

# PayPal Website Payments Pro and Virtual Terminal Agreement

Last Update: September 20, 2017

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This PayPal Website Payments Pro and Virtual Terminal agreement ("**Pro/VT Agreement**") is a contract between you (the "**Merchant**") and PayPal Canada Co., and applies to your use of PayPal Payments Advanced, PayPal Payments Pro, Website Payments Pro, or Virtual Terminal (the "**Products**"). Each of the Products includes the PayPal Services listed in this Pro/VT Agreement and described more fully on our website. You must read, agree with and accept all of the terms and conditions contained in this Pro/VT Agreement. By using any of the Products, you agree to comply with all of the terms and conditions in this Pro/VT Agreement, so please read all of the terms and conditions carefully.

This Pro/VT Agreement applies in addition to the PayPal User Agreement and any other agreement to which you have entered into with PayPal (collectively "**PayPal Agreements**") to your use of the PayPal Services through the Products. If any inconsistency exists between the terms of the PayPal User Agreement and this Pro/VT Agreement then, except for Express Checkout, the terms of this Pro/VT Agreement shall control in connection with your use of the PayPal Services through any Product. The terms of the PayPal User Agreement shall control for any inconsistency for Express Checkout.

We may amend this Pro/VT Agreement at any time by posting a revised version on our website. The revised version will be effective at the time we post it unless otherwise noted. If we change the Pro/VT Agreement in a way that reduces your rights or increases your responsibilities, we will provide you with 30 days' prior notice of and 90 Days' prior notice of any fee increase or the introduction of a new fee 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. You may terminate your relationship with us at any time and without termination penalty by closing your Account.

## 1. Credit Report Authorization.

You understand and agree that you are authorizing PayPal to obtain your personal credit report from a consumer reporting agency for the purpose of processing this 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 for the term of this Pro/VT Agreement. You have the right to review your credit report file and correct errors by contacting the consumer reporting agency.

2. Fees.

All fees are in Canadian Dollars unless otherwise stated. The fees associated with any Express Checkout transaction submitted by you via any Product are set forth in the PayPal User Agreement.

a. Product Monthly Fees.

<b>Product</b>	<b>Monthly Fee</b>
PayPal Payments Advanced	<b>\$10</b>
PayPal Payments Pro	<b>\$35</b>
Website Payments Pro	<b>\$35</b>
Virtual Terminal Only	<b>\$35</b>

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

<b>PayPal Services</b>	<b>Fees</b>		<b>Products that offer the Service</b>
Direct Payments*	<u>Monthly Sales Volume</u>	<u>Fee</u>	PayPal Payments Advanced,  PayPal Payments Pro,  Website Payments Pro
	\$0.01 - \$3,000.00	<b>2.9% + \$0.30</b>	
	\$3,000.01 - \$12,000.00	<b>2.5% + \$0.30 †</b>	
	\$12,000.01 or greater	<b>2.2% + \$0.30 †</b>	
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*	<table border="1"> <thead> <tr> <th><u>Monthly Sales Volume</u></th> <th><u>Fee</u></th> </tr> </thead> <tbody> <tr> <td>\$0.01 - \$3,000.00</td> <td><b>3.1% + \$0.30</b></td> </tr> <tr> <td>\$3,000.01 - \$12,000.00</td> <td><b>2.7% + \$0.30 †</b></td> </tr> <tr> <td>\$12,000.01 or greater</td> <td><b>2.4% + \$0.30 †</b></td> </tr> </tbody> </table>	<u>Monthly Sales Volume</u>	<u>Fee</u>	\$0.01 - \$3,000.00	<b>3.1% + \$0.30</b>	\$3,000.01 - \$12,000.00	<b>2.7% + \$0.30 †</b>	\$12,000.01 or greater	<b>2.4% + \$0.30 †</b>	PayPal Payments Pro, Website Payments Pro, Virtual Terminal (only)
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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:										
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<p>* Excludes Direct Payments and Virtual Terminal Payments where an American Express Card is used.</p> <p>† You must complete a one-time application and be approved by PayPal to be eligible for these rates. Once approved, the rate is based upon your Monthly Sales Volume for the prior month.</p>										

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

<b>American Express Payments</b>	<b>Fee</b>
Direct Payments	<b>3.5%</b>
Virtual Terminal Payments	<b>3.5%</b>

- c. The Transaction Fees in Section 2(b) 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(b) 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.

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

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

<b>Service</b>	<b>Fee</b>	<b>Products that offer the Service</b>
Recurring Billing	Standard Transactions Fees apply	PayPal Payments Advanced, PayPal Payments Pro
Advanced Fraud Protection Services	Monthly Fee: <b>\$10</b> Per transaction: <b>\$0.05**</b>	PayPal Payments Advanced, PayPal Payments Pro
Recurring Payments	Standard Transactions Fees apply	Website Payments Pro,

		Virtual Terminal (only)
Advanced Fraud Management Filters	Monthly Fee: <b>\$20</b> Per transaction: <b>\$0.05**</b>	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>		

- e. Additional Fees. The following additional fees apply to all Products in connection with the activity described.

Activity	Fee
<p>Uncaptured Authorization</p> <p>For each successful uncaptured Direct Payment or Virtual Terminal authorization</p>	<b>\$0.30</b> per uncaptured authorization
<p>Card Verification transactions*</p> <p>This fee will apply to all Direct Payment or Virtual Terminal card authorization verification transactions.</p> <p>*Applies only to Visa and MasterCard transactions.</p>	\$0.30 per card verification request
<p>Cross-Border Payment</p> <p>For receiving payments from buyers outside Canada.</p>	<p><b>1.0%</b> (added to the Transaction Fees for International Sales (excluding the US))</p> <p><b>0.8%</b> (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,</p>	<p><b>Fixed Fee portion of the original Transaction Fee.</b> (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>in addition to the full payment amount that is refunded to the buyer.</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><b>Up to 1.0%</b> (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><b>Up to 5.0%</b> (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 conditions. Adjustments may be applied immediately and without notice to you.</p>	<p><b>2.5%</b> (added to the exchange rate)</p>																						
<p>Chargeback</p> <p>Applied at the time a Chargeback is applied to your Account and charged in the currency of the transaction.</p>	<table border="1"> <thead> <tr> <th>Currency</th> <th>Chargeback Fee</th> </tr> </thead> <tbody> <tr> <td>Australian Dollar:</td> <td>\$22.00 AUD</td> </tr> <tr> <td>Brazilian Real:</td> <td>35.00 BRL</td> </tr> <tr> <td>Canadian Dollar:</td> <td>\$20.00 CAD</td> </tr> <tr> <td>Czech Koruna:</td> <td>400.00 CZK</td> </tr> <tr> <td>Danish Koruna:</td> <td>120.00 DKK</td> </tr> <tr> <td>Euro:</td> <td>€1600 EUR</td> </tr> <tr> <td>Hong Kong Dollar:</td> <td>\$155.00 HKD</td> </tr> <tr> <td>Hungarian Forint:</td> <td>4325.00 HUF</td> </tr> <tr> <td>Israeli Shekel:</td> <td>75.00 ILS</td> </tr> <tr> <td>Japanese Yen:</td> <td>¥1,875.00 JPY</td> </tr> </tbody> </table>	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
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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

f. Payment Terms.

- i. If you use PayPal Payments Advanced or PayPal Payments Pro, you authorize to allow PayPal to charge the credit card that you provided when you registered for these Products for fees that become due under this Pro/VT Agreement. If you use Website Payments Pro and choose to have your fees under this Pro/VT agreement charged to your credit card, the terms of this paragraph apply.
- ii. If you use Virtual Terminal only, you authorize PayPal to charge your PayPal Account for fees that become due under this Pro/VT 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 PayPal Services within 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 Pro/VT agreement charged to your PayPal Account, the terms of this paragraph apply.
- iii. Monthly fees are paid on a calendar month basis. For Website Payments Pro or Virtual Terminal, monthly fees are charged in advance. For PayPal Payments Advanced or PayPal Payments Pro, monthly fees are payable in arrears.
- iv. 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.
- v. All fees are non-refundable.

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

h. 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 an up to 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 a Product, or may be added at any time by PayPal with 30 days' prior written notice of the fee increase. You agree to terminate your use of the Product(s) if you do not agree to this fee.

- i. 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 an up to 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 a Product, or may be added at any time by PayPal with 30 days' prior written notice of the fee increase. You agree to terminate your use of the Product(s) if you do not agree to this fee.
- j. 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 PayPal Payments Pro instead of the PayPal Payments Advanced monthly fee, but you may not receive full access to all features of PayPal Payments Pro. PayPal may implement this fee increase in its sole discretion at any time with 30 days' prior written notice to you. You agree to terminate your use of the PayPal Services if you do not agree to this fee.
- k. Processing Requirements. You agree to submit only 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 Pro/VT Agreement and in the Card Company Rules, or which accurately describes the product or services being sold or the charitable donations being made. 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.

- a. General. You are fully responsible for the security of data on your website or otherwise in your possession. 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 or the Card Companies immediately after discovery of the incident.
- b. 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 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 defined as a cardholder's account number, expiration date, and CVV2. You must not store CVV2 data at any time. Your customers' Card Data is handled by PayPal if: (a) your Product is PayPal Payments Advanced, or (b) your Product is PayPal Payments Pro and you choose to activate the "transparent redirect" feature and integrate the feature properly per PayPal's instructions. PayPal adheres to PCI DSS. 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 PayPal Services and all Card Data will remain the property of PayPal, its Acquiring Bank or the Card Companies, as appropriate.

- 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 will ensure that each such employee or agent complies with the terms of this Pro/VT Agreement. You will not give, transfer, assign, sell, resell or otherwise dispose of the information and materials provided to you to utilize the PayPal 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 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.

#### 4. Additional Terms for American Express Card Acceptance.

If you accept American Express cards pursuant to this Pro/VT 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 Pro/VT 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 Pro/VT 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 Pro/VT Agreement as related to American Express Card acceptance. You acknowledge and agree that American Express shall have no responsibility of liability with regard to PayPal's obligations to you under this Pro/VT Agreement.
- e. If our agreement with American Express is terminated, we may assign this Pro/VT Agreement with respect to the American Express provisions to American Express.

#### 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 Products, 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 [here](#).
- 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 processes transactions through the Products 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.

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

- a. You must include a PayPal Express Checkout button either: (i) before you request the shipping/billing address and other financial information from your customers or (ii) on the same page that you collect such information if you only use one page for your checkout process.
- b. 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.
- c. You must provide your customers with the option of not storing their personal information, including their email address, shipping/billing address, and financial information.

#### 9. Risk Controls.

If you use the Products 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:
  - a. 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."
  - b. 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".
  - c. All payment types that failed PayPal's proprietary risk models.
- c. Expanding Declines. You may adjust your Risk Controls to decline payments, including:
  - a. Direct Payments or Virtual Terminal Payments where the address entered by the cardholder only partially matches the information stored by the issuing bank.
  - b. 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 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.

## 10. 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:
  - a. 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".
  - b. 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".
  - c. Direct Payments and Virtual Terminal Payments that failed PayPal's proprietary risk models.
  - d. Direct Payments and Virtual Terminal Payments where the address entered by the cardholder only partially matches the information stored by the issuing bank.
  - e. 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 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.

## 11. Fraud Protection Services.

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.

#### 12. Recurring Billing/Recurring Payments Consent.

If you use the Recurring Billing or Recurring Payments features 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.

#### 13. No Warranty.

THE PRODUCTS AND THE PAYPAL 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 PAYPAL SERVICES WILL BE CONTINUOUS OR ERROR-FREE. PayPal does not guarantee, represent nor warrant that the PayPal 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.

#### 14. 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 PayPal 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.

## 15. Termination.

- a. By Merchant. You may terminate your use of the PayPal Services, or the acceptance of any cards at any time without penalty.
- b. By PayPal. PayPal may terminate your use of the PayPal Services if:
  - i. You fail to comply with the terms of, or are unable to pay or perform your obligations under, this Pro/VT Agreement or any of the PayPal Agreements that apply to the PayPal Services;
  - ii. We decide, in our discretion, that you become ineligible for the PayPal 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 Rules 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 the Product. If your use of any Product is terminated, you will not be refunded the remainder of the Monthly Fees that you have paid for such Product.

## 16. General.

- a. Law and Forum for Disputes. Except as otherwise agreed by the parties, any claim or dispute you may have against PayPal must be resolved as described in Section 14 of the PayPal User Agreement.
- 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 Pro/VT Agreement; (ii) your use of the Products or the PayPal Services accessed through the Products; or (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. Data Use. PayPal shall have the right (i) to use the Data it receives from you as necessary to perform the PayPal services; (ii) to collect and process the Data subject to applicable law to use internally for record keeping, internal reporting, analytics, fraud detection and support purposes; (iii) to compile and disclose Data in the aggregate where your individual or user Data is not identifiable, including calculating Merchant averages by region or industry; and (iv) to provide the Data as required by the Card Companies, the Acquiring Banks, law or court order, or to defend PayPal's rights in a legal dispute.
- f. Complete Agreement. This Pro/VT 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 the your use of the Products and the PayPal services accessed through the Products. If any provision of this Pro/VT 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.

## 17. Definitions.

**"Acquiring Bank"** means each of the financial institutions PayPal partners with to process your Card payments, including your Direct Payments and Virtual Terminal 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.

**"American Express Merchant Operating Guide"** means the policies and procedures governing your acceptance of the American Express Card which is available from American Express online at [www.americanexpress.ca/merchantguide](http://www.americanexpress.ca/merchantguide), and is incorporated by reference.

**"API"** means PayPal's proprietary application programming interfaces used to interface with the PayPal systems in order to use certain PayPal Services.

**"Card Companies"** means a company or group of financial institutions that promulgate rules to govern Card transactions via bankcard and payment networks including MasterCard, Visa, American Express and Interac.

**"Card Company Rules"** means the rules and regulations governing acceptance of Cards. Rules are available for Visa, MasterCard, and American Express 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](https://icm.aexp-static.com/Internet/NGMS/US_en/Images/MerchantPolicyOptBlue.pdf)

[www.americanexpress.ca/merchantguide](http://www.americanexpress.ca/merchantguide)

**"Cards"** means Visa, MasterCard, American Express, JCB, and Interac-branded payment cards.

**"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).

**"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 PayPal 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.

**"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, as described in more detail on the PayPal website.

**"Monthly Sales Volume"** means the total payment volume processed by you through any Product using any payment method.

**"PayPal Agreements"** has the meaning provided in the second paragraph of this Pro/VT Agreement.

**"PayPal Payments Advanced"** means the suite of PayPal 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 PayPal 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 and Recurring Billing, which are all more fully described 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"** has the meaning provided in the first paragraph of this Pro/VT Agreement.

**"Pro/VT Agreement"** has the meaning provided in the first paragraph of this Pro/VT Agreement.

**"Recurring Billing"** means the optional feature associated with PayPal Payments Advanced and PayPal 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 Website Payments Pro and Virtual Terminal 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 Products that provide a merchant with the option of changing certain controls to accept or decline transactions with a higher likelihood of risk.

**"Transaction Fees"** means the fees provided in Section 2(b) of this Pro/VT Agreement. Note, if you use certain optional PayPal Services, certain additional fees may apply to your transactions on a per transaction basis, as outlined in Section 2(d) and 2(e); however these are not included in this definition.

**"Virtual Terminal"** means the PayPal 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.

**"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.