

[PayPal](#)

PAYPAL ONLINE CARD PAYMENT SERVICES AGREEMENT

(Previously the separate PayPal Website Payments Pro and Virtual Terminal agreement and the Advanced Credit and Debit Card Payments and Virtual Terminal agreement)

Effective: March 21, 2022

NOTICE: UPCOMING CHANGES TO RISK CONTROLS AND FRAUD MANAGEMENT FILTERS

Effective September 21, 2021, new users will not be permitted to integrate with the Risk Controls and Fraud Management Filters services. Accordingly, all such corresponding terms in this agreement shall be void and otherwise not apply to users' who have accepted the PayPal Website Payments Pro and Virtual Terminal agreement or this agreement on or after September 21, 2021. The Risk Controls and Fraud Management Filters services will continue to be available until further notice, pursuant to the terms set forth herein, to existing users who accepted the PayPal Website Payments Pro and Virtual Terminal agreement or this agreement prior to September 21, 2021.

This PayPal Online Card Payments Services Agreement (“**Agreement**”) is a contract between you (“**Merchant**”, “**you**” and “**your**”) and PayPal Canada Co, Inc. (“**PayPal**”, “**we**”, “**us**”, or “**our**”) and governs your use of the Online Card 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 Products or Services set forth herein. By continuing to use any such Products or 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 Services through the Products. If any inconsistency exists between the terms of the PayPal User Agreement and this Agreement, then, except for Express Checkout, the terms of this Agreement shall control in connection with your use of the Services through any Product. The terms of the PayPal User Agreement shall control for any inconsistency for Express 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

you with at least thirty (30) days' prior notice of such change (and at least ninety (90) days' prior notice of any fee increase or the introduction of a new fee related to credit or debit card transactions which applies to you), by posting notice on the [Policy Updates](#) page of our website. If you would like to receive notification by email of new [Policy Updates](#), then you may do so by logging into your PayPal account and selecting this option by going to My Account > Profile > Account Information > Notifications. By continuing to use our 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 Services before such changes become effective and/or close your account.

1. Credit Report Authorization.

You understand and agree that you are providing PayPal with your consent and authorizing PayPal to obtain your personal and/or business credit report from a credit reporting agency for the purpose of processing your application for PayPal Services. You further understand and agree that you are authorizing PayPal to obtain your credit report on an ongoing basis for account review purposes, including whenever we reasonably believe there may be an increased level of risk associated with your business account. You have the right to review your credit report file and correct errors by contacting the consumer reporting agency.

2. Fees and Payment Terms.

a. **PayPal Services Fees.** Fees for the Services may be charged on a monthly basis or per transaction. Except as set out below, the fees you pay for the applicable Services, including the fees associated with any Express Checkout transaction submitted by you via any Product, can be found on the [Merchant Fees page](#). All fees are in Canadian Dollars unless otherwise stated.

i. Product Monthly Fees.

Product	Monthly Fee
PayPal Payments Advanced	\$10
PayPal Payments Pro	\$35
Website Payments Pro	\$35
Virtual Terminal Only	\$35

* The above fees are subject to applicable GST/HST.

- ii. Transaction Fees. The Transaction Fees are expressed as a percentage of the payment amount, plus a fixed amount.

PayPal Services	Fees		Products that offer the Service
Direct Payments*		<u>Fee</u> 2.9% + \$0.30	PayPal Payments Advanced, PayPal Payments Pro, Website Payments Pro
Express Checkout	Purchase Payment Fees set forth in the PayPal User Agreement shall apply.		PayPal Payments Advanced, PayPal Payments Pro, Website Payments Pro
Virtual Terminal*		<u>Fee</u> 3.1% + \$0.30	PayPal Payments Pro, Website Payments Pro, Virtual Terminal (only)
American Express Direct Payments and Virtual Terminal Payments	The Per Transaction Fee for Payflow Link set forth in the Payflow Gateway Services Agreement shall apply.		PayPal Payments Advanced, PayPal Payments Pro (accessed via Payflow Gateway for both)

If you're a charity registered with the CRA:

Direct Payments	<u>Fee</u> 2.2% + \$0.30	Payments Advanced, Payments Pro, Payments Pro Payflow
Virtual Terminal	<u>Fee</u> 2.4% + \$0.30	Payments Advanced, Payments Pro, Payments Pro Payflow, Virtual Terminal (only)
* Excludes Direct Payments and Virtual Terminal Payments where an American Express Card is used.		

The following Transaction Fees shall apply to payments made using an American Express Card:

American Express Payments	Fee
Direct Payments	3.5%
Virtual Terminal Payments	3.5%

- iii. The Transaction Fees in Section 2.a.ii are for payments received by you in Canadian Dollars. If the payment is in a currency other than Canadian Dollars, then the fees in Section 2.a.ii shall apply with the following change: the \$0.30 CAD fixed fee portion will be replaced by the fixed fee of the currency of payment as set out below.

Currency	Fixed Fee	Currency	Fixed Fee
Australian Dollar:	\$0.30 AUD	Norwegian Krone:	2.80 NOK
Czech Koruna:	10.00 CZK	Polish Zlotych:	1.35 PLN
Danish Koruna:	2.60 DKK	Singapore Dollar:	\$0.50 SGD
Euro:	€0.35 EUR	Swedish Krona:	3.25 SEK
Hungarian Forint:	90 HUF	Swiss Franc:	0.55 CHF
Japanese Yen:	¥40 JPY	U.K. Pounds Sterling:	£0.20 GBP
New Zealand Dollar:	\$0.45 NZD	U.S. Dollar:	\$0.30 USD

- iv. Optional Services. If you elect to use any of the optional Services listed below, the following fees shall apply.

Service	Fee	Products that offer the Service
Recurring Billing	Standard Transactions Fees apply	PayPal Payments Advanced, PayPal Payments Pro
Advanced Fraud Protection Services	Monthly Fee: \$10 Per transaction: \$0.05**	PayPal Payments Advanced, PayPal Payments Pro
Recurring Payments	Standard Transactions Fees apply	Website Payments Pro, Virtual Terminal (only)
Advanced Fraud Management Filters	Monthly Fee: \$20 Per transaction: \$0.05**	Website Payments Pro, Virtual Terminal (only)
<p>* Fees applicable to new customers effective as of October 17, 2013. Existing customers who wish to use this pricing should contact PayPal's customer service department and must use PayPal Payments Advanced or PayPal Payments Pro.</p> <p>** Excludes Express Checkout transactions.</p>		

- v. Additional Fees. The following additional fees apply to all Payments Pro Services in connection with the activity described.

Activity	Fee
Uncaptured Authorization For each successful uncaptured Direct Payment or Virtual Terminal authorization	\$0.30 per uncaptured authorization
Card Verification transactions* This fee will apply to all Direct Payment or Virtual Terminal card	\$0.30 per card verification request

<p>authorization verification transactions.</p> <p>*Applies only to Visa and MasterCard transactions.</p>	
<p>Cross-Border Payment</p> <p>For receiving payments from buyers outside Canada.</p>	<p>1.0% (added to the Transaction Fees for International Sales (excluding the US))</p> <p>0.8% (added to the Transaction Fees for US Sales)</p>
<p>Refund</p> <p>The Fixed Fee portion of the Transaction Fee will be deducted from your Account at the time of the refund, in addition to the full payment amount that is refunded to the buyer.</p>	<p>Fixed Fee portion of the original Transaction Fee. (The Fixed Fee will depend on the currency of the payment, so if the payment was made in CAD then the Refund Fee is \$0.30 CAD.)</p>
<p>Failure to use Express Checkout</p> <p>Applies to PayPal Payments Advanced, PayPal Payments Pro, and Website Payments Pro – See section 2(h) for more details.</p>	<p>Up to 1.0% (added to the Transaction Fees)</p>
<p>Risk Factors</p> <p>If PayPal determines that your Account presents Risk Factors as stated in section 2(i).</p>	<p>Up to 5.0% (added to the Transaction Fees)</p>
<p>Currency Conversion</p> <p>The exchange rate is determined by a financial institution and is adjusted regularly based on market</p>	<p>3.0% (added to the exchange rate)</p>

conditions. Adjustments may be applied immediately and without notice to you.		
<p>Chargeback</p> <p>Applied at the time a Chargeback is applied to your Account and charged in the currency of the transaction.</p>	Currency	Chargeback Fee
	Australian Dollar:	\$22.00 AUD
	Brazilian Real:	35.00 BRL
	Canadian Dollar:	\$20.00 CAD
	Czech Koruna:	400.00 CZK
	Danish Koruna:	120.00 DKK
	Euro:	€1600 EUR
	Hong Kong Dollar:	\$155.00 HKD
	Hungarian Forint:	4325.00 HUF
	Israeli Shekel:	75.00 ILS
	Japanese Yen:	¥1,875.00 JPY
	Mexican Peso:	\$250.00 MXN
	New Zealand Dollar:	\$28.00 NZD
	Norwegian Krone:	125.00 NOK
	Philippine Peso:	900.00 PHP
	Polish Zlotych:	65.00 PLN
	Russian Ruble:	640 RUB
	Singapore Dollar:	\$28.00 SGD
	Swedish Krona:	150.00 SEK
	Swiss Franc:	22.00 CHF
Taiwan New Dollar:	625.00 TWD	
Thai Baht:	650.00 THB	
U.K. Pounds Sterling:	£14.00 GBP	
U.S. Dollar:	\$20.00 USD	

b. General Payment Terms.

i. Monthly Fees. For PayPal Payments Advanced or PayPal Payments Pro, monthly fees are payable in arrears. All other applicable monthly fees for the Services will be charged in advance, unless otherwise set forth herein or on the [Merchant Fees page](#). Monthly fees are paid on a calendar month basis.

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 Products or Services.

iii. Non-Refundable. All fees are non-refundable.

c. Service-Specific Payment Terms.

i. VT Terms. If you use Virtual Terminal only, you authorize 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 Website Payments Pro and choose to have your fees under this Agreement charged to your PayPal account, the terms of this Section 2.c.i. apply.

ii. PayPal Payments Advanced and PayPal Payments Pro Terms. If you use PayPal Payments Advanced or PayPal Payments Pro, you authorize PayPal to charge the credit card that you provided when you registered for these Products for fees that become due under this Agreement. If you use Website Payments Pro and choose to have your fees under this Agreement charged to your credit card, the terms of this Section 2.c.ii. apply.

iii. Required Use of PayPal-Hosted Pages for PayPal Payments Advanced. PayPal Payments Advanced requires the exclusive use of PayPal-hosted templates on your checkout pages to process payments. If you use PayPal 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 instead of the PayPal Payments Advanced monthly fee, but you may not receive full access to all features of Payments Pro. 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 Services if you do not agree to this fee.

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

e. Failure to Use Express Checkout. If you fail to comply with the requirement to use Express Checkout described in Section 8, 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 Services, or may be added at any time by PayPal with at least ninety (90) days' prior written notice of the fee increase. You agree to terminate your use of the Services if you do not agree to this fee.

f. **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 Services, or may be added at any time by PayPal with at least ninety (90) days’ prior notice of the fee increase. You agree to terminate your use of the Services if you do not agree to this Fee.

g. **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.

3. Data Security; Data Protection; Data Portability.

a. **General.** 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 personal, financial, Card, or transaction information (defined as “**Data**”) on your website. You must report any Data breach or incident to PayPal and the Card Companies immediately after discovery of the incident.

b. PCI DSS Compliance.

i. **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 PayPal Payments Advanced, or (b) your Service is Payments Pro and you choose to activate the "transparent redirect" feature and integrate the feature properly per PayPal's instructions.

If you are accessing the Products 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.

ii. 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. **Data Usage**. 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. Further, 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 ACP 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. **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 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.

e. **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 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.

f. **Compliance with Data Protection Addendum.** You, as a **Merchant**, and PayPal agree to comply with the PayPal Data Protection Addendum for Card Processing Products found [here](#) (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.

g. **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).

4. Additional Terms for American Express Card Acceptance.

If you accept American Express cards pursuant to this Agreement, the following additional terms will apply to you:

a. You agree to accept American Express Cards and Japan Credit Bureau (JCB)-branded cards, in accordance with the American Express Program Merchant Guide, including the [Data Security Requirements](#), as amended from time to time. American Express may use the information obtained in your application at the time of setup to screen and/or monitor you in connection with Card marketing and administrative purposes.

b. You authorize PayPal to submit transactions to and receive settlement from American Express and to disclose transaction and merchant information to American Express in order for American Express to use such information to perform its responsibilities in

connection with the American Express Card acceptance program, promote the American Express network, perform analytics and create reports, and for any other lawful business purpose, including important transactional, informational or relationship communications from American Express.

c. You may be converted from this Agreement to a direct card acceptance agreement with American Express if you reach certain monthly sales volumes with respect to your American Express transactions only. 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. In addition, then you also agree to the terms of the [Payflow Gateway Services Agreement](#), which is incorporated herein by reference, and which will apply to your American Express transactions only. In addition to the Payflow Gateway Services Agreement, your American Express transactions will be governed by the terms of your agreement with American Express. To the extent there is any inconsistency between the Payflow Gateway Services Agreement and your agreement with American Express, then the terms of your agreement with American Express will control but only with respect to your American Express Card transactions and only to the extent of the inconsistency.

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. If our agreement with American Express is terminated, we may assign this Agreement with respect to the American Express provisions to American Express.

f. 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.

5. 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.

6. Brand Parity.

By using the 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. You will disclose your refund policy at the time of purchase and in compliance with applicable law.

b. You agree to comply with the logo usage standards located at:
<https://www.paypal.com/cgi-bin/webscr?cmd=xpt/general/OnlineLogoCenter-outside>.

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.

7. Card Not Present.

You acknowledge that PayPal routes and processes transactions, as appropriate, through the Products 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.

8. Required Use of Express Checkout, PayPal Credit.

a. If you use ACP, PayPal Payments Advanced, PayPal Payments Pro, or Website Payments Pro you must use Express Checkout in the following manner:

i. You must include an Express 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.

iii. You must offer PayPal as a payment option together with the other payment options you offer. The PayPal acceptance mark must be displayed with equal prominence to the logos for your other payment options. You shall not

discriminate against PayPal, nor discourage its use, as a payment option over any other payment option offered by you.

b. If you use ACP, you must offer PayPal Credit as a payment option, when it is available in Canada, 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.

9. Fraud Protection.

a. **General.** Subject to the terms set forth in this Agreement, PayPal's Fraud Protection may be made available to Merchants who use ACP and PayPal 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 PayPal Payments Pro, Fraud Protection Services may be made available instead of, or in addition to, Risk Controls, Fraud Management Filters, or Fraud Protection Services described in this Agreement. PayPal will notify Merchant in the event Fraud Protection is made available to Merchant.

The Fraud Protection tool may help Merchant screen potentially fraudulent transactions based on Fraud Protection setting the Merchant selects to adopt. For example, the tool allows you to 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 Fraud Protection, 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 PayPal Payments Advanced or PayPal Payments Pro, you may 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.

b. **No Warranty; Limitation of Liability.** We do not represent or warrant that Fraud Protection is error-free or that it 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 Fraud Protection.

c. **Data Protection.** Merchant may only use Fraud Protection for the purpose of managing its fraudulent transaction risk and for no other purpose. You acknowledge that Fraud Protection does not provide credit reports, 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. You may not share use of Fraud Protection with any other person, nor may you disclose to any person the categories provided in Fraud Protection or the results generated from your use of Fraud Protection.

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 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 Fraud Protection.

10. Risk Controls for Certain Services.

If you use PayPal Payments Advanced, PayPal Payments Pro and VT (as standalone Services), you may be able to elect to use our Risk Controls which provide you the option of changing our certain controls to accept transactions with a higher likelihood of risk. Eligibility for Risk Controls is determined in PayPal's sole discretion. The following terms apply to your use of the Risk Controls:

a. **Liability.** If you adjust your Risk Controls, in addition to your existing liability for fraudulent transactions, you are liable for all additional risk. It is your responsibility to adjust the Risk Controls to determine whether you want to accept or decline such transactions. You may adjust the Risk Controls on the Risk Controls Overview Page on the PayPal website. If you would like to remove your ability to access Risk Controls, please contact your account manager.

b. **Expanding Acceptance.** You may adjust your Risk Controls to accept certain payments, including:

- i. Direct Payments or Virtual Terminal Payments that are unable to verify the cardholder's address through the Address Verification Services. This is also referred to as "**AVS No Match.**"
- ii. Direct Payments or Virtual Terminal Payments that do not include a card security code. This is also referred to as "**Card Security Code Not Submitted**".
- iii. All payment types that failed PayPal's proprietary risk models.

c. **Expanding Declines.** You may adjust your Risk Controls to decline payments, including:

- i. Direct Payments or Virtual Terminal Payments where the address entered by the cardholder only partially matches the information stored by the issuing bank.
 - ii. Direct Payments or Virtual Terminal Payments where the Address Verification Service is unsupported or unavailable at the time the payment is processed.
- d. **Transaction Reviews.** You may adjust your Risk Controls to review and manually accept payments. Reviewing a payment prevents the funds from being transferred to your Account until you review the payment. If you do not accept a payment within thirty (30) days, it will be reversed. Note that not all payment types can be reviewed.
- e. **Rejecting Transactions.** You may not reject a transaction unless, based on various combinations of authentication information, you reasonably determine that the individual requesting the transaction is misrepresenting his or her identity.

11. Fraud Management Filters for Certain Services.

If you use PayPal Payments Advanced, PayPal Payments Pro, Payments Pro Payflow and VT (as a standalone Service), you may be able to elect to use our fraud management filters. Fraud management filters allow you to accept or reject transactions with a higher likelihood of risk. If you would like to restrict the ability to access fraud management filters, please contact your account manager. Note, not all transactions will be reviewed and there is no guarantee that fraud management filters will prevent losses.

- a. **Liability.** If you adjust your fraud management filters, in addition to your existing liability for fraudulent transactions, you are liable for all additional risk. It is your responsibility to adjust the fraud management filters to determine whether you want to accept or decline such transactions.
- b. **Adjustments.** You may adjust your fraud management filters to accept, flag, review or deny certain payments, including:
- i. Direct Payments or Virtual Terminal Payments that are unable to verify the cardholder's address through the Address Verification Services. This is also referred to as "**AVS No Match**".
 - ii. Direct Payments or Virtual Terminal Payments that do not include a card security code. This is also referred to as "**Card Security Code Not Submitted**".
 - iii. Direct Payments and Virtual Terminal Payments that failed PayPal's proprietary risk models.
 - iv. Direct Payments and Virtual Terminal Payments where the address entered by the cardholder only partially matches the information stored by the issuing bank.

- v. Direct Payments and Virtual Terminal Payments where the Address Verification Service is unsupported or unavailable at the time the payment is processed.
- c. **Transaction Reviews.** Reviewing a payment prevents the funds from being transferred to your Account until you decide to accept that payment. If you do not accept a payment within thirty (30) days, it will be reversed.
- d. **Rejecting Transactions.** You may not reject a transaction unless, based on various combinations of authentication information, you reasonably determine that the individual requesting the transaction is likely not the consumer they are representing themselves to be.

12. Chargeback Protection Services.

- a. **General.** To be eligible for Chargeback Protection Services, you must have a PayPal business account in good standing, you must be approved by PayPal for such Chargeback Protection Services, and you must:
 - i. successfully integrate PayPal's ACP;
 - ii. successfully integrate the Risk Data Acquisition Service; and
 - iii. provide additional data as required by PayPal.

PayPal reserves the right to change integration requirements upon notice.

Your application for Chargeback Protection Services will be assessed by PayPal, and we may accept or reject applications at our sole discretion. You are not permitted to enable Chargeback Protection Services or Fraud Protection or Fraud Protection Advanced at the same time. Upon enrolling in Chargeback Protection Services, your use and access to Fraud Protection or Fraud Protection Advanced will be terminated. PayPal reserves the right, in its sole discretion, to cancel or suspend your use of Chargeback Protection Services for any reason it deems appropriate at any time upon reasonable notice to you or immediately if reasonable notice is impracticable in order to maintain the security of PayPal's systems and/or your account is no longer in good standing.

If you are approved and enroll in Chargeback Protection Services, we will waive our right to recover the amount of any unauthorized chargeback and item not received chargeback losses made on "Eligible Transactions" (as defined below) pursuant to the [PayPal User Agreement](#) (see the 'Refunds Reversals and Chargebacks' section), and we will not charge a chargeback fee pursuant to the PayPal User Agreement. This means, in the event of an Eligible Chargeback, you will keep the transaction amount, and you will not pay any chargeback fee for such transaction. However, you must respond to our

requests for documentation and other information within the required timeframe when you enroll in Chargeback Protection Services, as described below (“**Chargeback Protection Services Options**” and “**Establishing proof of delivery or proof of shipment**”).

b. **Eligible Chargebacks.** Chargeback Protection Services only apply to chargeback claims involving: (i) transactions not authorized by the cardholder, as determined by PayPal; and (ii) transactions where the item was not received (“Item Not Received”) by the buyer (collectively “Eligible Chargebacks”).

c. **Eligible Transactions.** Chargeback Protection Services only apply to Eligible Chargebacks on card transactions processed by PayPal that meet the criteria set forth below (“Eligible Transactions”):

i. Card transactions processed via the ACP checkout integration; and

ii. Card transactions for goods and services that are not (1) excluded under the terms of the [PayPal User Agreement](#), including but not limited to the [Acceptable Use Policy](#), or (2) “Ineligible Transactions” (as defined below).

d. **Ineligible Transactions.** Chargeback Protection Services *do not* apply to chargebacks involving transactions where the item received by the buyer is not what they ordered (“Significantly Not as Described”).

Chargeback Protection Services also *do not* apply to items or transactions that are ineligible for PayPal’s Seller Protection program (“Ineligible Transactions”). The list of the ineligible items or transactions for PayPal’s Seller Protection program are adopted and incorporated by reference, and can be found [here](#).

e. **Establishing proof of delivery or proof of shipment.** You *are required* to provide proof of shipment or proof of delivery for physical goods or services for Eligible Chargebacks in order to retain the transaction amount and avoid paying any chargeback fee for such transaction. Proof of delivery or proof of shipment shall be provided to PayPal within two days of receipt of the chargeback claim (or such time period as otherwise specified by PayPal).

The proof of delivery and proof of shipment requirements of PayPal’s Seller Protection program apply to the Chargeback Protection Services and are adopted and incorporated by reference. The proof of delivery and proof of shipment requirements can be found [here](#).

f. **Chargeback Protection Services Fees.** The fees for the Chargeback Protection Services can be found [here](#).

g. **Chargeback Recovery by PayPal.** If you have provided us with incorrect information (for example, with respect to your business type) during the application process for

Chargeback Protection Services or during sign up for a PayPal account, we are entitled to recover all our chargeback losses from you (including for past transactions prior to us discovering that the information provided was incorrect). We are also entitled to recover all our chargeback losses from you if you violate the [PayPal User Agreement](#) (for example, if you engage in a Restricted Activity), the [Acceptable Use Policy](#) or this Agreement.

13. Account Updater Service for Certain Services.

If you use PayPal Payments Advanced, PayPal Payments Pro and VT (as a standalone Service), you may be able to elect to use 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 Canadian-issued Cards to one or more third party sources, 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 Products. If the Account Updater Service is made available to Merchants, 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 Products. 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. **Confidentiality.** Merchant agrees that it shall keep all information and Card Data provided through the Account Updater Service, if any, strictly confidential. Merchant may not disclose any such information or Card Data to any third party and may not use such information or Card Data for any purpose other than as may be expressly permitted.

e. **Indemnification.** Merchant shall indemnify PayPal against any loss arising as a result of a breach by Merchant of its obligations under this Section for use of the Account Updater Service.

f. **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.

g. **Cessation 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.

14. Recurring Billing/Recurring Payments Consent for Certain Services.

If you are using the Recurring Billing or Recurring Payments feature you agree that it is your responsibility to comply with Card Company Rules, applicable law, including by capturing your customers' agreement to be billed on a recurring basis.

15. No Warranty.

THE PRODUCTS AND 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 SERVICES WILL BE CONTINUOUS OR ERROR-FREE. PayPal does not guarantee, represent or warrant that the 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.

16. 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 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 Product if your business is materially different from the information you provided in your application.

17. Termination.

a. **By Merchant.** You may terminate your use of the 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 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 Services;

ii. We decide, in our discretion, that you become ineligible for the 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.

iii. You violate any Card Company Rule as they may be amended by the Card Companies from time to time.

c. **Effect of Termination.** If your use of any Product is terminated, your use of the PayPal services associated with that Product will immediately end. You agree to complete all pending Card transactions, immediately remove all logos for Cards, and stop accepting new transactions through such Product. If your use of any Product is terminated, you will not be refunded the remainder of any applicable Monthly Fees that you have paid for such Product.

18. PayPal is Your Agent for Receiving Payment.

You represent and warrant to PayPal that each transaction that you process through the ACP, PayPal Payments Pro, or VT Services is solely in payment for your provision of bona fide goods and/or 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 such payments on your behalf from your Payors. You agree that upon PayPal receiving payment from a Payor: (a) you shall be deemed to have received payment from such Payor, (b) such Payor’s obligation to you in connection with such payment shall be satisfied in full, (c) any claim you have for such payment against such Payor shall be extinguished and (d) you are obligated to deliver the applicable goods and/or services to the Payor, in each case regardless of whether or when PayPal remits such payment to you. PayPal will remit to you in accordance with this Agreement or apply as an offset to any obligation you may have to PayPal, any such payments it receives on your behalf. Any receipt provided to the Payor shall be binding on you and shall satisfy all applicable regulatory requirements. This paragraph 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.

19. General.

a. **Law and Forum for Disputes.** This Agreement will be governed by and interpreted in accordance with the laws of Ontario, and the laws of Canada, each as may be applicable. Except as otherwise agreed by the parties, you agree to irrevocably submit to the non-exclusive jurisdiction of the courts of Ontario for the purpose of any suit, action or other proceeding arising out of this Agreement or your use of our websites, the Products or the PayPal services.

b. **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 Products or Services, including, without limitation,

chargebacks, refunds, and Card Company fines and penalties; (iii) your fraudulent transaction or data incidents.

c. **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.

d. **Compliance with Laws.** You agree to comply with all applicable laws, rules, or regulations, including the Card Company Rules.

e. **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 Products and 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 Product is also subject to a [Commercial Entity Agreement](#) you have with each of the Acquiring Banks.

20. Definitions.

“**Account Updater Service**” means the Service which may be offered by PayPal to Merchant (if available) 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 13. In providing this Service, PayPal may obtain, on Merchant’s behalf, applicable updated customer Card Data of eligible Canadian-issued Cards from participating Canadian 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.

“**ACP**” means advanced credit and debit card payments.

“**ACP Services**” means the Services provided or made available by PayPal under this Agreement in association with ADP, as described in more detail on the PayPal website.

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

“**Advanced Fraud Management Filters**” means the optional feature associated with Website Payments Pro and Virtual Terminal that allows you to use additional filters and toggles to help protect you from fraud and chargebacks, as described in more detail on the PayPal website.

“**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.

“**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, and Interac.

“**Card Company Rules**” means the rules and regulations governing acceptance of Cards, each as updated from time to time. Rules for Visa, MasterCard and American Express are available here:

<https://usa.visa.com/dam/VCOM/download/about-visa/15-April-2015-Visa-Rules-Public.pdf>

<https://www.mastercard.us/en-us/merchants/get-support/merchant-learning-center.html>

https://icm.aexp-static.com/Internet/NGMS/US_en/Images/MerchantPolicyOptBlue.pdf

www.americanexpress.ca/merchantguide

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

“**Card Information**” has the meaning provided in Section 3(g).

“**Card(s)**” means payment cards branded with the logos of (i) Visa, MasterCard, American Express, JCB, Discover; and (ii) debit networks, including Interac.

“**Chargeback Protection Services**” means the optional service that provides protection for eligible ACP from “unauthorized” and “item not received” chargebacks, as further described herein.

“**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**” has the meaning provided in Section 3.a.

“**Data Recipient**” has the meaning provided in Section 3.g.

“**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.

“Express 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 Express Checkout API and funded directly from a User’s PayPal account.

“Fixed Fee” means the portion of the Transaction Fees that is a fixed monetary amount and not a percentage of the payment amount, as identified on the [Fees page](#).

“Fraud Protection” means the optional Service associated with ACP and PayPal 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.

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

“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](#).

“Online Card Payment Services” means the suite of payment processing 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 the Products.

“Payments Pro Services” means the Services provided or made available by PayPal under this Agreement in association with PayPal Payments Pro, as described in more detail on the PayPal website.

“Payor” has the meaning provided in Section 18.

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

“PayPal Credit” means an open-end, consumer credit account. In jurisdictions where it is offered, it is available to consumers who are of legal age and is subject to credit approval.

“PayPal Payments Advanced” means the suite of Services consisting of Express Checkout 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.

"PayPal Payments Pro" means the suite of Services consisting of Express Checkout, 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, Fraud Protection, and Recurring Billing, which are all more fully described on our website.

"PayPal Services" or **"Services"** means the Online Card Payment Services or other offerings identified or otherwise provided pursuant to this Agreement. Such services may be described more fully on our website.

"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.

"Products" means (i) ACP, including the ACP Services, (ii) VT, including the ACP Services if you've integrated with ACP or the Payments Pro Services if you have not so integrated, (iii) PayPal Payments Advanced, including the Payments Pro Services, (iv) PayPal Payments Pro, including the Payments Pro Services, and (v) Website Payments Pro, including the Payments Pro Services, in each case as described in more detail on the PayPal website.

"Recurring Billing" means the optional feature associated with PayPal Payments Advanced and Payments Pro 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 ACP, Website 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 Controls" means the optional feature available to certain users of the applicable Services that provide a Merchant with the option of changing certain controls to accept or decline transactions with a higher likelihood of risk.

"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 2.f.

"Transaction Fees" means the fees provided in Section 2.a.ii. of this Agreement. Note, if you use certain optional Services, certain additional fees may apply to your transactions on a per transaction basis, as outlined in Section 2.a.iv; however, these are not included in this definition.

“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 through the Virtual Terminal flows.

“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.

"Website Payments Pro" means the suite of PayPal services consisting of Express Checkout, Direct Payments, Virtual Terminal and fraud management filters as standard, as described in more detail on the PayPal website. Optional additional services include Advanced Fraud Management Filters and Recurring Payments, which are all more fully described on our website.