s receipt of the chargeback claim (or such other time period as otherwise specified by PayPal) and in the manner specified by PayPal in order to retain the Chargeback Costs.
 - ii. **“Effortless Chargeback Protection”**: does not require you to provide proof of shipment or proof of delivery for goods or services for Eligible Transactions in order to retain the Chargeback Costs unless the Chargeback claim alleges the product was not received by the buyer. If the Chargeback claim alleges the product was not received by the buyer, in order to retain the Chargeback Costs, proof of shipment or proof of delivery for goods or services must be provided within two (2) days of the chargeback claim (or such time period as otherwise specified by PayPal) in the manner specified by PayPal.
- b. **Merchant Enrollment Criteria for Chargeback Protection Tools.** To be eligible for the Chargeback Protection Tools, you must, at all times, (i) maintain a PayPal business account that is neither subject to any unresolved negative balance nor under any active or pending restriction, suspension, or closure, (ii) be approved by PayPal for a Chargeback Protection Tool, (iii) comply at all times with PayPal’s Acceptable Use Policy, other applicable terms of the PayPal User Agreement and with any integration and onboarding requirements for the Online Payment Services and the Chargeback Protection Tools defined [here](#), (iv) provide additional data as requested by PayPal; and (v) enable the AVS/CVV in the Online Payment Services. PayPal reserves the right to change the integration and onboarding requirements applicable to the Chargeback Protection Tools from time to time in accordance with this Agreement. PayPal may determine, in its sole discretion, which Merchants may enroll in and utilize the Chargeback Protection Tools. Chargeback Protection cannot be used simultaneously with Fraud Protection or Fraud Protection Advanced. Upon enrolling in a Chargeback Protection Tool, your use and access to Fraud Protection or Fraud Protection Advanced will automatically be terminated.
- c. **Eligible Transactions.** The Chargeback Protection Tools only apply to credit or debit card

transactions that meet all of the criteria set forth below (“**Eligible Transactions**”):

- i. card transactions processed via the Advanced Credit and Debit Card Payments checkout integration;
- ii. card transactions for goods and services that are not excluded under the terms of the PayPal User Agreement, including but not limited to the Acceptable Use Policy;
“Eligible Transactions” do not include any of the following:
- iii. transactions for goods or services which are ineligible for PayPal’s Seller Protection program;
- iv. checkout transactions initiated by your agent or representative on the buyer’s behalf (for example, a payment transaction initiated via telephone by the buyer with the assistance of one of your agents); or
- v. transactions which are part of a pre-authorized subscription agreement or recurring billing agreement or other type of reference transaction arrangement between you and the buyer.

To the extent you submit an ineligible transaction for review through the Chargeback Protection Tool, PayPal may, at its option, perform the CBT Risk Assessment for that ineligible transaction and charge you the applicable per-transaction fee for the Chargeback Protection Tool. However, such ineligible transactions will not receive the other benefits of the Chargeback Protection Tools.

- d. **Eligible Chargebacks.** Chargeback Protection Tools apply only to chargeback claims involving: (1) fraud, as determined by PayPal; or (2) transactions where the product was not received by the buyer, as determined by PayPal (collectively, “**Eligible Chargebacks**”).

In addition, where the item sold is a ticket(s) for a future event, to be an Eligible Chargeback:

- i. the event cannot have been cancelled;
- ii. At the time of the transaction, you must provide a valid value for “Days to event” to PayPal via the applicable custom API field;
- iii. PayPal must receive notice of the chargeback no more than 6 calendar days in advance of the event date, or at any time after the event date (the “**Eligible Chargeback Window**”); and
- iv. If an event is rescheduled, you must provide a revised “Days to event” value to PayPal within one (1) business day of the rescheduling, and only chargebacks received within the new Eligible Chargeback Window will be considered Eligible Chargebacks.

The value entered in the “Days to event” must include both the date of the event and the date of the transaction, and cannot be zero, blank, negative, or a fractional number. If the date of the transaction is the same as the event date, the “Days to event” is 1. For the avoidance of doubt, the “Days to event” field may differ from the number of calendar days used to determine the Eligible Chargeback Window.

By way of illustration, if tickets are purchased on August 1 for an event occurring on August 10, the “Days to event” value sent at the time of the transaction must be 10, and a chargeback must be received by PayPal on or after August 4 in order to be an Eligible Chargeback. If the event is rescheduled, you must enter a new “Days to event” value as described above and a new Eligible

Chargeback Window will begin.

- e. **Establishing Proof of Delivery or Proof of Shipment.** The proof of delivery and proof of shipment requirements of PayPal's [Seller Protection program](#) apply to the Chargeback Protection Tools and are adopted and incorporated by reference.
- f. **Fees for Chargeback Protection Tools.** Fees for the Chargeback Protection Tools will vary depending on the Chargeback Protection Tool option you select and your business size and risk profile.
- If you choose to and are approved to change the Chargeback Protection Tool you select, the change will take effect the next calendar day and will apply to Eligible Transactions that occur on that next calendar day after you change the Chargeback Protection Tool option.
- g. **Chargeback Recovery by PayPal.** PayPal may recover all chargeback losses from you, including Chargeback Costs and any related fees for prior Eligible Chargebacks, if:
- i. you have provided us with incorrect information or made material misrepresentations during the application process for a Chargeback Protection Tool or during sign up for a PayPal account;
 - ii. you violate the PayPal User Agreement, the Acceptable Use Policy or this Agreement;
 - iii. you fail to comply with any integration and onboarding requirements for Online Payment Services or the Chargeback Protection Tool for a period of fifteen (15) consecutive calendar days; or
 - iv. if PayPal determines, in its sole discretion, that chargeback losses occurred due to security lapses by you or your agents.
- h. **Termination, Suspension or Cancellation of the Chargeback Protection Tools.** PayPal reserves the right, in its sole discretion, to cancel or suspend use of a Chargeback Protection Tool for any reason at any time upon prior notice to you or immediately if reasonable notice is impracticable in order to (1) maintain the security of PayPal's systems, (2) mitigate risk to PayPal or its customers, or (3) your PayPal account is no longer in good standing.
- PayPal may also cancel or suspend use of a Chargeback Protection Tool, with or without notice to you, if:
- i. you fail to comply with the eligibility requirements for the Chargeback Protection Tools or PayPal's integration requirements, including failing to provide information required by applicable developer documents;
 - ii. you choose not to comply with or you disable any verifications or checks of transaction data as required by PayPal;
 - iii. Your average chargeback rate exceeds either:
 - a. One and one-half (1.5) times the fees paid for the Chargeback Protection Tool for a period of sixty (60) consecutive days; or
 - b. Three (3) times the fees paid to PayPal for the Chargeback Protection Tool for more than

five (5) days across a period of ten (10) consecutive days or more than ten (10) days across a period of thirty (30) consecutive days;

- iv. PayPal determines that there has been a material change in the nature of your business, including to the kinds of goods or services sold, the regions in which you operate, or your average chargeback loss rates; or
- v. PayPal determines that you misrepresented the nature of your business during the onboarding process, including the types of goods or services sold, the regions in which you operate, or your average chargeback losses.

- i. **Loss Cap.** Use of the Chargeback Protection Tools is subject to a monthly loss cap rate of 1.20% of your Monthly Eligible Transaction Volume (the “**Loss Cap Rate**”). For chargebacks that would exceed the Loss Cap Rate for a given calendar month, PayPal will debit the Chargeback Transaction Amount and PayPal will charge Chargeback-Related Fees for the chargeback. The Loss Cap Rate is calculated at the time a chargeback is received by PayPal (“**Chargeback Receipt Date**”). If the Chargeback Receipt Date occurs in the same calendar month in which the chargeback-related transaction occurred, the Loss Cap Rate is calculated using the following formula:

Eligible Chargebacks received in the month of the transaction up to and including the Chargeback Receipt Date, *divided by* Monthly Eligible Transaction Volume received in that month up to and including the Chargeback Receipt Date.

If the Chargeback Receipt Date occurs after the calendar month in which the Chargeback-related transaction occurred, the Loss Cap Rate is calculated using the following formula:

Eligible Chargebacks received in the month of the transaction, *divided by* Monthly Eligible Transaction Volume of the month of the transaction.

For purposes of the Loss Cap Rate, “**Monthly Eligible Transaction Volume**” means Merchant’s monthly successfully processed volume of Eligible Transactions.

1.15. Account Updater Service for Certain Services.

If you use Payments Advanced, Payments Pro, Payments Pro Payflow, VT (as a standalone Service), or Advanced Credit and Debit Card Payments, you may be able to enroll in our Account Updater Service.

- a. **Description.** Subject to the terms of this section, the Account Updater Service allows PayPal to send the applicable Card Data of eligible Cards to one or more third party sources (including, but not limited to, the Card Companies), and use information available to PayPal, to check and update the applicable Card Data. Following these checks, the applicable updated Card Data relating to Merchant’s customers, if any, is processed and stored by PayPal at Merchant’s direction and on the Merchant’s behalf for (i) recurring transactions using the Recurring Billing or Recurring Payments

or (ii) other eligible transactions using the Services. PayPal will either provide Merchants with email notification that the Account Updater Service has been activated on such Merchants' account(s) or allow Merchants to enable the Account Updater Service on their account(s) through their PayPal account settings. Merchants may elect to discontinue use of the Account Updater Service at any time by providing written notice to PayPal of such election or by such other means as may be determined by PayPal regarding the requirements for such Merchants to discontinue use of the Account Updater Service.

- b. **Permitted Use.** Merchant acknowledges and agrees that the Account Updater Service is provided solely for the purpose of updating applicable Card Data to enable Merchant's acceptance of transactions using the applicable Services. Merchant shall not use the Account Updater Service for any other purpose, including, without limitation, the use of any portion of the Account Updater Service data in connection with the development of any other service or product.
- c. **Merchant Obligations.** Merchant shall fully comply with applicable law and the Card Company Rules in connection with its use of the Account Updater Service. Further, Merchant shall provide its customers, whose Card(s) is/are eligible for the Account Updater Service, with all disclosures required under applicable law to enable Merchant to use the Account Updater Service to update the customer's Card(s). The foregoing shall include, but shall not be limited to, incorporating promptly into Merchant's standard terms and conditions, privacy policy, and/or other customer facing documentation, any language required by applicable law or the Card Company Rules. Merchant shall also provide adequate disclosures to make clear to customers that if they do not want their applicable Card Data updated, they may request Merchant to remove their Card that is being stored by PayPal and/or terminate their recurring transaction agreement with Merchant.
- d. **Accuracy of Information.** Merchant acknowledges that the Account Updater Service may only be accurate to the extent a card issuing bank and a customer participate, and that many card issuing banks and customers may not participate. Merchant acknowledges and agrees that the Account Updater Service may rely upon information, Card Data, and services provided to PayPal by third parties.
- e. **Cessation and Availability of Account Updater Service.** PayPal may immediately cease offering or providing the Account Updater Service to Merchants at any time upon email notice to Merchants. PayPal does not ensure that the Account Updater Service will be available for all Card Data.

Part II – Product-specific terms for ACH Services (Direct Debit)

2.1. ACH Services

PayPal offers services that allow merchants to originate Automated Clearing House ("ACH") credit and debit entries to a bank account (the "ACH Services") and Merchant desires to use such services. Such entries are sent by PayPal, acting as a Third-Party Sender, to the Originating Depository Financial

Institution (the "ODFI"), which it forwards through the ACH system to the Receiving Depository Financial Institution (the "RDFI"), who debits or credits the bank account of Merchant's customer (the "Receiver"). Merchant agrees that its use of the ACH Services is subject to the terms herein and the applicable provisions of the Agreement. Merchant accepts and agrees to comply with all such terms. Capitalized words and phrases used and not otherwise defined in this Agreement have the same meaning as given to them in the operating rules and guidelines of the National Automated Clearing House Association (administrator of the ACH network – "Nacha"), as amended from time to time (the "Nacha Rules", is available on [Nacha's web site](#)). **Merchant shall not originate entries on behalf of any third-party. In case Merchant intends to act as a Nested Third-Party Sender, it must enter into a separate agreement with PayPal before it originates any entries.**

2.2. Fees

Merchant will pay PayPal the fees and charges as agreed in writing, as well as other amounts owed, pursuant to this Agreement. Such other amounts shall include, without limitation, any amounts charged to PayPal and/or Merchant by Nacha in connection with Merchant's use of the ACH Services. Any amounts owed to PayPal under these terms may be deducted from any payout to Merchant or debited from Merchant's bank account.

2.3. Compliance

Merchant agrees to (i) undertake the responsibilities of an Originator under the Nacha Rules and to comply with and be bound by such rules and other applicable laws and regulations related to use of the ACH network (as may be amended); and (iii) not originate entries that violate these ACH Service Terms, laws of the United States and/or the Nacha Rules.

2.4. Authorization to Originate Entries

Merchant authorizes PayPal and the ODFI to originate entries on Merchant's behalf to Receivers' accounts in accordance with the Nacha Rules.

2.5. Transaction Limits

Merchant shall operate and use the ACH Services in accordance with the transaction limits set by PayPal and/or the ODFI in accordance with the Nacha Rules. PayPal can modify the applicable transaction limits upon reasonable notice.

2.6. Authorizations

Merchant is solely responsible for obtaining any authorization required by the Nacha Rules, including authorization from each person shown as the Receiver on an entry for the crediting or debiting of the Receiver's account (e.g. to debit its customers' bank accounts for ACH payments), and agrees that it shall obtain such authorization in each instance ("ACH Authorization"). PayPal shall not be liable for any debit or other failure (or any related costs) arising from Merchant's acts and omissions for failure to obtain any ACH Authorization. Merchant shall maintain data sufficient to reconstruct the transaction authorization and maintain such authorization in accordance with all applicable laws, rules and regulations. Merchant agrees PayPal is permitted to document and store ACH

Authorization, including timestamp, Merchant logo and applicable ACH credentials. Merchant shall provide PayPal with evidence of ACH Authorization upon request.

2.7. Additional Obligations

For debit Web Entries, Merchant must:

- a. establish and implement a commercially reasonable (i) fraudulent transaction detection system to screen entries (which must, at a minimum, validate the account to be debited for the first use of such account number, and for any subsequent changes to the account number), and (ii) method of authentication to verify the identity of the Receiver of a debit entry and that the routing number is valid; and
- b. conduct, or have conducted on its behalf, annual audits to ensure that the Data it obtains from Receivers is protected by security practices and procedures that include, at a minimum, adequate levels of: (i) physical security to protect against theft, tampering, or damage; (ii) personnel and access controls to protect against unauthorized access and use; and (iii) network security to ensure secure capture, storage, and distribution ("Merchant's Annual Audit").

2.8. Validation by PayPal

PayPal may offer you the ability to validate your customers' bank account information (including account number, routing number, and/or account holder name) in connection with the ACH Services ("PayPal's Validation"). In that case, PayPal may share certain data from your customers with its third-party service providers ("Data Sources") and such Data Sources may collect certain Data related to your customers from third-party information sources where such customers hold accounts and share it with PayPal.

2.8.1. To the extent that Merchant obtains access to Data in connection with PayPal's Validation, Merchant shall comply with the obligations set forth in the [ACH Services Addendum](#) (in addition to the ones in Section 3.4 of this Agreement).

2.9. ACH Entries

- a. **UCC 4A Notice.** In relation to credit entries subject to Article 4A of the Uniform Commercial Code, Merchant acknowledges that: (i) the entry may be transmitted through the ACH; (ii) the rights and obligations of the Merchant concerning the entry are governed by and construed in accordance with the laws of the State of California; (iii) any credit given by the RDFI to the Receiver for the entry is provisional until the RDFI has received final settlement (through a Federal Reserve Bank or otherwise has received payment as provided for in Section 4A-403(a) of Article 4A); and (iv) if the RDFI does not receive such payment for the provisional entry, the RDFI is entitled to a refund from the Receiver in the amount of the credit to the Receiver's account, and the Merchant (acting as Originator) will not be considered to have paid the amount of the credit entry to the Receiver. Merchant agrees that it shall be responsible for all refunds, and PayPal shall have the right to be reimbursed by Merchant for any and all such refunds or other amounts that are charged to PayPal

in connection with the ACH Services. PayPal can deduct such amounts from any payout to Merchant.

- b. **Payment to ODFI.** Merchant agrees to pay the ODFI for any ACH credit entries or returned ACH debit entries if PayPal fails to pay the ODFI for such entries.
- c. **Cancellation or Amendment.** Merchant shall not have the right to cancel or amend an ACH transaction entry after its receipt by PayPal, except as permitted or required by the Nacha Rules.
- d. **Inconsistency of Name and Number.** If an entry describes a financial institution or the Receiver of an entry inconsistently by name and account or other identifying number, the account or other identifying number can be relied upon and the name disregarded.
- e. **Satisfaction of Customer Debt.** In the event that a transaction is reversed, Merchant acknowledges that, as between Merchant and its customer, the customer's debt to Merchant is satisfied when PayPal receives funds from the ODFI in payment of that debt, subject only to a reversal of such payment.

2.10. Audit

Merchant shall comply with any request made by PayPal, the ODFI, their personnel, auditors and/or representatives for the following: (i) access to Merchant's facilities, data and records relating to the initiation of entries for the purpose of performing audits or on-site visits to verify Merchant's compliance with these ACH Service terms and the Nacha Rules; and/or (ii) copies of Merchant's Annual Audit reports/results. Merchant shall provide, and shall cause its subcontractors to provide, the access and assistance that may be required by PayPal, the ODFI, their personnel, auditors and/or representatives, including, but not limited to, copies of any data, records, authorizations, audit reports/results, if requested, as well as any other information reasonably requested relating to entries originated by the Merchant.

2.11. Representations & Warranties

Merchant represents and warrants to PayPal, as an Originator of entries under the Nacha Rules, that: (a) no entry delivered to PayPal or the ODFI, if accepted by the ODFI, will cause PayPal or the ODFI to be in violation of any regulation or sanction administered by the federal or state government or otherwise causes PayPal or the ODFI to be in violation of federal or state law or the Nacha Rules; and (b) it makes the same warranties to PayPal that PayPal, as Third-Party Sender, makes under the Nacha Rules to any ODFI when PayPal transmits an entry.

2.12. Indemnification

Merchant shall indemnify, defend and hold PayPal, the ODFI, any third-party and their employees, officers, directors and agents, harmless from and against any and all claims, demands, losses, liabilities or expenses (including attorneys' fees and costs) resulting directly or indirectly from or arising out of (a) Merchant's breach of the Nacha Rules or of these ACH Service Terms; (b) Merchant's acts and/or omissions; and (c) compliance by PayPal, the ODFI and the RDFI with any request for a cancellation, stop payment, reversal, or recall of any entry originated by Merchant. PayPal shall have

no responsibility for any delay by any ODFI, ACH Operator or RDFI in processing any entry PayPal transmits to the ODFI or failure to process or credit or debit any such entry.

2.13. Termination of the ACH Services

In addition to the term and termination rights in set forth in this Agreement, PayPal or the ODFI may terminate or suspend Merchant's use of the ACH Services for violation of any Nacha Rules, including, without limitation, acceptable limits for ACH returns. Notwithstanding anything to the contrary in these terms or the Agreement, PayPal is not required to include ACH data in any forwarding or portability services offered under the Agreement.

Part III – General Terms applicable to all Online Payment Services

3.1. Credit Report Authorization

You understand and agree that you are providing PayPal with your "written instructions" in accordance with the Fair Credit Reporting Act, and you are authorizing and acknowledge that PayPal may obtain your personal credit report from a credit bureau for the purpose of your use of the Online Payment Services. You further understand and agree that you are authorizing PayPal to obtain your credit report on an ongoing basis for account review purposes.

3.2. Fees and Payment Terms

- a. **PayPal Services Fees.** Fees for the Online Payment Services may be charged on a monthly basis or per transaction. The fees you pay for the applicable Online Payment Services can be found on the Fees page. All fees are in United States ("U.S.") Dollars unless otherwise stated.
- b. **General Payment Terms:**
 - i. **Monthly Fees.** Any applicable monthly fees for the Online Payment Services will be charged in advance, unless otherwise set forth herein or on the [Fees page](#).
 - ii. **Transaction Fees.** For fees charged per transaction, the fee amount will be deducted from the transaction amount at the time of the transaction. You are liable for all claims, expenses, fines, and liability PayPal incurs arising out of your use of the Online Payment Services.
 - iii. **Non-Refundable.** All fees are non-refundable.

3.3. Promotional Period

If you have signed up for any of the Online Payment Services pursuant to a promotional period, you agree to pay any applicable monthly fee upon the expiration of a promotional period offered by PayPal.

3.4. Data Security and Data Protection

You are fully responsible for the security of data on your website or otherwise in your possession or control. You agree to comply with all applicable laws and rules in connection with your collection, security and dissemination of any Data on your website.

- a. **Breach or Incident.** You must report any Data breach or incident to PayPal and the Card Companies immediately after discovery of the incident.
- b. **Usage of Data.** Unless you receive the express consent of your customer, you may not retain, track, monitor, store or otherwise use Data beyond the scope of the specific transaction.
- c. **Password Security.** You agree to restrict use and access to your password and log-on ID to your employees and agents as may be reasonably necessary and you will ensure that each such employee or agent complies with the terms of this Agreement. You will not give, transfer, assign, sell, resell or otherwise dispose of the information and materials provided to you to utilize the Online Payment Services. You are solely responsible for maintaining adequate security and control of any and all IDs, passwords, or any other codes that are issued to you by PayPal, each Acquiring Bank, or the Card Companies.
- d. **Compliance with Data Protection Addendum.** You, as a Merchant, and PayPal agree to comply with the [PayPal Data Protection Addendum for Payment Processing Products](#) (the “Data Protection Addendum”), which forms part of this Agreement. The terms of the Data Protection Addendum prevail over any conflicting terms in this Agreement relating to data protection and privacy.

3.5. Recurring Billing/Recurring Payments and Vaulting Consent for Certain Services.

This section applies if you use Payments Advanced, Payments Pro, Payments Pro Payflow, VT (as a standalone Service) and ACH Services. If you are using the Recurring Billing, Recurring Payments, or vaulting functionality, including the Vaulting Tool or available third-party vault functionality, you agree that it is your responsibility to comply with Card Company Rules, Nacha Rules and applicable law (including the Electronic Funds Transfer Act (Reg E)), including by capturing your customers' consent to store their Card and/or bank on file for future or recurring transactions and making available a mechanism for your customer to delete their Card and/or bank on file.

You acknowledge and agree that third-party vault functionality is provided and updated solely by the third-party vault provider (not PayPal). PayPal will under no circumstances be responsible or liable for any damages, losses, or costs whatsoever suffered or incurred by you resulting from any use of such third-party vault functionality.

3.6. Fastlane by PayPal Service.

This section applies to your use of the Fastlane service.

- a. **Use of Fastlane.** To use the Fastlane service, you must integrate Fastlane functionality into your website, online checkout, or sales platform. Your integration must comply with all integration requirements provided by PayPal, including integrating the profile creation and guest checkout acceleration components of the Fastlane service. The Fastlane service is solely a credential

management service allowing Fastlane consumer participants to save and pre-populate payment card information, contact information, shipping data, or other data they save in their Fastlane profile. Transactions using Fastlane information must be specifically authorized by Fastlane consumer participants. Fastlane is not a payment processing service. PayPal is not providing any form of payment processing services pursuant to this section.

b. **Fees for Fastlane.** Additional charges for Fastlane may apply for Merchants on custom rates beginning January 1, 2025.

c. **Your Use of Personal Data.** To the extent that you process any personal data about a Fastlane customer pursuant to this agreement, you and PayPal will each be an independent data controller (and not joint controllers), meaning we will each separately determine the purposes and means of processing such personal data. We each agree to comply with the requirements of any applicable privacy and data protection laws, including any applicable regulations, directives, codes of practice, and regulatory requirements applicable to data controllers in connection with this agreement. We each also have and will follow our own independently determined privacy statements, notices, policies, and procedures for any such personal data that we process in connection with this agreement. In complying with the applicable data protection laws, we will each:

- i. Keep such personal data confidential;
- ii. implement and maintain all appropriate security measures in relation to the processing of such personal data;
- iii. maintain a record of all processing activities carried out under this agreement; and
- iv. not knowingly or intentionally do anything, or knowingly or intentionally permit anything to be done, which might lead to a breach by the other party of the applicable data protection laws.

Any personal data provided to you by PayPal in connection with the Fastlane service, excluding personal data collected or obtained by you directly from the customer, will be used by you only to the limited extent that is necessary and relevant to the Fastlane service and no other purpose, including marketing purposes, unless you have obtained the prior express consent of the customer. You represent, covenant, and warrant that you will provide and/or obtain necessary disclosures and consents, as applicable, in connection any personal data provided by you to PayPal. You may not disclose or distribute any customer personal data provided to you by PayPal to a third party, unless such third party is your service provider (as defined by applicable law). You may not combine personal data provided to you by PayPal with any other data. You may not use any personal data provided to you by PayPal to send, or assist in sending, unsolicited emails to third parties. You agree that you will only submit personal data to PayPal through your Fastlane integration in connection

with a bona fide single customer transaction or merchant store account creation and as authorized by the customer.

For purposes of clarification, the Data Portability provision (Section 3.g) of this Agreement, in its entirety, does not apply to the Fastlane services. Data collected in connection with the Fastlane service is not portable, including when you have been given consent by your customer to store data collected in connection with the Fastlane service in your or, if applicable, your platform provider's vault.

Termination of Fastlane service. In addition to any other termination rights in this Agreement, PayPal reserves the right, in its sole discretion, to terminate or suspend use of Fastlane at any time upon reasonable notice or immediately (a) for any breach of this section; or (b) if we determine that your use of Fastlane could expose PayPal to financial loss or legal liability.

You may terminate your use of Fastlane acceleration and profile creation functionality by disabling Fastlane in your account settings. If you no longer wish to collect additional Fastlane-required customer information, you will need to remove your Fastlane integration when you disable Fastlane.

In the event that we terminate or suspend your use of Fastlane or you disable Fastlane in your account settings, customer information stored through Fastlane will remain available for future transactions through the Services so long as you received authorization from your customer to save that customer information. You may elect to disregard Fastlane customer information, or to delete Fastlane customer information from your stored customer information.

Notwithstanding anything to the contrary in this Section or the Agreement, Fastlane customer information will not be included in the Data Portability services offered under the Agreement. Fastlane customer information is not portable, including when you have been given consent by your customer to store data collected in connection with the Fastlane service.

For the sake of clarity, any termination or suspension of your use of the Fastlane services will not automatically result in a termination of the agreement or suspension of the PayPal Services. Notwithstanding any termination or suspension of the Fastlane service, your use of Fastlane customer information will remain subject to this Section.

3.7. No Warranty.

THE ONLINE PAYMENT SERVICES AND ALL ACCOMPANYING DOCUMENTATION ARE PROVIDED TO YOU ON AN "AS IS" BASIS WITHOUT ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PAYPAL MAKES NO WARRANTY THAT THE ONLINE PAYMENT SERVICES WILL BE CONTINUOUS OR ERROR-FREE. PayPal does not guarantee, represent or warrant that the Online Payment Services and related features that enable you to detect or minimize

fraudulent transactions will discover or prevent all non-valid or fraudulent transactions. PayPal is not responsible for any non-valid or fraudulent transactions that are processed.

3.8. Reserves and other Protective Actions.

If, in our sole discretion, we believe there may be a high level of risk associated with you, your PayPal account, your business model, or your transactions we may take certain actions in connection with your Account and/or your use of the Online Payment Services.

a. **Reserves.** PayPal, in its sole discretion, may place a Reserve on funds held in your PayPal account when PayPal believes there may be a high level of risk associated with your Account. If PayPal places a Reserve on funds in your PayPal account, they will be shown as “pending” in your PayPal Balance. If your PayPal account is subject to a Reserve, PayPal will provide you with notice specifying the terms of the reserve. The terms may require that a certain percentage of the amounts received into your PayPal account are held for a certain period of time, or that a certain amount of money is held in reserve. PayPal may change the terms of the Reserve at any time by providing you with notice of the new terms.

b. **Additional Actions.** We may take other actions we determine are necessary to protect against the risk associated with your PayPal account including requesting additional collateral from you such as a letter of credit or a personal guarantee. PayPal may contact your customers, on your behalf, in the event that PayPal is investigating potential fraud.

c. **Information.** In order to determine the risk associated with your PayPal account, PayPal may request at any time, and you agree to provide, any information about your business, operations or financial condition. We reserve the right to reassess your eligibility for any Online Payment Service if your business is materially different from the information you provided in your application.

3.9. Termination.

a. **By Merchant.** You may terminate your use of the Online Payment Services at any time. Merchant may terminate its acceptance of American Express at any time upon notice.

b. **By PayPal.** PayPal may terminate your use of the Online Payment Services if:

- i. You fail to comply with the terms of, or are unable to pay or perform your obligations under, this Agreement or any of the PayPal Agreements that apply to the Online Payment Services;
- ii. We decide, in our discretion, that you become ineligible for the Online Payment Services because there is a high level of risk associated with your PayPal account or for any other reason, or upon request by any Acquiring Bank or any of the Card Companies or any ODFI.
- iii. You violate any Card Company Rule or the Nacha Rule as they may be amended from time to time.

c. **Effect of Termination.** If your use of any Online Payment Service is terminated, you agree to complete all pending Card transactions, immediately remove all logos for Cards (as applicable), and stop accepting new transactions through such Online Payment Service. You will not be refunded the remainder of any applicable Monthly Fees that you have paid for such Online Payment Service.

3.10. PayPal is Your Agent for Receiving Payment.

You represent and warrant to PayPal that each transaction that you process through the Advanced Credit and Debit Card Payments, PayPal Payments Pro, VT Services or ACH Services is solely in payment for your provision of bona fide goods and/or services), other than money transmission services, to your customers (each, a "Payor"). You hereby designate PayPal, and PayPal hereby agrees to serve, as your limited agent for the sole purpose of receiving and processing such payments on your behalf. You agree that upon PayPal receiving payment from your Payor: (a) you shall be deemed to have received payment from your Payor, (b) your Payor's obligation to you in connection with your payment shall be satisfied in full, (c) any claim you have for such payment against your Payor shall be extinguished and (d) you are obligated to deliver the applicable goods and/or services to your Payor, in each case regardless of whether or when PayPal remits such payment to you.

Further, you represent and warrant to PayPal that for each transaction that you process using the Services, promptly upon payment by your Payor, you will provide a dated receipt which shall constitute a record of your acceptance of the Payor's payment and the satisfaction of the Payor's obligation to you in the amount stated on the receipt. You agree that the receipts will satisfy all applicable regulatory and Card Company Rule requirements, and that upon PayPal's request, you will provide to PayPal copies of any such previously issued receipts. You further agree that you will hold out PayPal to your Payors as your agent for purposes of accepting payments on your behalf, including in response to any customer inquiry as to PayPal's role with respect to a transaction or other reference to PayPal in connection with a transaction. You agree that the transaction reports provided by PayPal to you constitute a receipt evidencing your customer transactions.

This section states the entirety of PayPal's duties as your agent for receipt of payment, and no other duties shall be implied by PayPal's undertaking to act in that capacity. This section does not limit in any way PayPal's rights against you or any funds held by PayPal, including any right of setoff or security interest in such funds. In accordance with this Agreement, PayPal will remit to you, or apply as an offset to any obligation you may have to PayPal, any such payments it receives on your behalf.

3.11. Law and Forum for Disputes

Except as otherwise agreed by the parties or as described in the [PayPal User Agreement](#), you agree that any claim or dispute you may have against PayPal must be resolved by a court located in either Santa Clara County, California, or Omaha, Nebraska. You agree to submit to the personal jurisdiction of the courts located within Santa Clara County, California, or Omaha, Nebraska for the purpose of litigating all such claims or disputes. This Agreement shall be governed in all respects by the laws of the State of California, without regard to conflict of law provisions.

3.12. Indemnification

You agree to defend, indemnify and hold PayPal, its parent, officers, directors and employees harmless from any claim or demand (including attorneys' fees) made or incurred by any third-party due to or arising (i) out of your breach of this Agreement; (ii) your use of the Online Payment Services, including, without limitation, chargebacks, refunds, returns, and Card Company or Nacha fines and penalties; (iii) your fraudulent transaction or data incidents.

3.13. No Waiver

Our failure to act with respect to a breach by you or others does not waive our right to act with respect to subsequent or similar breaches.

3.14. Compliance with Laws

You agree to comply with all applicable laws, rules, or regulations, including the Card Company Rules and the Nacha Rules.

3.15. Complete Agreement

This Agreement, along with the [PayPal User Agreement](#) and any applicable policies and agreements on the [Legal Agreements page](#) on the PayPal website, sets forth the entire understanding between you and PayPal with respect to your use of the Online Payment Services. If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced. In addition, your acceptance of Card transactions via a Online Payment Service is also subject to a Commercial Entity Agreement you have with each of the Acquiring Banks.

3.16. Definitions.

"Account Monitoring Service" means the optional Service associated with Payments Pro Payflow that receives notifications of suspicious activity, as described in more fully on the PayPal website.

"Account Updater Service" means the Service in which PayPal may update applicable customer Card Data of eligible Cards using information and third-party sources available to PayPal, as further described in Section 12. In providing this Service, PayPal may obtain, on Merchant's behalf, applicable updated customer Card Data of eligible Cards from participating card issuing banks and other third-party sources for use in the processing of Merchant's Recurring Billing, Recurring Payments, or other eligible transactions using the Services.

"ACH" has the meaning provided in Section 2.1.

"ACH Authorization" has the meaning provided in Section 2.6.

"ACH Services" has the meaning provided in the fourth paragraph of this Agreement.

"Acquiring Bank" means each of the financial institutions PayPal partners with to process your Card payments, including your Direct Payments and VT Payments, and each of your Card funded PayPal

Checkout payments, and with whom you entered into a Commercial Entity Agreement.

“Advanced Credit and Debit Card Payments” means the suite of functionality consisting of the Advanced Credit and Debit Card Payments API (as the standard online interface) and Fraud Protection services (as an optional additional Service). **This suite of functionality may also include optional add-on features (e.g., integration of eligible third-party wallets) that require your acceptance of additional third-party terms before such add-on features may be used.** We may also choose to offer you other PayPal Online Card Payment Services functionality as part of the Advanced Credit and Debit Card Payments suite of functionality.

“Agreement” has the meaning provided in the first paragraph of this Agreement.

“American Express” means American Express Travel Related Services Company, Inc. and its affiliates.

“API” means PayPal’s proprietary application programming interfaces used to interface with the PayPal systems in order to use certain Services.

“Buyer Authentication Service” means the optional Service associated with Payments Pro Payflow that enables you to integrate Visa’s Verified by Visa and MasterCard’s SecureCode into Payments Pro Payflow, as described in more detail on the PayPal website.

“Card Company(ies)” means a company or group of financial institutions that promulgate rules to govern Card transactions via bankcard and payment networks including, but not limited to, MasterCard, Visa, Discover, American Express, as well as US debit networks, including Star, Nyce, Pulse, and Accel.

“Card Company Rules” means the rules and regulations governing acceptance of Cards. Rules are available for [Visa](#), [MasterCard](#), [American Express](#), [Discover](#), [JCB](#), Diners, China UnionPay and for Star, Nyce, Pulse, and Accel upon request, each as updated from time to time.

“Card Data” means a cardholder’s account number, expiration date, and CVV2.

“Card(s)” means payment cards branded with the logos of (i) Visa, MasterCard, American Express, Discover; and (ii) US debit networks, including Star, Nyce, Pulse, and Accel.

“Card Payment Services” has the meaning provided in the fourth paragraph of this Agreement.

“Chargeback Protection Tools” means the optional service that provides protection for eligible Advanced Credit and Debit Card Payments from “unauthorized” and “item not received” chargebacks, as further described in Section 1.14.

“CVV2 Data” means the three or four digit number printed to the right of the Card number in the signature panel on the back of the Card. On American Express Cards, it is printed on the front of the

Card above the Card number.

“Data” means any personal, financial, Card, or transaction information.

“Data Recipient” has the meaning provided in Section 1.6.

“Data Sources” has the meaning provided in Section 2.8.

“Direct Payment” means a payment processed by PayPal through the Direct Payment API that is funded directly by a Card and not through a PayPal account.

“Fastlane” means the optional Fastlane by PayPal Service that allows you to prepopulate payment card and shipping data of Fastlane consumer participants.

“Fraud Protection” means the optional Services associated with Advanced Credit and Debit Card Payments and Payments Pro that allows you to access additional risk management features that may help protect you from potentially fraudulent transactions, as described in more detail on the PayPal website and in Section 10.

“Fraud Protection Services” means the optional Service associated with Payments Advanced and Payments Pro Payflow that allows you to access additional risk management features to help protect you from fraud and chargebacks.

“Interchange Pass-through Costs” means Interchange, Card Company fees and bank foreign handling fees passed through to Merchant at cost. Any increase to, or introduction of, interchange or other fees by the Card Companies (including, for the avoidance of doubt, assessment fees, brand fees, scheme fees, and card association fees) will be passed through at cost in addition to all current fees.

“Merchant’s Annual Audit” has the meaning provided in Section 2.7.b.

“Monthly Sales Volume” means the total payment volume processed by you through any Service using any payment method, which is used for determination of fees as set forth on the [Fees page](#).

“Nacha” has the meaning provided in Section 2.1.

“Nacha Rules” has the meaning provided in Section 2.1.

“ODFI” has the meaning provided in Section 2.1.

“PayPal’s Validation” has the meaning provided in Section 2.8.

“Payments Advanced” means PayPal Payments Advanced (also known as Website Payments Pro Payflow Link Edition), which is the suite of Services consisting of PayPal Checkout, PayPal Credit, and Direct Payments Services as standard, and that provides PayPal-hosted checkout, as described in

more detail on the PayPal website. Optional additional Services include Fraud Protection services and Recurring Billing, which are all more fully described on our website.

“Payments Pro” means PayPal Payments Pro (Website Payments Pro), which is also known as Website Payments Pro, and is the suite of Services consisting of PayPal Checkout, Direct Payments, and Virtual Terminal, as described in more detail on the PayPal website. Optional additional Services include Fraud Protection services and Recurring Payments, which are all more fully described on our website.

“Payments Pro Payflow” means PayPal Payments Pro (Website Payments Pro Payflow Edition), which is also known as Website Payments Pro Payflow Edition, and is the suite of Services consisting of PayPal Checkout, PayPal Credit, Direct Payments, and Virtual Terminal services as standard, and that provides full checkout page customization, as described in more detail on the PayPal website. Optional additional Services include Fraud Protection services and Recurring Billing, which are all more fully described on our website.

“Payor” has the meaning provided in Section 1.15.

“PayPal Agreements” has the meaning provided in the second introductory paragraph of this Agreement.

“PayPal Checkout” means the Service where PayPal is a payment option on a Merchant’s website at checkout, with payments being processed by PayPal through the PayPal Checkout APIs and funded directly from a User’s PayPal account.

“PayPal Credit” means the open-end, consumer credit account issued by Synchrony Bank. It is available to U.S. consumers who are of legal age in their state of residence and is subject to credit approval.

“PayPal User Agreement” means the online agreement you entered into with PayPal when you opened your PayPal account, as it may have been amended from time to time. The [PayPal User Agreement](#) currently in effect can be accessed via the Legal Agreements link in the footer of nearly every page on the PayPal website.

“RDFI” has the meaning provided in Section 2.1.

“Receiver” has the meaning provided in Section 2.1.

“Recurring Billing” means the optional feature associated with Payments Advanced and Payments Pro Payflow that, with the consent of your customer, enables you to set up payments that recur at specified intervals and frequencies as described in more detail on the PayPal website.

“Recurring Payments” means the optional feature associated with Advanced Credit and Debit Card

Payments, Payments Pro, and VT that, with the consent of your customer, enables you to set up payments that recur at specified intervals and frequencies, as described in more detail on the PayPal website.

“Risk Data Acquisition Service” includes but is not limited to the Fraudnet, Magnes, and STC integrations.

“Risk Factors” has the meaning provided for in Section 1.4.

“Transaction Fees” means the fees described in Section 3.2.b.ii. of this Agreement and set forth on the [Fees page](#). Note, if you use certain optional Online Payment Services, certain additional fees may apply to your transactions on a per transaction basis, as outlined in Section 3.2.c.; however, these are not included in this definition.

“Vaulting Tool” means API-based technology provided by PayPal to enable you to store and retrieve Card or bank details for payments that recur at specified intervals or frequencies with authorization from the Payor, as described in more detail on the PayPal website.

“Virtual Terminal” or **“VT”** means the Service that enables you to receive a Card payment by manually entering Card Data given to you by a customer.

“VT Payment” or **“Virtual Terminal Payment”** means a payment processed by PayPal through the Virtual Terminal flows that is funded directly by a Card and not through a PayPal account.