



MERCHANT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This MERCHANT AGREEMENT ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between:

**RIZAL COMMERCIAL BANKING CORPORATION (RCBC)**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, Philippines, represented herein by its servicing entity, **RCBC BANKARD SERVICES CORPORATION (RBSC)**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 30<sup>th</sup> Floor, Robinson Equitable Tower #4 ADB Ave., corner Poveda St., Ortigas Center, Pasig City, 1605, hereinafter referred to as "RCBC";

-and-

\_\_\_\_\_, a duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at \_\_\_\_\_ represented herein by its duly authorized representative, \_\_\_\_\_ hereinafter referred to as "MERCHANT".

RCBC and MERCHANT shall each be called a "Party", and collectively, "Parties".

WITNESSETH THAT:

WHEREAS, RCBC is engaged in the business of issuing credit cards and payment solutions;

WHEREAS, MERCHANT is duly licensed to engage in business and desires to honor the credit cards and other payment solutions in connection with its sale of goods, merchandise and services;

NOW, THEREFORE, for and in consideration of the foregoing premises and the terms and conditions contained in this Agreement, the Parties hereto agree to the following:

1. SERVICES

The MERCHANT desires to avail of the following services, which are governed by the corresponding annexes. All applicable annexes shall be binding and be deemed incorporated into this Agreement:

Payment Acceptance Services	Annex	Yes/No
Credit/Debit Cards/QRPH	A & B	
QR Pay Services/QR PH	B	
Ecommerce Services	C	
Dynamic Currency Conversion	D	

Should the MERCHANT desire to avail abovementioned services after execution of this Agreement, the MERCHANT must sign/execute the appropriate annex and the same shall be binding and be deemed incorporated into this Agreement.

Should additional products and services become available, RCBC shall automatically make said products and services available and accessible to the Merchant, subject to notice and advise on applicable terms and conditions of use.

2. DEFINITION OF TERMS

The following terms used in this Agreement shall have the following meaning:

- a. "ACCEPTANCE MARKS" shall refer to the decal sticker that is composed of the Scheme's Symbol.
- b. "ACCOUNT DATA COMPROMISE EVENT" or "ADC Event" refers to an occurrence that results, directly or indirectly, in the unauthorized access to or disclosure of account data or the unauthorized manipulation of account data controls, such as Account usage and spending limits.
- c. "ANTI-MONEY LAUNDERING ACT" of 2001 or "AMLA" refers to Republic Act No. 9160 and any amendments and related rules and regulations, passed to handle education, prevention, investigation and imposition of administrative measures and sanctions for the violation of rules and regulations governing suspicious, illegal and unlawful activities and other money laundering activities and other violations as defined in the AMLA and applicable rules and regulations.
- d. "AUTHORIZATION CODE" shall mean the authorization from RCBC to the Merchant which shall be obtained by the Merchant prior to completion of any Card transactions.
- e. "CARD SCHEMES" or "SCHEMES" shall mean payment networks linked to payment cards or switches, e.g Visa, Mastercard, JCB, UPI, Diners & Discover, American Express.
- f. "CARDHOLDER" shall mean the person whose name is imprinted/embossed with the Card number on the front of the card and whose signature appears on the signature panel at the back of the Card as an authorized user.
- g. "CHARGEBACK" shall mean the process by which RCBC will charge to MERCHANT the amount on the Sales Slip/s which have been paid by RCBC under such circumstances or situations as are provided under this Agreement or under dispute by the Issuer or Customer.
- h. "CUSTOMER" shall refer to the consumer buying goods and services from the MERCHANT, whether through credit card or QR Code, as may be applicable.
- i. "CVC2" shall mean Mastercard's Card Validation Code that has three-digit security code printed on the signature panel of the Mastercard's Cardholder;
- j. "CVV2" shall mean Visa's Card Verification Value that has three-digit security code printed on the signature panel of the Visa's Cardholder;
- k. "DYNAMIC CURRENCY CONVERSION" shall mean the conversion of the purchase price of goods or services from the currency in which the purchase price is displayed to another currency as agreed to by the Cardholder and Merchant.
- l. "DYNAMIC QR CODE" shall refer to the unique QR code generated per transaction.
- m. "ELECTRONIC COMMERCE" or E-COMMERCE" shall mean the exchange of goods and services for payment made between the Cardholder and Merchant when all of the transactions are performed via electronic communication.
- n. "INTERNET" shall mean the name given to the collective electronic network of computers and computer networks which are inter-connected throughout the world.
- o. "ISSUER" shall mean any bank or financial institution who is authorized to issue Credit Cards.
- p. "JCB Card" as used herein shall mean an authorized, unexpired credit and/or debit card(s) valid in all respects, bearing the service marks, trademark(s) and or trade name of JCB and a design of blue, red and green bands or in such other design style as may from time to time be determined by JCB, which cards will be in the form, from time to time issued by (1) RCBC or (2) other bank, business entity, corporation or any other form of organization with which RCBC JCB or JCB International has valid agreement with respect to the use of either or both of the service marks of JCB, as herein described.

- q. "MANUAL AUTHORIZATION" refers to the approval required to be obtained by MERCHANT by telephone from RCBC Authorization Center before a Card transaction may proceed, provided, that, such telephone authorization shall only be required if a point-of-sale terminal (POS) has not been installed in the business premises of the MERCHANT or for INSTALLMENT arrangements. The Authorization Center contemplated herein shall take the form of an authorization code number obtained from RCBC Authorization Center by the MERCHANT.
- r. "MARK" refers to the names, logos, sounds, animations, haptics, visual depictions, trade names, logotypes, trademarks, service marks, trade designations, and other designations, symbols, and marks that the Card Schemes owns, manages, licenses, or otherwise controls and makes available for use by RCBC.
- s. "MASTERCARD" shall mean an authorized, unexpired credit and/or debit card bearing the service/trademark Mastercard, Mastercard II design, with distinctive interlocking circles design consisting of (1) a red circle overlapping a yellow ochre circle, (ii) two gold circles and a GLOBE design consisting of a GLOBE, and "M" and "C" which marks and designs are owned by Mastercard International, and (iii) in such other marks or designs, as may be issued from time to time by (1) RCBC or (2) any other bank, business entity, corporation or any other form of organization with which RCBC or Mastercard International has a valid agreement with respect to the use of any or all of the service/trademarks of Mastercard, as herein described.
- t. "MERCHANT" shall mean the party entering into this contract who is a business establishment contracted by RCBC to accept any valid Mastercard, JCB, Visa, and Union Pay Cards and QRPH/ Bancnet and/or other related products with its sales of merchandise and/or services.
- u. "MERCHANT AUDIT PROGRAM" refers to the document indicating a set of parameters that would determine if a transaction is fraudulent based on the merchant orientation guidelines.
- v. "MERCHANT DISCOUNT RATE" OR "MDR" shall mean the amount chargeable by RCBC to the Merchant at the agreed rate in the percentum of the value of the Card's transaction.
- w. "MERCHANT ID or the MID" shall refer to the unique ID given to each branch of merchants.
- x. "MERCHANT OPERATING GUIDE" or MOG shall refer to the guidelines as well as other guidelines issued by RCBC from time to time and received by the MERCHANT for the operation of the card. For these purposes, the MOG is issued separately and received by the MERCHANT, including all subsequent revisions and additions thereto, as well as other guidelines which RCBC may issue from time to time, which shall form part of this Agreement and shall be followed strictly by MERCHANT.
- y. "MERCHANT'S ACCOUNT" shall refer to the designated bank account of the MERCHANT for payments made by RCBC to the MERCHANT.
- za. "MERCHANT'S CREDENTIALS" shall mean default id and password provided by the vendor to access the system.
- aa. "MERCHANT'S WEBSITE" shall mean the website or the webpage set up, owned and/or maintained by the Merchant on the Internet;
- bb. "PAYMENT ACCOUNT REFERENCE" or "PAR" shall refer to the payment reference allocated to an account.
- cc. "PAYMENT SERVICE PROVIDER" shall refer to a third party company that contracts with the MERCHANT that provides hosting reservation service which stores account data on behalf of the MERCHANT.
- dd. "PERSONAL IDENTIFICATION NUMBER (PIN)" shall mean the number/s required to authorize a transaction for a PIN based Card.
- ee. "POINT-OF-INTERACTION" shall mean the physical point where a Customer is interacting with the merchant to initiate a transaction.
- ff. "POS" refers to Point-of-Sale terminal/s, which may be installed in business premises of MERCHANT for use as card verification machines. Dipping, or tapping of the Card through the POS terminal, as required if one has been installed in MERCHANT'S premises, shall take the place of the Authorization above.
- gg. "POTENTIAL ACCOUNT DATA COMPROMISE EVENT" or "POTENTIAL ADC EVENT" shall refer to an occurrence that could result, directly or indirectly, in the unauthorized access to or disclosure of account data or the unauthorized manipulation of account data controls, such as account usage and spending limits.
- hh. "RCBC INTEGRATION GUIDE" shall mean document provided by RCBC and/or its partner to assist Merchant's developers in creating the necessary hosting environment for the Virtual Terminal system;
- ii. "RCBC QR PAY APP" shall refer to the mobile application used by the MERCHANT to (a) process payment via RCBC MERCHANT and/or User presented QR Pay App, and (b) provide status of the transaction subject of said payments.
- jj. "SALES SLIPS" shall refer to the forms supplied by RCBC, which shall constitute proof of the consummation of a sale made by the MERCHANT to the Cardholder on credit and shall serve as an authorization from the Cardholder for (i) RCBC to pay MERCHANT based on the amount appearing on the Sales Slip and (ii) to charge the Cardholder's account for the equivalent amount indicated on the Sales Slip.
- kk. "SCHEMES STANDARDS" shall refer to the policies, and procedures that must be adhered to in the issuance, acceptance and use of the Cards.
- ll. "SERVER" shall mean a computer that acts as a provider of some service to other computers, such as processing communications, interface with file storage, or printing facility.
- mm. "SETTLEMENT" shall refer to a file of transactions performed offline or online at the MERCHANT and submitted to the MERCHANT's acquirer for payment.
- nn. "SINGLE PURCHASE LIMIT" or "SPL" shall mean the maximum amount the Cardholder or the extension cardholders are allowed to purchase through his or her MasterCard, JCB, Visa, or China Union Pay Card/s at any one time.
- oo. "SPLIT SALES" shall mean any transactions made by the MERCHANT to the same Cardholder's account which are covered by two or more sales slips with consecutive invoice or receipt serial numbers and the total amount of which exceeds the SPL in POS merchants of the establishment concerned.
- pp. "SSL" shall mean Secure Socket Layer which is a standard that encrypts data between a web browser and a web server.
- qq. "STATIC QR CODE" shall refer to the QR Code assigned to the MERCHANT for the purpose of processing payments for the goods sold and services rendered to the user. The MERCHANT's Static QR Code is scanned by the User to transfer payment from his/her account.
- rr. "SUSPICIOUS CIRCUMSTANCES/PURCHASES/TRANSACTIONS" shall mean purchases made by a Customer with doubtful motive or under suspicious circumstances with respect to the amount, volume, nature and character of goods, merchandise and/or services purchased in relation to the person or business of the Customer such as but not limited to making it appear that the purchases of goods and/or services were made when in actuality cash advance was applied, including but not limited to multiple purchases; use of Cards bearing different names; signatures on Sales Slips which appear to be different from the signatures on the Card; Cardholder's signature varies from one Sales Slip to another; a sudden increase or unusual amount of Card transactions by the same Cardholder with the MERCHANT; entering a wrong Personal Identification Number (PIN); or the natural features of the Cardholder do not appear to match the name of evident nationality or citizenship of the person whose name appears on the Card.
- ss. "SYSTEM" shall mean RCBC's Authorization Processing System.
- tt. "TERMINAL ID or TID" refers to the unique ID given to each POS terminal provided to the Merchant.
- uu. "TERMINAL RECEIPT" refers to the paper printed when a transaction has been completed
- vv. "THIRD-PARTY SELLER" shall mean a person or entity that offers physical goods or digital goods for sale on a consumer-facing online platform but does not itself accept the Cards for the resulting sales.
- ww. "THIRD PARTY SERVICE PROVIDER" shall mean the third-party entities that manage and distribute software-based services and solutions to customers across a wide area network from a central data center;
- xx. "UNIONPAY" or "UPI" as used herein shall mean an authorized, unexpired debit and/or card bearing the CUP logo including "Union Pay" logo, CUP Hologram, "Union Pay" in Chinese character, artistic characters of "Union Pay", micro-printed words and/or logo characters and other exclusive trademarks and/or logos of CUP, as may be issued from time to time issued by (1) RCBC or (2) other bank, business entity, corporation or any other form of organization with which RCBC or China Union Pay has a valid agreement with respect to the use of either or both of the trademarks and/or logos of China Union Pay, as described herein.
- yy. "VALID CARD" shall mean a card duly issued by an issuer bearing the alphanumeric and other design elements and security features that appear on its front and back as explained in the MOG with the signature panel bearing the signature of the cardholder that may be used between the effective and expiration dates printed on the Card.
- zz. "VIRTUAL TERMINAL" shall mean a real-time transaction system that functions as a payment service using a secure transaction server on the Internet.
- aaa. "VISA" shall mean an authorized, unexpired credit and/or debit card bearing the marks Visa, Blue, White and Gold Band design of the latter's service mark only, or VISA dove design appearing as a hologram on the card, from time to time issued by (1) RCBC or (2) and other bank,



business entity, corporation or any form of organization with which RCBC VISA, USA, Inc. or VISA International has a valid agreement with respect to the use of either or both of the service marks of VISA, as herein described.

## 2. PAYMENT ACCEPTANCE

2.1 Commencing from the date of this Agreement, MERCHANT shall honor every Valid Card/ e-wallet/ others when properly presented as payment from the Customers for all transactions. The MERCHANT shall not engage in acceptance procedures that discriminate against or discourage the use of Mastercard, JCB, Visa, Union Pay Card, and/or QRPH in favor of any other competing card brand that is also accepted by the MERCHANT.

2.2 The MERCHANT should be based in the Philippines and shall accept card payments from Mastercard, VISA, JCB, Union Pay and QRPH.

2.3 The MERCHANT shall not complete a transaction if:

- the Card/QR is expired or is not activated yet; or
- the MERCHANT has been advised to decline the Card/QR as per POS or Authorization Center; or
- the Card/QR presented has any signs of tampering, alterations or irregularities in the face or back of the Card.

2.4 RCBC shall provide the necessary materials to the MERCHANT to conduct POS/QR transactions.

2.5 The Merchant may request but must not require a Customer to provide additional identification information as a condition of Card acceptance, unless such information is required to complete the transaction, such as for shipping purposes, or the Schemes specifically permit or require such information to be collected.

## 3. RETENTION AND RETRIEVAL OF CARDS

The MERCHANT shall use its best efforts, by reasonable and peaceful means:

- to retain a Card while making an Authorization request; and
- to comply with advice or instructions given by RCBC Authorization Center.

## 4. AUTHORIZATION AND TRANSACTION

4.1 The Merchant must obtain an authorization before completing a transaction.

4.2 The MERCHANT understands and agrees that it is responsible for the transaction (i.e. the sale of goods or provisions of services) including customer service and dispute resolution. RCBC shall in no case be held liable for any loss, damage, or Customer complaint relating to the goods or services.

4.3 The MERCHANT must not submit to RCBC any transaction that is:

- Illegal; or
- damaging to the goodwill or reflecting negatively on RCBC and/or Schemes or its Marks.

The following activities are considered to be a violation of this rule:

- The sale or offer of sale of a product or service other than in full compliance with law;
- The sale of a product or service, including an image, which is patently offensive and lacks serious artistic value (such as, by way of example and not limitation, images of nonconsensual sexual behavior, sexual exploitation of a minor, nonconsensual mutilation of a person or body part, and bestiality), or any other material that the Merchant deems unacceptable to sell in connection with a Mark.

4.4 The Merchant must submit to RCBC records of valid transactions only between the Merchant and a bona fide Customer. A Merchant must not submit a transaction that the Merchant knows or should have known to be fraudulent or not authorized by the Customer, or that it knows or should have known to be authorized by a Cardholder colluding with the Merchant for a fraudulent purpose.

4.5 The Merchant consents to RCBC's right to monitor and review Merchant Settlement. As such, RCBC has the right to generate the settlement based on a set of parameters, such as but not limited to:

- Increases in MERCHANT Settlement volume
- Increase in a MERCHANT's average ticket size and number of transactions for each Settlement
- Change in frequency of Settlement
- Change in technical fallback rates, or a technical fallback rate that exceeds two percent (2%) of a MERCHANT 's total transaction volume
- Force-posted transactions (i.e., a transaction that has been declined by the Issuer or the chip or any transaction for which authorization was required but not obtained)
- Frequency of transactions on the same account, including credit (refund) transactions
- Unusual number of credits, or credit dollar volume, exceeding a level of sales dollar volume appropriate to the Merchant category
- Large credit transaction amounts, significantly greater than the average ticket size for the Merchant's sales
- Credit (refund) transaction volume that exceeds purchase transaction volume
- Credits issued by the MERCHANT subsequent to RCBC's receipt of a chargeback with the same PAN
- Credits issued by the MERCHANT to a PAN not previously used to effect a transaction at the MERCHANT location
- Increases in the MERCHANT chargeback volume

In the event that RCBC identifies a suspicious credit or refund transaction activity, RCBC may, in its sole discretion, consider the suspension of transactions pending further investigation. If RCBC determines that an authorized refund transaction will not be cleared, whether due to suspicious activity or any other reason, RCBC will reverse the refund transaction authorization request.

## 5. REPRESENTATION AND WARRANTIES

5.1 Each Party represents and warrants to the other Party that:

- It is a corporation/entity duly organized and validly existing under the laws of the jurisdiction under which it was formed and has all the legal power and authority to execute this Agreement and to carry out the terms, conditions and provisions hereof;
- This Agreement constitutes a valid, legal and binding obligation, enforceable in accordance with the terms, conditions and provisions hereof;
- There are no actions, suits or proceedings pending, or to its knowledge, threatened, against or affecting it before any court or administrative body or arbitral tribunal that might adversely affect its ability to meet and carry out its obligation under this Agreement; and
- The execution and delivery of this Agreement has been duly authorized by all requisite corporate action, and will not contravene any provision of, or constitute a default under, any other agreement or instrument to which it is a party or its property may be bound.

5.2 By presentation of any transactions information presented to RCBC by or on behalf of the MERCHANT, the MERCHANT warrants to and agrees with RCBC, as follows:

- all statement/s of fact contained therein which should be within the knowledge of the MERCHANT are true and complete;



- b. the MERCHANT has supplied or caused to be supplied, goods and/or services to which the transaction information relates and to the value stated therein and a price not greater and otherwise on items no less favorable than the same price and terms at and on which such goods and or services are supplied by the MERCHANT for cash;
- c. no other information has been or presented in respect of the goods and/or services to which the transaction information relates; and
- d. the provision of credit for the supply of the goods and/or services to which the transaction information relates is not unlawful and fraudulent as transacted by the Merchant's employed staff and/or in any manner violates the provisions of the AMLA.

5.3 Neither the receipt by RCBC of any transaction information nor any payment by or other act or omission of RCBC (other than an express written acknowledgement or waiver thereof by RCBC) shall constitute or be deemed to constitute any acknowledgment or waiver of compliance by the MERCHANT with any of the warranties specified in this Agreement.

5.4 The MERCHANT acknowledges and agrees that it has not entered into this Agreement in reliance on any representation statements or warranty (whether written or oral and whether express or implied) made by or on behalf of RCBC other than such as are expressly set out herein. MERCHANT further acknowledges that it is primarily liable for all its obligations hereunder.

5.5 The MERCHANT acknowledges and agrees that it is responsible for orienting its staff, employees, agents and personnel on the terms and conditions of this Agreement as well as other rules and procedures that may be issued by RCBC from time to time.

5.6 The MERCHANT shall inform RCBC of any changes in corporate name or authorized signatories by submitting the corresponding board resolution and corporate papers/documents.

5.7 The MERCHANT shall, at the request of RCBC, provide RCBC its latest Financial Statements and such other documents that RCBC may require from time to time.

5.8 The MERCHANT shall immediately notify RCBC in writing and at least sixty (60) days before the effectivity of any material change in its status or what and how goods are sold. Changes may not be implemented without prior written approval of RCBC.

## 6. SETTLEMENT AND PAYMENT

6.1 All merchants shall conduct daily settlement. This ensures that proceeds will be credited to the nominated settlement account in a timely manner. Settlement may still be processed despite failure to settle transactions daily, subject to disputes, penalties, and chargeback.

RCBC has the right to refuse payment for Settlement submitted after ten (10) calendar days.

6.2 All payments from RCBC to the merchant will be made in the Philippine Peso Currency. All payments to the MERCHANT shall be credited to the Merchant's Account.

6.3 RCBC shall be without prejudice to any claims or rights which RCBC may have against the MERCHANT and shall not constitute any admission by RCBC as to the performance by the MERCHANT of its obligations under this Agreement and the amount payable to the MERCHANT.

6.4 RCBC shall be entitled to set off and deduct from any payment due to the MERCHANT with:

- a. the amount of any refund due to any Customer in accordance with the Refund procedure set out in this Agreement;
- b. any overpayment made by RCBC due to mathematical errors or otherwise;
- c. any other sums due from or payable by the MERCHANT to RCBC, herein; and,
- d. at RCBC's discretion, an amount equal to interest at the rate then currently charged to Customers in respect to their indebtedness from the due date until the date of payment (as well as after and before any demand made or judgment obtained) on the amount of any credit slip details of which are presented as required under this Agreement within seven (7) days after the refund has been agreed between the MERCHANT and the Customer, or which is not dispatched to RCBC, within such period together with a check in favor of RCBC, for the full amount thereof (the seventh such day being the due date for the purpose of the calculation of such interest);

and in performing such set of or deduction, RCBC may;

- i. debit the Merchant's bank account maintained with RCBC forthwith; and/or
- ii. deduct the outstanding amount from subsequent credits to the Merchant's Account, and/or
- iii. if Merchant has no RCBC bank account, or insufficient funds available therein, claim from the MERCHANT the amount credited to the account in respect of the relative Sales Slip.

6.4 The MERCHANT acknowledges that it will not submit for payment any transaction under 4.3

6.5 The MERCHANT shall reconcile payments made by RCBC within thirty (30) days from receipt thereof: otherwise the payments shall be deemed correct and final without prejudice to RCBC's right of set-off and deduction as stipulated in this Agreement. All claims on unpaid slips that the MERCHANT has purportedly submitted to RCBC shall be raised by the MERCHANT within this period.

6.6 Withholding or Suspension of Payment - If RCBC determines, on reasonable ground, that that the MERCHANT has committed a breach of this Agreement, dishonesty or fraud against RCBC, or any Customer, RCBC shall be entitled to withhold or suspend all payment under this Agreement to the MERCHANT pending inquiries by RCBC.

In case MERCHANT exceeds the Merchant Audit Program fraud and/or chargeback thresholds or if the transactions are found to be invalid/fraudulent, MERCHANT shall become liable to chargeback.

In case of gross dishonesty or fraud, MERCHANT may be disaffiliated or this Agreement immediately terminated to prevent further loss risks.

6.7 Right to Set-Off and Consolidation - Notwithstanding any other rights available to RCBC under this Agreement, RCBC may at its absolute discretion, and at any time without notice or assigning reason thereof, may set-off against the sales proceeds of the MERCHANT or debit the Merchant's bank account with RCBC of whatever description and wherever located for the purpose of Chargeback or towards the reduction or discharge of any sum due to RCBC by the Merchant under any of the terms in this Agreement. The prevailing interest and/or penalty charges of RCBC shall be charged to the MERCHANT in the event the recovered amount has caused the Merchant's account to be overdrawn.

6.8 All sums payable by RCBC under this Agreement shall be payable in cleared funds in the agreed currency on the due date of such amounts and without deduction for any taxes other than applicable Creditable Withholding Taxes (CWT). All other taxes, charges, and/or deductions, such as but not limited to Value Added Tax (VAT), levies, imposts, duties, fees, other kinds of withholdings, restrictions or conditions of any nature now or hereafter imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof or therein shall be for the account of and charged to the MERCHANT.

## 7. REFUNDS

7.1 If in respect of any transaction any goods are not received by the Customer or are lawfully rejected or accepted for return or services are not performed or canceled or the price is lawfully disputed by the Customer or price adjustment is allowed, the MERCHANT shall not make a cash refund but shall sign and date each credit memo and include a brief description of the items concerned. A true and completed copy of the credit memo must be delivered or





forwarded to the Customer and RCBC.

7.2 In the event of a refund to a Customer, the MERCHANT shall submit relevant Sales Slips and credit memo to RCBC within seven (7) days from the agreed refund date between the MERCHANT and the Customer. The MERCHANT is required to refund the net proceeds (i.e. the total credit less the discount) to RCBC forthwith either thru offsetting or direct payments to RCBC.

7.3 In the event that only credit memos are presented to RCBC at any one time, the MERCHANT shall at the same time make payment of the net refund (i.e. the total refund(s) to the Cardholder(s) less the discount to RCBC ).

7.4 In the event of a breach by the MERCHANT of any of these terms, RCBC is authorized to debit the Merchant's Account or deduct from it any refund claimed. In the event that there is no account with RCBC or there is insufficient funds available therein to claim from the MERCHANT or that the deposit is inadequate to compensate RCBC for any refund claimed, the MERCHANT undertakes that it would (1) forthwith on demand by or on behalf of RCBC to pay RCBC the amount of the refund or (2) allow RCBC to off-set the same from any payment or future settlement of submitted transaction/s due to the Merchant, to the extent to which such funds or deposit proves inadequate.

## 8. CHARGES TO CUSTOMERS

8.1 The MERCHANT shall not, directly or indirectly, require any Customer to pay a surcharge or to pay any part of the discount, whether through any increase in price or otherwise, or to pay any contemporaneous finance charge in connection with the transaction in which a Mastercard, JCB, Union Pay, Visa, or QRPH is used. The MERCHANT is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used, or as the Schemes has expressly permitted in writing.

8.2 The MERCHANT shall not discriminate between the Card/QRPH purchase against cash purchase.

8.3 For the avoidance of doubt, a surcharge as used in this section is any fee charged in connection with a transaction that is not charged if another payment method is used. On the other hand, the Merchant discount fee is any fee that the MERCHANT pays to RCBC so that RCBC will acquire the transactions of the MERCHANT.

## 9. CHARGEBACK

9.1 RCBC shall be entitled at any time, notwithstanding any authorization obtained, to:

- a. refuse total or partial payment to the Merchant; or
  - b. if payment has been made,
    - i. debit the Merchant's bank account maintained with RCBC forthwith; and/or
    - ii. offset/deduct the amount from subsequent credits to the Merchant's Account arising from transactions settlement;
- in any of the following situations:
- a. The transaction is for any reason unlawful or unenforceable;
  - b. Customer's signature, when necessary and required, is missing;
  - c. Customer's signature on the Sales Slip or terminal receipt or any other document required to be signed by the Customer in relation to the transaction is a forgery or the Customer alleges his/her signature on the Sales Slip or the terminal receipt or the document does not match the signature of the Card used for the transaction.
  - d. The copy of the Sales Slip, terminal receipt or any other document required to be signed by the Customer in relation to the transaction presented to RCBC or retained by the MERCHANT is incompatible with any copy provided to the Customer.
  - e. Customer's account number is found to be omitted, incomplete or invalid, or Customer's account number is not imprinted;
  - f. The Card presented to the MERCHANT in respect of the transaction had been alerted or had not yet become valid or had expired at the time of the transaction;
  - g. The Card presented to the MERCHANT in respect of the transaction was listed in a warning list or any other communication or advise (in whatever form) from time to time issued or made available by or on behalf of RCBC to the MERCHANT;
  - h. The price charged to the Customer was in excess of the price at which the goods supplied or the services performed were supplied by the MERCHANT for cash;
  - i. The goods and/or services covered by the transaction are rejected or returned or the transaction or part thereof, is validly canceled or terminated by a Customer or the MERCHANT fails to provide at all or to the Customer's satisfaction, goods and/or services to the Customer;
  - j. The Sales Slip or terminal receipt or any part thereof is illegible, incomplete or unsigned or not prepared or completed or submitted in accordance with this Agreement;
  - k. The Customer disputes the nature, quality or quantity of the goods and/or services covered by the transaction;
  - l. Any information presented electronically to RCBC in respect of the transaction is not received in accordance with RCBC requirements from time to time;
  - m. RCBC has requested evidence, as provided under this Agreement, to support its claims with MasterCard, VISA, Union Pay, JCB, and Bancnet in relation to the transaction which the MERCHANT has failed to provide within the time limit specified by RCBC in the request;
  - n. There has been any departure from the terms of this Agreement in relation to that transaction;
  - o. The transaction information required to be presented in respect of the transaction is not presented to RCBC within seven days of the transaction;
  - p. The Customer disputes or denies the transaction or the sale or delivery of goods and/or services covered by the transaction within reason;
  - q. In seeking Authorization for a transaction the MERCHANT has given an incorrect Customer's name or Card account numbers RCBC;
  - r. There has been a breach by the MERCHANT of this Agreement other than the breaches more specifically provided in this sub-clause, in connection with the transaction or the sales or otherwise;
  - s. The transaction is posted more than once to Customer's account due to the settlement of incorrect copy of Sales Slip (copy other than bank copy) by the MERCHANT;
  - t. That there are suspicious circumstances surrounding the transaction and there are reasonable grounds to believe that the transaction falls under suspicious purchases;
  - u. RCBC is of the opinion that the submission is out of the prior sales pattern;
  - v. The Issuer refuses to honor the Sales Slips presented by the MERCHANT, such as but not limited to: late presentment, unauthorized by cardholder, non-receipt of goods, etc. or
  - w. The circumstances of the transaction are suspicious that the MERCHANT knows or ought to know that the Card is counterfeit or stolen.

9.2 The MERCHANT shall not receive any payment from a Customer with respect to charges for goods or services included on a sales slip. The MERCHANT shall not receive any payment from a Customer for charges previously processed through their Mastercard, JCB, Visa, Union Pay, or QRPH.

9.3 The MERCHANT shall be liable for any chargeback that has accrued prior to the termination of this Agreement.



## 10. USE OF NAME AND MARK

10.1 The MERCHANT hereby authorizes RCBC to include the MERCHANT's name, at RCBC's sole discretion, in any directory or promotional material produced in connection with the acceptance of Mastercard, JCB, Union Pay, Visa Cards, and QRPH.

10.2 The MERCHANT hereby authorizes the Schemes to make additional data available to the Issuer in order to enrich the posting of transaction data with publicly available business information pertaining to the MERCHANT. RCBC shall provide the MERCHANT with the relevant guidelines from the Schemes.

## 11. SCHEMES MARKS

11.1 The MERCHANT shall display the Scheme's Marks, symbols and names as well as promotional materials to inform the public that the relevant Schemes will be honored at the MERCHANT's place(s) of business. The MERCHANT's right to use or display Marks, symbols and names shall continue only so long as this Agreement remains in effect or until the MERCHANT is notified by RCBC or the relevant Schemes that the MERCHANT must cease such usage or display, and must always be in accordance with the Schemes' requirements.

11.2 The MERCHANT must prominently display the appropriate Acceptance Marks at the POI, wherever payment options are presented. An Acceptance Mark may also be displayed in advertising or other materials or images at the physical or electronic POI to indicate brand acceptance. No other Marks or marks may be used at the POI to indicate the Schemes' brand acceptance. The MERCHANT may be required to supply RCBC with samples of any materials or images bearing the Acceptance Marks.

11.3 The Acceptance Marks must be clearly visible to the public at the POI displayed at parity with all other acceptance marks displayed, afforded similar prominence to any other marks displayed.

The following standards apply to the acceptance environments specified below:

- a. Face-to-face Transactions - at physical locations, the preferred way to communicate acceptance is to display the Acceptance Marks on a main entry door or on a nearby window. If these locations are not available, the Acceptance Marks must be displayed so they are seen easily from the outside. When a Customer-facing POS Terminal is present at a Merchant location that accepts different Schemes/Cards, the appropriate Acceptance Marks must be displayed on the POS Terminal at parity with all other acceptance marks and afforded similar prominence to any other mark displayed.
- b. On-line Transactions - acceptance marks are visible on Merchant's website and payment gateway.

11.4 All acceptance marks, symbols, logos, or combinations thereof may appear in the same material or image, provided visual parity is maintained and no other acceptance mark, symbol, or logo displayed is more prominent or likely to cause confusion concerning the acceptance of Cards. Each Acceptance Mark must be displayed as a free-standing mark, meaning that an Acceptance Mark must not be displayed so as to suggest that it is either a secondary means of payment or exclusively linked to another acceptance brand.

## 12. MERCHANT DISCOUNT RATE

12.1 RCBC shall deduct the MDR in accordance with the relevant Annex.

12.2 RCBC reserves the right to change or modify the Merchant Discount Rate upon due written notice to the MERCHANT within fifteen (15) days from effectivity of the new revenue share.

12.3 The MERCHANT shall submit them in such form, manner and such other information relating to the transactions, and to such processing facility as shall from time to time be approved or required by RCBC.

## 13. MINIMUM TRANSACTION AMOUNT

The MERCHANT shall not require, or post signs indicating that they require, a transaction amount below which the MERCHANT shall refuse to honor otherwise valid Mastercard, JCB, Union Pay, Visa Cards, and QRPH.

## 14. EVIDENCE AND DOCUMENTS

14.1 The MERCHANT will promptly, on RCBC's request, (whether or not the same is disputed by the Customer) produce to RCBC evidence satisfactory to RCBC of the Customer's authority for the Customer's Card account to be debited with any transaction amount and will retain all documents and records relating to each transaction for a period of not less than eighteen (18) months thereafter and produce the same to RCBC on request.

14.2 MERCHANT shall keep/retain Merchant and/or bank copies of Sales Slips for at least eighteen (18) months from transaction date. This is in accordance with Mastercard, Visa, Union Pay, JCB, and QRPH chargeback standards that allow Issuers/ Customers to dispute transactions within the aforementioned timeframe. Failure of merchants to present the Sales Slips may result in chargeback.

14.3 The MERCHANT shall provide such reasonable assistance for the prevention and detection of fraud in respect of any transaction as RCBC may from time to time request.

## 15. DISCLAIMER

15.1 RCBC shall not be under any liability to the MERCHANT's customers where the matter concerns the inaccuracy or invalidity of any POS Authorization/SMS Confirmation communicated by RCBC in connection with the services, except for RCBC's gross negligence and willful default, and the MERCHANT shall indemnify RCBC for any claims arising therefrom.

15.2 Except as expressly provided in this Agreement, all conditions, warranties, undertakings, inducements or representations whether express, implied statutory or otherwise relating in any way to the System, are excluded. Without limiting the generality of the preceding sentence, RCBC shall not be under any liability to the MERCHANT in any loss or damage (including consequential loss or damage) however caused, which may be suffered or incurred or which may arise directly or indirectly in respect of the Equipment/imprinter or as a result of failure or error in the Equipment/imprinter, the programmes, the data or the System.

## 16. INDEMNITY

16.1 The MERCHANT will indemnify RCBC on demand in respect of any actions, claims, costs, damages, demands, expenses, losses and liabilities made against, suffered or incurred by RCBC arising directly or indirectly from or in connection with:

- a. the MERCHANT's breach/default of this Agreement or non-compliance of any Schemes' requirement;
- b. MERCHANT's engagement in fraudulent or illegal transactions, or in the event of irregularities of the transactions, as determined by RCBC;
- c. the any MERCHANT action that may damage the goodwill of the Schemes or reflect negatively on the Marks;
- d. MERCHANT activities that in the view of RCBC could result in loss; or
- e. transactions between the MERCHANT and the Customer where there was misrepresentation or breach of contract or other breach of duty by the MERCHANT (or any of the Merchant's offices, employees or agents) to any Customer.

16.2 In case RCBC is compelled to engage the services of counsel for the protection of its interests or enforcement of its rights under this provision, the



MERCHANT hereby agrees to pay attorney's fees equivalent to twenty-five (25%) of the amount involved or claimed, in case of suit, by way of liquidated damages, aside from costs of collection and, in the proper case, costs of suit.

.3 RCBC shall have the right to charge the investigation and management costs or financial reimbursement in the event the MERCHANT's activities resulted in any loss or other risk such as an ADC Event or Potential ADC Event, which RCBC has to take actions to prevent or minimize loss.

## 17. AUDIT, RISK MANAGEMENT AND SECURITY

17.1 The MERCHANT shall allow the Bangko Sentral ng Pilipinas or other relevant government agency examiners, internal/external auditors of RCBC and/or its own auditors (collectively "Auditors"), to audit the MERCHANT's financial and operational records and files relating to this Agreement and the services any other defined periods as may be determined by RCBC, as may be warranted under the circumstances. The MERCHANT shall cooperate with the Auditors in providing such information as they may reasonably require and shall immediately take necessary corrective measures to satisfy their findings and recommendations.

17.2 The MERCHANT agrees that the Auditors are duly authorized and shall have the right (i) to initiate audit spot checks on the premises utilized by and the systems or equipment for information security compliance; (ii) to monitor compliance with applicable policies, such as but not limited to the privacy policy, information security standards, confidentiality; and (iii) to obtain copies of independent audit and financial reviews.

17.3 The MERCHANT further agrees to comply with reasonable changes or implement other risk management controls deemed necessary by RCBC to manage risk.

17.4 MERCHANT shall comply with the following:

Security Rules and Procedures :2.8.1 "DISCLOSURE RESTRICTIONS FOR CVV2/ CVC2/ CARD SECURITY CODE the DATA":  
"acquirers, merchants and merchant service providers may not store CVV2/ CVC2/ other Card Security Code data in any manner or for any purpose. Assessments for failure to adhere to these CVV2/ CVC2/ Card Security Code data use and safeguarding rules will apply. Mastercard, Visa, Union Pay, JCB, and QRPH may impose a non-compliance assessment for each violation if the acquirer, or any of its merchants or MSPs, fails to comply with these requirements within 30 days of discovery or notice of non-compliance."

In the event RCBC is penalized by Mastercard, Visa, Union Pay, JCB, or QRPH for violation(s) of the above-cited rule, and which violation(s) are attributable to the failure of the Merchant to dutifully comply with its commitment and guarantee hereof through no fault on the part of RCBC the MERCHANT shall reimburse RCBC the amount the latter may be held liable for in terms of penalties. The MERCHANT shall also be liable for any damage(s) RCBC may suffer as a result of failure on the part of the MERCHANT to dutifully observe extraordinary diligence to ensure the confidentiality of any and all Customer data including but not limited to card number and expiry date and other similar information.

17.5 Should storage of Customer information be required by the MERCHANT for business legal and/or regulatory purposes, the MERCHANT should only store such specific information as is expressly required and should establish a data retention and disposal policy and procedure.

17.6 The MERCHANT shall securely safe-keep the merchant copy of the Sales Slips and limit access only to authorized personnel.

17.7 Under no circumstances shall the MERCHANT store sensitive card authentication data prior to, during, or subsequent to authorization, even if such sensitive card authentication data is encrypted.

Sensitive card authentication data shall include:

- any data from the NFC, magnetic stripe or chip of the CARD;
- the card validation code which is the three digit code found at the back of the card such as the CVV2/ CVC2/ Card Security Code; and
- PIN.

17.8 The MERCHANT shall not sell, purchase, provide, or exchange a Customer's name or Mastercard, JCB, China Union Pay, or Visa account number information in the form of imprinted Sales Slips, carbon copies of imprinted Sales Slips, mailing lists, tapes, or other media obtained by reason of a Mastercard, JCB, China Union Pay, or Visa Card transaction to any third party other than to the MERCHANT's agents for the purpose of assisting the MERCHANT in its business, to its Mastercard, JCB, Union Pay, Visa and QRPH acquiring member, to Mastercard, JCB, Union Pay, Visa, or QRPH or pursuant to a government request.

17.9 The MERCHANT, must only use PAR data for one or more of the following purposes:

- To complete a refund, respond to a chargeback, or perform some other reversal of payment in connection with a purchase transaction containing a PAR;
- To comply with applicable law or regulation or Schemes requirements;
- To conduct fraud detection, control, or mitigation activities; or
- To provide services to a Customer at the direction of and with the explicit consent of such Customer.

No other use of PAR data is permitted without the express prior written consent of the Corporation.

### 17.10 Payment Card Industry Data Security Standard (PCIDSS) and restrictions regarding processing of card transactions

- The MERCHANT may only store the following information:
  - Cardholder number's first six (6) and last four (4) digits
  - Cardholder name
  - Card expiry date

Should the Merchant decide to store the full Card Account Number (often referred to as Primary Account Number "PAN" or Cardholder Number), Merchant shall ensure security and protection by using encryption or other methodologies that precludes unauthorized individuals from deciphering the card number.

Under no circumstances shall the Merchant store the CVV2/CVC2 number, the PIN or the magnetic stripe data.

- The MERCHANT must ensure that its business, and any service provider who participates in the processing, transmission or storage of card payment details on behalf of its business, fully complies with the PCIDSS and completes the validation requirements compatible with their level. The Merchants agree to submit an attestation letter of compliance in the form required by RCBC annually and that failure to do so after fifteen (15) days from request of RCBC does not negate any obligation to comply with any and all PCIDSS requirements.
- Upon request, The MERCHANT must disclose details of any service providers who facilitate transactions on its behalf to RCBC.
- The MERCHANT must immediately, upon suspected or known breaches on the MERCHANT's system, or that of any service provider who has access to, stores or transmits credit card payment details on behalf of the merchant. Furthermore, The MERCHANT must:
  - Identify the cause of the event and immediately notify RCBC
  - Isolate or unplug any affected systems from all networks involved in the services
  - Cease installing or making any changes to software related to the services

### 17.11 ADC or Potential ADC Events

- The Party shall be fully responsible for resolving all outstanding issues and liabilities to the satisfaction of the Schemes for its own system or environment that was compromised or vulnerable to compromise (at the time that the ADC Event or Potential ADC Event occurred). In the event of any dispute, the Schemes will determine the responsible Party.



- b. A Party must notify the Schemes immediately when the Customer becomes aware of an ADC Event or Potential ADC Event in or affecting any of its system or environment. A Party is deemed to be aware of an ADC Event or Potential ADC Event when the Party first knew or, in the exercise of reasonable security practices should have known of an ADC Event or a Potential ADC Event.
- c. The Parties shall cooperate with the Schemes and provide all necessary information in the timeframe required by the Schemes in the investigation (including forensic investigation) of any ADC or Potential ADC Event.
  - i. The Parties agree to engage, as may be necessary or as may be required by the Schemes, Payment Card Industry Security Standards Council (PCI SSC) Forensic Investigator (PFI).
  - ii. The responsible Party must ensure that the PFI retains and safeguards all draft forensic report(s) pertaining to the ADC Event or Potential ADC Event and, upon request, immediately provide to the Schemes any such draft. The responsible Party is accountable for all forensic investigation costs.
- d. The Schemes will evaluate the totality of known circumstances to determine whether or not an occurrence constitutes an ADC Event or Potential ADC Event.
  - i. Upon completion of its investigation, if the Schemes determines that a Party bears financial responsibility for an ADC Event or Potential ADC Event, the Schemes will notify the responsible Party of such determination and, either contemporaneous with such notification or thereafter, specify the amount of the financial responsibility for the ADC Event or Potential ADC Event.
  - ii. The responsible Party has thirty (30) calendar days from the date of such notification of the amount of the financial responsibility to submit a written appeal to the Schemes, together with any documentation and/or other information that the Party wishes the Schemes to consider in connection with the appeal. The Party must pay the relevant fees for the filing of the appeal.
- e. In the event of the occurrence of an ADC or Potential ADC Event, the relevant Parties shall develop a remediation action plan, including implementation and milestone dates related to findings, corrective measures, and recommendations set forth in the final forensic report. The relevant Parties shall monitor and validate that the compromised entity has fully implemented the remediation action plan, recommendations, and corrective measures.

17.12 RCBC reserves the right to pursue other legal action to protect its interests in case of MERCHANT's failure to dutifully comply with its obligation of confidentiality, which shall survive the termination of this Agreement.

17.13 The Merchant shall inform RCBC in writing within three (3) days from effectivity if there are changes to the following:

- (i) Name of the Merchant;
- (ii) Name, address, and citizenship or nationality of beneficial owner, if applicable, and authorized signatories;
- (iii) Official address or contact details; and
- (v) Nature of business.

## 18. DATA PRIVACY AND PROTECTION

18.1 The MERCHANT will not, without prior written consent of the relevant Customer, use or disclose information on Customer or his/her transactions howsoever obtained and in whatsoever from the information shall take, to any third party (other than the Merchant's agents for the sole purpose of assisting the MERCHANT to complete or enforce the transactions and the MERCHANT's insurers and professional advisers) unless such disclosure is compelled by the law.

18.2 The MERCHANT will not, without the prior written consent of RCBC use or disclose information howsoever obtained and in whatsoever form on the business of RCBC or the System or this Agreement, to any third party (other than to the MERCHANT agents for the purpose of assisting the MERCHANT to complete or enforce the transactions and the MERCHANT agents for the purpose of assisting the MERCHANT to complete or enforce the transactions and the MERCHANT insurers and professional Advisers) unless such disclosure is required by the law.

18.3 In connection with the cognizance by the Parties hereto of the above cited rule, the MERCHANT hereby commits and guarantees to RCBC that it shall not in any manner, or for any purpose, store data that it may encounter and/or come to know of during the course of its relations with RCBC as specified. Furthermore, the MERCHANT shall exert extra diligence to ensure the confidentiality of any and all Customer data including but not limited to card number and expiry date and other similar information.

18.4 The MERCHANT shall comply with the requirements of the Data Privacy Act (RA 10173), its Implementing Rules and Regulations, the memorandum circulars issued by the National Privacy Commission, and all confidentiality rules and laws, as applicable. The MERCHANT shall uphold the rights of data subjects, and adhere to general data privacy principles of transparency, legitimate purpose, and proportionality and the requirements of lawful processing. The MERCHANT shall implement reasonable and appropriate organizational, physical, and technical security measures for the protection of personal data. The MERCHANT shall use any information acquired in fulfilling this Agreement only and such Information may not be used for other purposes unless agreed to by the Parties in writing.

18.5 The MERCHANT authorizes RCBC or its duly authorized personnel to obtain, receive, record, use, process, store, disclose personal information, any and all information pertaining to the MERCHANT, including the MERCHANT's personal information, any account, or any transactions on any account (collectively, the "Information"), to RCBC's subsidiaries, affiliates, agents, representatives, service providers, vendors, counterparties and other third party partners such as merchants, co-brand partners, credit bureaus credit information, credit and loan providers, financial institution, telecommunications companies, other/similar information providers, or to courts, competent authorities, or government agencies and instrumentalities, wherever situated, for the following purposes: (a) opening an account or providing any service or product to the MERCHANT; (b) processing or verifying any transaction; (c) validating, verifying, and/or updating its information and its related documents; (d) enforcing or protecting RCBC's rights in the prosecution or defense of RCBC or its directors, officers, or employees with regards to disputes or claims pertaining to the products and services of RCBC; (e) allowing RCBC to perform its obligations and provide the services under any applicable law, rules and regulations, contract, or orders from any court or quasi-judicial and administrative offices including the necessary reporting, transfer and disclosures to any credit institutions or its members; (f) protecting the MERCHANT and/or RCBC against fraudulent, unauthorized, or illegal actions and/or related transactions; (g) allowing RCBC, its affiliates and/or subsidiaries, agents and third parties selected by any of them to perform the required customer due diligence client identification, risk profile assessment or comply with regulatory obligations on money-laundering, terrorist financing, and risk management; (h) offer products and services of RCBC and any of its subsidiaries and affiliates or third party partners, including data profiling, processing, monitoring, reviewing, reporting, storing, statistical and risk analysis purposes; and (i) any other instances analogous to the foregoing or authorized by the MERCHANT or any applicable laws or regulations.

## 19. COMPLIANCE WITH SCHEMES REQUIREMENTS

The MERCHANT shall ensure compliance to all Schemes requirements (Mastercard, Visa, JCB and UnionPay) in the course of fulfilling its obligations under this Agreement and for as long as the MERCHANT remains accredited as such with RCBC. For this purpose, RCBC undertakes to inform the MERCHANT of any new regulation or compliance matter which may have been issued by the Schemes and which require necessary actions to be undertaken by the MERCHANT. The MERCHANT warrants that it shall ensure compliance to Schemes compliance requirements as well as those which may be issued after execution of this Agreement. Failure to comply with any of the Schemes requires will allow RCBC to immediately terminate this Agreement.





Notwithstanding any of the provisions herein, if through no default or negligence on the part of RCBC the Merchant fails to comply with this Agreement resulting in RCBC being terminated as a member of any of the Schemes or it is fined by the Schemes or other regulatory authorities, the Merchant shall indemnify and reimburse RCBC immediately for any fine/penalty/reimbursement imposed by Schemes and for all damages, losses, costs (legal or otherwise) incurred by RCBC or brought against RCBC by Schemes or by any third party as a result of the Merchant breaching any of the terms this Agreement.

## 20. TERMINATION AND SUSPENSION

20.1 This Agreement may be terminated by any Party giving at least thirty (30) days prior notice in writing to the other Party.

20.2 This Agreement may be terminated

- a. immediately by RCBC by written notice:
  - i. in the event when the MERCHANT fails to meet the minimum sales volume requirement within a period of six (6) months; or
  - ii. if so required by the Bangko Sentral ng Pilipinas (BSP) or any authority of the Republic of the Philippines with competent jurisdiction over its affairs.
- b. immediately without notice:
  - i. in the event of MERCHANT's breach/default of this Agreement or non-compliance of any Schemes' requirement;
  - ii. when in RCBC's opinion or judgment that the MERCHANT is engaged in fraudulent or illegal transactions, or in the event of irregularities of the transactions;
  - iii. the MERCHANT has performed in any manner that may damage the goodwill of the Schemes or reflect negatively on the Marks; or
  - iv. in the event MERCHANT undertakes activity that in the view of RCBC could result in loss.

20.3 The MERCHANT shall inform RCBC of any removal of shops or offices and its cessation of business in writing thirty (30) days prior to its effective date. This Agreement may be terminated immediately by RCBC by written notice if the MERCHANT is not in a sound financial health or shall be adjudicated as bankrupt, become insolvent, or a receiver, whether permanent or temporary, for all substantially all of the MERCHANT's property, shall be appointed by any court, or the MERCHANT shall make a general assignment for the benefit of its credits, or a voluntary or involuntary petition under the insolvency law shall be filed with respect to the MERCHANT.

20.4 In the event of termination,

- a. MERCHANT shall present all completed transactions to RCBC representative at the time of termination. However, subject to the provisions on Refunds and Chargebacks, payment for all such items received will only be made to the MERCHANT after payment thereof has been received by RCBC. Where any refund claimed by RCBC exceeds the amount due the MERCHANT, the difference thereof shall be a debt due from the MERCHANT to RCBC and be forthwith recoverable by action.
- b. MERCHANT shall forthwith, and at the MERCHANT's expense, return to RCBC the Equipment/imprinter and all related documentation (including operating instructions and/or manuals).
- c. MERCHANT understands and agrees to allow RCBC to report and add MERCHANT, including the necessary/required information, to the Schemes' high risk list/system in the event that termination is due to any of the causes below. The information on the MERCHANT will be retained on the RCBC's and Schemes' system for a period of at least five (5) years from termination of this Agreement.
  - i. An occurrence that results, directly or indirectly, in the unauthorized access to or disclosure of account data;
  - ii. Account data is stolen at the MERCHANT and then used for fraudulent purchases at other MERCHANT locations;
  - iii. The MERCHANT was engaged in laundering activity. Laundering means that the MERCHANT presented to RCBC transaction records that were not valid transactions for sales of goods or services between that Merchant and a bona fide Customer;
  - iv. The number of chargebacks in any single month exceeded 1% of the number of sales transactions in that month, and those chargebacks totaled USD 5,000 or more;
  - v. The MERCHANT effected fraudulent transactions of any type (counterfeit or otherwise) meeting or exceeding the following minimum reporting standard: the MERCHANT's fraud-to-sales dollar volume ratio was 8% or greater in a calendar month, and the MERCHANT effected 10 or more fraudulent transactions totaling USD 5,000 or more in that calendar month;
  - vi. The MERCHANT was unable or is likely to become unable to discharge its financial obligations;
  - vii. The MERCHANT was in violation of one or more Schemes standards that describe procedures to be employed by the MERCHANT in transactions;
  - viii. The MERCHANT participated in fraudulent collusive activity;
  - ix. The MERCHANT failed to comply with Payment Card Industry Data Security Standard requirements;
  - x. The MERCHANT was engaged in illegal Transactions;
  - xi. RCBC has reason to believe that the identity of the listed MERCHANT or its principal owner(s) was unlawfully assumed for the purpose of unlawfully entering into this Agreement;
  - xii. The MERCHANT is the subject of an audit with respect to the Schemes' standards;
  - xiii. The MERCHANT was determined to be a questionable merchant as per the criteria set forth by the relevant Schemes; or
  - xiv. The MERCHANT is currently reviewed by RCBC or the Schemes due to privacy request.

20.5 Any termination shall not affect any liabilities incurred under this Agreement and this clause shall remain in full force and effect notwithstanding termination; provided, however, any transaction presented to RCBC after 120 days after the termination date whether it bears authorization or not, shall not be paid by RCBC.

20.6 Notwithstanding any other rights available to RCBC under this Agreement, RCBC shall be entitled to suspend this Agreement with immediate effect for a period of time as may be determined by RCBC in the event of occurrence of any of the following:

- a. in the event of MERCHANT's breach/default of this Agreement or non-compliance of any Schemes' requirement;
- b. when in RCBC's opinion or judgment that the MERCHANT is engaged in fraudulent or illegal transactions, or in the event of irregularities of the transactions;
- c. the MERCHANT has performed in any manner that may damage the goodwill of the Schemes or reflect negatively on the Marks;
- d. in the event MERCHANT undertakes activity that in the view of RCBC could result in loss;
- e. the MERCHANT is identified by Card Schemes or suspected by RCBC to be the Point-Of-Compromise (compromising Customer Account);
- f. the MERCHANT reached at least 50% of the chargeback ratio threshold of Card Schemes; or
- g. the MERCHANT has no sales volume for the past six (6) consecutive months. Except when MERCHANT has paid the corresponding annual fee of the covered period.

PROVIDED ALWAYS that RCBC shall immediately after effecting suspension, inform the MERCHANT within 2-5 banking days either through email of such action taken and allow the MERCHANT an opportunity to dispute and/or disprove the basis of the action taken with the condition the consent.

20.7 The MERCHANT understands and agrees that any investigation to be conducted in relation to this Agreement may require the involvement of the Schemes. The MERCHANT agrees to be subjected to such investigation by the Schemes.

## 21. NOTICE

21.1 Notice or communication by any Party to the other Party shall be in writing and shall be deemed to have been duly given if either delivered personally or by prepaid registered post addressed to the other Party at the appropriate address stated below or at such address as such Party hereto may hereafter specify in writing to the other party. A notice is taken to be received by the addressee, as follows:

- a. for notices sent personally, (whether or not actually received) when sent by personal delivery, with proof of delivery;
- b. for notices sent by post, on the 6th calendar day after posting;



- c. for notices sent by email, at the time that the communication enters the Party's designated information system or is capable of being viewed from your computer, even if no person is aware of its receipt; and
- d. for notices made available on our website, at the time that you are taken to receive the email or statement message that we send to you to advise you that the notice is available for retrieval.

Party	Rizal Commercial Banking Corporation	[insert]
Name	[insert]	[insert]
Contact Person	[insert]	[insert]
Designation	[insert]	[insert]
Address	[insert]	[insert]
Email Address	[insert]	[insert]

22. MISCELLANEOUS

22.1 ASSIGNMENT - This Agreement is not assignable. This Agreement shall be binding upon the respective successors-in-interest, executors, administrators, representative and assigns of the parties hereto. In case of the MERCHANT is an individual, the Agreement shall bind his or their respective estates. RCBC will be entitled at any time, upon prior notice to Merchant, to assign or otherwise deal with this Agreement or any of RCBC rights and obligations herein.

22.2 WAIVER - The failure by RCBC to enforce at any time or period any one or more of the terms or conditions of this Agreement shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of this Agreement.

22.3 GOVERNING LAW - This Agreement shall be governed by and construed in accordance with the laws of the Philippines.

22.4 VENUE - Any question or issue raised by the parties on this Agreement shall be settled amicably between them. Should amicable settlement not be possible, either party may resort to court or legal action before the proper courts of Pasig City, to the exclusion of all other courts.

22.5 SEPARABILITY - If any provision of this Agreement is or proves to be or becomes illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be in any way affected thereby.

22.6 INTERPRETATION - In this Agreement, if the context permits or requires words importing the masculine gender shall the feminine and neuter genders, and words in the singular number shall include the plural number and vice-versa.

22.7 ENTIRE AGREEMENT AND AMENDMENT - The annexes and the relevant terms of service issued by RCBC pertaining to any POS, system, device, or application installed or given by RCBC to the Merchant are incorporated herein by reference and forms an integral part of this Agreement. This Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior agreements and understandings, oral or written, by and between the Parties hereto with respect to the subject matter hereof. RCBC reserves the right at all times to vary or amend these terms and conditions or to introduce new terms and conditions. Any such variation or amendment or introduction will become effective and in full force upon notification to the MERCHANT in accordance with the provisions on Notice. If the MERCHANT is unwilling to accept any such variation or amendment, the MERCHANT, shall notify RCBC in writing in accordance with the means provided in the provisions on Notice within five (5) days from the receipt of the notification by RCBC and this Agreement may be terminated by the Parties.

22.8 EXECUTION - This Agreement shall be deemed to be made when it is signed on behalf of RCBC and on behalf of the MERCHANT.

## ANNEX A Credit Card / Debit Card Terms and Conditions

### 1. AUTHORIZATION

- a. The MERCHANT is equipped with the POS allowing access to the System, the MERCHANT shall obtain authorization through the POS for every transaction. If in the event of a breakdown in the POS or it becomes inoperable for any reason, the MERCHANT shall obtain such authorization from the Authorization Center of RCBC.
- b. The MERCHANT shall obtain authorization from the Authorization Center of RCBC for manual transactions and record legibly on the Sales Slip the authorization number before completing a transaction if:
  - i. the amount of charge or a series of charges incurred on a Card in a single purchase exceeds the Single Purchase Limit as advised by RCBC from time to time; or
  - ii. the MERCHANT wishes to delay presentation; or
  - iii. the Cardholder is not present; or
  - iv. the MERCHANT believes the Card may be counterfeit or stolen or lost; or
  - v. there are suspicious circumstances surrounding the presentation or proposed transaction.
- c. The MERCHANT understands that an authorization code obtained is not a guarantee that the transaction is legitimate or the card presented is authentic. An authorization code only technically validates data written on the magstripe/stored in the chipcard of the Card against the Issuer's data file.
- d. The MERCHANT should call RCBC Authorization Center and advise a Code 10 to the Authorizer in any event that the MERCHANT is suspicious of a transaction.
- e. RCBC may, from time to time, require Authorization for any type of Card or kind of transaction, with which the MERCHANT must strictly comply.

### 2. INSTALLATION OF POS

RCBC may request the MERCHANT for the installation at the MERCHANT's premises of POS and such related accessories and software (collectively, the "Equipment" which expression shall include any replacement, modifications, enhancements and/or additions to the Equipment) as RCBC thinks fit. RCBC may retrieve the POS installed at the MERCHANT's premises upon prior advice.

### 3. OPERATION OF THE POS

3.1 In all cases where RCBC has delivered and installed POS at the MERCHANT's premises the MERCHANT will:

- a. operate the Equipment only in accordance with and comply with such instructions as RCBC, may give the MERCHANT from time to time;
- b. be responsible for the cost of any electricity consumed by the Equipment and for any telephone charges payable in connection with it;
- c. not alter or otherwise tamper with the program in the Equipment;
- d. ensure that during ordinary business hours at least two members of the MERCHANT's staff (a sales person and a supervisor) who have been trained in the Equipment's operation are available;
- e. report promptly to RCBC any fault or suspected fault in the Equipment's operation;
- f. except with RCBC consent, MERCHANT shall not permit any removal or interference with or addition to the Equipment or any markings thereon;
- g. keep strictly confidential all information received from RCBC in connection with the System and will disclose the same only to those of its staff who require the information for the purpose of the operation of the Equipment and the use of the System. The MERCHANT shall take the necessary steps to ensure its staff are aware of such confidentiality, obligations and, in particular but without limitation, will maintain strict measures with respect to the encryption and terminal initialization procedures affecting the use of the System; and
- h. not permit a third party to use the Equipment for any purpose without the prior written consent of RCBC.

3.2 The MERCHANT shall have the following responsibilities over the Equipment and/or imprints installed in its establishments:

- a. The MERCHANT will retain in the MERCHANT's possession and for the MERCHANT's exclusive use all Equipment and materials supplied by RCBC (except as otherwise required under this Agreement). The MERCHANT shall ensure that the Equipment and/or imprinter are maintained in good condition;
- b. It is the sole responsibility of the MERCHANT to safe-keep and control the use of the Equipment and/or imprinter(s). All use of the Equipment and/or Imprinters shall be deemed to be authorized and sanctioned by the MERCHANT. The MERCHANT shall indemnify RCBC for any damage, loss or misplaced terminals, except for ordinary wear and tear, on the Equipment;
- c. As between RCBC and MERCHANT, all persons using the Equipment and/or imprinter shall be deemed to be agents of the MERCHANT. The MERCHANT shall indemnify RCBC against all claims, losses, demands, actions, costs, expenses and liabilities whatsoever that may be suffered, incurred or sustained by RCBC as a result of or arising from the use or misuse of the Equipment and/or Imprinter(s);
- d. Any Equipment and/or imprinter(s) supplied to the MERCHANT shall remain the property of RCBC and shall be surrendered to RCBC on demand. The MERCHANT shall be liable to pay RCBC the full value of the Equipment and/or imprinter if MERCHANT fails to return the same;
- e. The MERCHANT will also provide such reasonable assistance for the prevention and detection of fraud in respect of usage of the Equipment and/or Imprinter(s);
- f. RCBC may charge the MERCHANT the costs of the Equipment and/or imprinter(s) and/or the costs of repairing the Equipment and/or Imprinter(s) if the Equipment and/or Imprinter(s) were damaged as a result of the improper handling by the MERCHANT, its agents, employees or persons acting in behalf of the MERCHANT;
- g. All Equipment and/or imprinter(s) shall be returned to RCBC upon termination of this Agreement or when the MERCHANT ceases to do business.

3.3 The MERCHANT will not:

- a. sell, assign, transfer, lease or otherwise cause or allow, any dealings with the Equipment and/or imprinter(s) or any encumbrance on the Equipment and/or imprinter to be created; or
- b. remove, conceal or alter any markings, tags or plates attached to the equipment and/or part of the Equipment and/or imprinter(s) which indicate RCBC ownership.

3.4 Subject to the provisions on Indemnity, RCBC shall be responsible for servicing, repairs or replacements required. For all this purpose the MERCHANT shall allow RCBC its contractors or its agents access to the Equipment at all reasonable times.

3.5. The MERCHANT will not permit any third party to perform the maintenance services on the Equipment or to effect modifications, enhancement or engineering changes to the Equipment without the prior consent of RCBC .

### 4. TRANSACTION HANDLING

4.1 The MERCHANT in handling POS transaction(s) must:

- a. ensure that the POS transaction is acceptable to RCBC;
- b. ensure that the extraction of data from Cards must be in the manner specified by RCBC (which may vary from time to time upon prior notice of variation to the MERCHANT);
- c. ensure that the amount of the transaction and any further information (such as Cardholder number and data) which RCBC from time to time requires must be printed on a terminal receipt which should be in a form approved by RCBC;
- d. ensure that the equipment, software, technical standards and procedures for the electronic extraction, retention and transmission of data for the purposes of this Agreement must be approved by, or (as the case may be) are in accordance with the requirements of RCBC;



- e. require the Cardholder, when necessary, to sign the paper roll/sales invoice recording the relevant sales;
  - f. verify, when applicable, the Cardholder's signature against the signature on the back of the Card to ascertain that they are the same and, if the Card has a photograph, that the person and the Cardholder are the same. Where there is a digitized signature, it must also be the same as the signature appearing at the back of the Card. The MERCHANT should ensure the Cardholder's signature appears on all copies of the paper roll/sales invoice, when applicable;
  - g. ensure that there is no discrepancy between the embossed and displayed card number before completing the transaction and that the four pre-printed numbers on the Card cannot be erased when scratched off and it matches the first four embossed numbers on the face of the Card;
  - h. call RCBC Authorization Center where terminal response is "Please Call Card Center" or "Refer to Card Center" before processing any further transactions;
  - i. MERCHANT should not attempt to swipe the Card in decreasing amounts until an approval code is obtained;
  - j. advise Cardholder to coordinate directly with his/her issuing bank where the terminal response is "Decline". The MERCHANT should not attempt to dip or tap the Card in decreasing amounts until an approval code is obtained;
  - k. deliver to the Cardholder a true and completed copy of the terminal receipt;
  - l. collect the day's transaction paper roll/sales slip for accounting purposes. RCBC's copy shall be batched by terminal number and the transaction sequence order together with the settlement summary and these must be returned to RCBC for its records within seven (7) banking days unless otherwise agreed in writing between RCBC and the MERCHANT. Merchant shall keep the Merchant copy for at least eighteen months and shall present it to RCBC upon request; and
  - m. When a transaction requires a PIN entry, require the Cardholder to do the same.
- 4.2. Where any transaction is not handled via POS the MERCHANT shall process transaction via manual Sales Slips:
- a. Imprint legibly the embossed data from the Cardholder's Card and imprint the Merchant's name and account number;
  - b. Enter an adequate description of all goods or services sold, the price in Philippine Pesos and the date of the transaction;
  - c. Obtain the signature of the Cardholder and compare the signature on the end to ascertain that they are the same and, if the card has a photograph, that the photograph and the Cardholder are the same. Where there is a digitized signature, ensure that it is the same as the signature at the back of the Card. The MERCHANT should ensure the signature appears on all copies of the Sales Slip; and
  - d. Deliver to the Cardholder a true and completed copy of the Sales Slip.
  - e. Manual Sales Slips assigned to the MERCHANT cannot be loaned to any other establishment as this constitutes Sales Slip laundering.

4.3. The MERCHANT is not allowed to process any "Cardholder Not Present" transaction without prior written approval of RCBC. The MERCHANT is only allowed to process Card transactions within the pre-agreed premises.

5. MULTIPLE SALES SLIPS OR SPLIT SALES

5.1. The MERCHANT shall not use two or more Sales Slips to avoid Authorization and shall not effect a Card transaction when only a part of the amount due is included on a single Sales Slip except:

- a. when the balance of the amount is paid in cash or by check; or
- b. when the goods or services are to be delivered or performed at a later date and one Sales Slip represents a settlement and the second Sales Slip represents payment of the balance, in which case the MERCHANT must obtain Authorization and shall note on the Sales Slip the Authorization number and the word "settlement" or "balance" as appropriate. The Sales Slip labeled "balance" shall not be presented until the goods are delivered or the services are performed.

5.2. The MERCHANT is not allowed to process multiple Sales Slips or split sales.

6. PRESENTATION OF PAPER

6.1. For transactions not processed via POS, the MERCHANT shall submit all bank copies of Sales Slips to RCBC within ten (10) calendar days from date of transaction. RCBC has the discretion to approve for payment all Bank copies of sales slips received by RCBC . The sending of copies of sales slips to RCBC after ten (10) calendar days from date of transaction shall be deemed as late presentment and RCBC is not obligated to pay the amount of the Sales Slips.

7. SETTLEMENT AND PAYMENT

7.1Subject to the terms of this Agreement, RCBC shall pay to the MERCHANT the amount of approved and settled transactions within two (2) banking days following the day on which the settled transactions are received by RCBC, less the MDR, transaction fees and Taxes for all the Card transactions processed and accepted by RCBC, as may be applicable.

7.2 MERCHANT is required to settle all POS transactions within the same date of the transaction to reduce the risk of Issuer/Cardholder dispute or chargeback. Further, late settlement shall incur 0.50% mark up on MDR to recoup the difference in fees paid to Issuers, Visa, Union Pay, JCB, and Mastercard.

7.3 MERCHANT shall submit all bank copies of the Sales Slips for manual transactions/Sales Slips to RCBC within ten (10) calendar days from date of transaction.

7.4 The Parties hereby agree on an MDR of the following:

	On-Us	Off-Us
a. MASTERCARD	_____ %	_____ %
b. JCB	_____ %	_____ %
c. VISA	_____ %	_____ %
d. UNION PAY	_____ %	_____ %

  

Zero Percent Installment and Buy Now Pay Later (BNPL)		
3 months	_____ %	_____ %
6 months	_____ %	_____ %
9 months	_____ %	_____ %
12 months	_____ %	_____ %
18 months	_____ %	_____ %
24 months	_____ %	_____ %
36 months	_____ %	_____ %



**ANNEX B**  
**QR Pay Services/QRPH**  
**Terms and Conditions**

**1. RCBC’S OBLIGATIONS**

RCBC undertakes the following additional obligations under the QR Pay service:

1. Provide the Merchant with the necessary credentials to enable Merchant’s to access the RCBC QR Pay platform;
2. Provide the Merchant with such QR code for the Merchant’s chosen form of payment as indicated in the merchant enrollment form;
  - 2.1 If the Merchant is authorized to process payment via Merchant’s Dynamic QR Code, the Merchant shall be provided access credentials via the RCBC QR Pay App. Dynamic QR Code shall be valid for one transaction only.
  - 2.2 If the Merchant is authorized to process payment via Merchant’s Static QR Code, the Merchant shall be provided with Merchant’s Static QR Code collateral. Cross-border transmission of the physical static QR code is not allowed.
3. Provide the necessary training to the Merchant’s personnel prior to the operation of the QR Pay platform and/or RCBC QR Pay App, upon such terms and conditions to be mutually agreed upon by RCBC and the Merchant
4. Provide collaterals and signage to be displayed at Merchant’s establishments
5. Credit the Net Pay to the Merchant
6. Once Merchant is detected or suspected in non-compliance with the provisions hereof, such as illegal cash out and illegal QR code or even fake transactions throughout QR code-based payment, RCBC has the right to take risk control measures, such as lowering the upper limit of transaction amount, limiting the transaction count, delaying settlement, closing transaction, etc.
7. Monitor transaction count, transaction amount, total transaction count, total transaction amount, chargeback count, etc., daily
8. Conduct field investigations in the Merchant’s premises and take effective measures to ensure that QR Pay business is properly carried out.

**2. MERCHANT’S OBLIGATIONS**

The MERCHANT undertakes the following additional obligations under the Merchant and/or Customer presented QR pay service:

1. Accept and process any and all transactions of QR Pay users who choose to pay via spot payment, unless there is legal or contractual ground to deny the same;
2. Retain static or dynamic QR codes for Merchant and/or Customer-presented QR code-based payment. When a QR code was tampered with due to improper retention, Merchant shall be liable for loss incurred therefrom;
3. Use QR Pay services only for the products related to Merchant’s principal business as declared to RCBC;
4. Merchant shall (a) maintain in good operating condition the QR Code collaterals (b) properly link the devices to QR Pay platform, (c) download and maintain the latest version of the RCBC QR Pay App required by RCBC, and (d) assign only such personnel who are duly trained to operate the same. Any and all costs to maintain the devices and RCBC QR Pay App under items (a), (b) and (c) shall be for the account of the Merchant;
5. Address claims for refund;
6. Reimburse RCBC for any and all amount and claims settled and paid by RCBC due to unauthorized payments and fraud committed against the QR Pay user;
7. Not engage in any Prohibited Transaction;
8. Use the QR Pay services only for its own business operations to cover an underlying transaction and in such manner as stated in this Agreement. Merchant shall not use the QR Pay services for account top-up, account transfer or any other purpose that is solely related to funds transfer;
9. Use the QR Pay Services for its own account, for its own business purpose and shall not make use of the same to perform services for any other third party sellers or service provider;
10. Maintain its license to operate its business and carry out its obligations under the Agreement;
11. Not restrict its customers in any way from using Merchant or Customer presented QR Pay as a payment method at checkout at any sales channel, including but not limited to restrictions in the form of requirements for minimum or maximum purchase amount from customers using QR Pay to make payments;
12. Comply with all payment security requirements notified to the Merchant by RCBC QR Pay services or the technology provider;
13. For face-to-face transactions, Merchants shall deliver goods or services as agreed only after receiving successful transaction responses or real-time advice messages of successful transactions;
14. For non-face-to-face transactions, Merchants to confirm with user how, where, and when goods or services will be delivered, etc., keep valid proof of goods/services delivery, clearly detailed lists of goods or services and check-upon-delivery requirements on delivery notes;
15. The MERCHANT shall hold RCBC free and harmless from any monetary penalties and fines which may be assessed by the Card Associations (Mastercard, Visa, JCB, China Union Pay) for failure or violation of the MERCHANT to follow the procedures and obligations herein above enumerated. For this purpose, the MERCHANT undertakes to pay RCBC for the fines and penalties which may be imposed on RCBC in relation to the service subject of this Agreement.

**3. PROHIBITED TRANSACTIONS**

The following shall be deemed prohibited transactions under this Addendum Agreement and merchant undertakes not to engage in the said transactions, viz:

- Illegal political audio and video products, publications
- Items or services that contain illegal reactionary content
- National confidential documents
- Pornography (all related)
- Gambling (all related)
- Drugs (all related)
- Tobacco (all related)
- Weapons and their accessories, Military items, Police clothing, equipment and other items

- Criminal items
- Toxic items, Hazardous Chemicals
- Other dangerous goods
- Narcotic drugs and psychotropic drugs
- Toxic drugs
- Prescriptions drugs
- Fetal sex identification
- Adult medicine (aphrodisiac)
- Credit card cash service
- Foreign dating
- Hacker related; malicious software
- Other high-risk services
- Identify card information and other violations of personal privacy information
- Spy equipment; Other items or services that harm personal privacy
- MLM
- Spot Trading
- Counterfeit money
- Trading bank account (bank card)
- Illegal fundraising
- Foreign exchange service
- Virtual currency in offshore accounts
- Bill (invoice)
- Bit currency, Leite currency, ingot and other virtual currency transactions
- Futures trading
- POS payment and other services
- Agricultural Co-Operatives
- Wire Transfer Money Orders
- Financial Institutions - Merchandise and Services
- Quasi Cash - Member Financial Institution
- Non-Financial Institutions - Foreign Currency, Money Orders (Not Wire Transfer),  
Scrip and Traveler's Checks
- Securities - Brokers and Dealers
- Payment Transactions - Member Financial Institution
- Payment Transactions - Merchant
- Money Transfer - Member Financial Institution
- Value Purchase - Member Financial Institution

4. REFUND POLICY

4.1 Merchant shall allow refund only on the following grounds:

- 4.1.1 Overpayment
- 4.1.2 Grounds recognize by Merchant's after-sales service; or
- 4.1.3 Refund claims for any ground other than the above, shall not be processed by RCBC

4.2 The Merchant shall post a sign in its place of business visible to QR Pay Users about its refund policy and the allowed grounds for refund for transactions processed using the QR Pay Service, all in readable font with translation in the language of the QR Pay User. Such refund policy should expressly reflect that in case of conflict between RCBC QR Pay refund period and the Merchant's refund period, the Merchant's Refund Period shall govern.

4.3 All claims for refund must be filed by a QR Pay User within three hundred sixty five days (365) from transaction date ("Refund Date"). Any claim for refund filed beyond the refund period shall not be processed by RCBC QR Pay, regardless of the Merchant's after-sales service policy. A QR Pay user's claim for refund shall include a scanned copy of the relevant transaction agreement to verify timeliness of the claim.

5. MERCHANT DISCOUNT RATE

- i. The Parties hereby agree on a Merchant Discount Rate for QR Pay transactions of \_\_\_\_% or Fixed Rate of PhP \_\_\_\_.
- ii. RCBC shall pay and settle the net of the applicable withholding taxes, to the MERCHANT within 2 banking days following the QR Pay transactions of the MERCHANT.
- iii. RCBC reserves the right to change or modify the Merchant Discount Rate upon due written notice to the MERCHANT within 30 days from effectivity of the new revenue share.



## ANNEX C ECommerce Services Terms and Conditions

### 1. AUTHORIZATION

The MERCHANT shall only complete a transaction upon receiving the Authorization Code from RCBC. RCBC at its discretion may impose a daily transaction limit on the amount involved at any time without prior notice to the MERCHANT.

### 2. INTEGRATION

RCBC will provide Merchant with a RCBC Integration Guide for Merchant's server to communicate with RCBC's authentication service. Merchant and/or its Payment Service Provider must ensure that it has correctly integrated the Merchant's server with the RCBC Payment Server in line with the instructions provided to Merchant in the RCBC Integration Guide. Failure to successfully perform proper integration may result in incorrect processing and RCBC will not be liable for error caused by Merchants

### 3. OPERATION

3.1 The MERCHANT shall at its own costs and expenses acquire the Merchant's Website either operated by the MERCHANT or by the Third Party/Payment Service Provider. It shall further be responsible in ensuring that the Merchant's Website is in good and workable condition.

3.2 The Merchant's Website shall strictly comply, where applicable, to RCBC and Schemes operating regulations which is accordance to the following procedure:

- a. the products and services should be indicated clearly in the web site with their corresponding prices
- b. the MERCHANT should highlight clearly the total cost, including shipping, handling and applicable taxes to the Cardholder upon finalizing an order/purchase.
- c. the MERCHANT should indicate clearly the transaction currency.
- d. the MERCHANT's shipping practices should be indicated clearly in the web site.
- e. the MERCHANT should provide information when the Cardholders expect to receive the merchandise.
- f. the Merchant's Website business policy and return policy should be easily accessible and understandable by the Cardholder.
- g. the Cardholder should accept the MERCHANT's business policy and return policy before completing the order.
- h. the MERCHANT's customer service phone number and e-mail address clearly available for the Cardholder to resolve their transaction problem (and phone numbers include country code).
- i. the MERCHANT should operate the business at the proper office and not at the residence.
- j. the Cardholder should not transact on behalf of the Cardholder by keying-in Cardholder's Card details into the payment server
- k. the Merchant's Website must belong to the registered company which has been accredited by RCBC.
- l. the MERCHANT should not allow any other company to share their RCBC e-Commerce credit card acceptance facility or operate as a merchant to any sub-merchant(s).

3.3 The MERCHANT hereby agrees to comply with and do all that is necessary to ensure compliance of any additional regulations or operating standards introduced by Card Schemes from time to time.

#### 3.4 THIRD PARTY OR OWN OPERATED PAYMENT SERVER SOFTWARE/ GATEWAY

- a. The MERCHANT using a third party or own operated payment server/ gateway must ensure compliance with the RCBC Integration Guide for a secure transmission of transaction to the RCBC Payment Server. Failure to do this may result in incorrect processing and RCBC will not be liable for error/s caused by the MERCHANT.
- b. The MERCHANT using/engaging payment service providers must inform RCBC of the same and must provide proof of the service provider's PCIDSS compliance as required by the Card Schemes. This is an absolute requirement and cannot be waived. If the MERCHANT fails to declare its Payment Service Provider, any penalties imposed by the Card Schemes due to such failure will be shouldered and paid by the MERCHANT, and RCBC shall deduct the penalties from the proceeds/ settlement due to the MERCHANT. In the event that the proceeds/ settlement is not sufficient to cover the penalties, the MERCHANT shall pay RCBC the balance and/or total penalty due without need of demand.
- c. The MERCHANT shall be responsible for their third party provider or Payment Service Provider. Any damage and/or liability caused by the third party provider or Payment Service Provider shall be paid by the MERCHANT.

#### 3.5 THIRD PARTY SELLER

- a. In relation to Third Party Sellers, the MERCHANT confirms that it has in place the following policies and procedures:
  - i. The collection of information about the Third-party Seller and each of its principal owners as necessary or appropriate for customer identification and due diligence purposes,
  - ii. Verification of all information collected as true and accurate,
  - iii. Compliance with all Philippine laws and regulations relating to anti-money laundering, antiterrorist financing, and sanction screening requirements;
- b. An executed contract between the MERCHANT and any Third-party Seller is a prerequisite to the submission of any transactions by the MERCHANT on the Third-party Seller's behalf. The contract must specify that the applicable Card Scheme prohibits Third-party Seller from conducting a sale that it knows or should know is fraudulent or not authorized by the consumer, and that a violation of this requirement will result in termination of the contract without notice;
- c. The MERCHANT must ensure that Third-party Seller names are visible on the MERCHANT 's point-of-interaction (POI) and do not belong to other legal entities. Where legally allowed, the MERCHANT shall put in place controls which may include matching the Third-party Seller names with scam negative listing where they exist.
- d. The MERCHANT must establish fraud loss control measures appropriate to the Third-party Seller's business, including, but not limited, to the detection of sales involving counterfeit goods or the infringement of intellectual property rights.
- e. The MERCHANT must review and monitor its POI and business activities to confirm and reconfirm regularly that all transactions are legal (based on the applicable laws in the locations of the merchant, cardholder, and third-party seller), in an ethical manner, and in full compliance with the standards imposed by the applicable Card Scheme.
- f. The MERCHANT understands and accepts its liability for all acts, omissions, and customer service issues and its responsibility to manage cardholder disputes relating to transactions arising from Third-party Sellers.

### 4. TRANSACTION HANDLING

4.1 All Card transactions shall be recorded by the MERCHANT in a transaction receipt either through a separate confirmation page, an email to the Cardholder, or a physical receipt. A copy of the said transaction receipts shall be kept by the MERCHANT in a secured environment, such as but not limited to a secured server/ cloud set up for the purpose.

4.2 The MERCHANT shall upon completion of any Card's transaction provide the Cardholder with a transaction receipt via the Merchant's Website designed by the Merchant which shall contain the following:

- a. Merchant's name;



- b. Merchant's on-line address;
- c. Transaction amount;
- d. Transaction currency transaction date;
- e. Cardholder's name;
- f. Authorization Code;
- g. Description of goods/services and
- h. Return/refund policy(if restricted)
- i. Transaction Reference Code

The MERCHANT shall deliver the goods or services rendered to the Cardholder subject to the terms and conditions set out in the MERCHANT t's policy displayed on the Merchant's Website.

- 4.3 In accepting and honoring a Card for payment, the MERCHANT shall ensure the following procedures are strictly observed and complied with:
- a. to ensure and accept only Card's transactions with prior Authorization Code obtained from RCBC;
  - b. the delivery of goods sold or services rendered shall comply with the terms of the contract entered between the MERCHANT and the Cardholder;
  - c. the MERCHANT's refund policy is clearly stated on the Merchant's Website;
  - d. the transaction receipt for all completed Card's transaction is produced and delivered to the Cardholder via the Merchant's Website;
  - e. the MERCHANT shall not complete the transaction if RCBC has advised to decline the card after authorization checking.
  - f. the MERCHANT shall deliver to RCBC within seven (7) Business Days any credit voucher being refunded to be posted to the Cardholder;
  - g. to ensure the billing amount is correctly processed; and
  - h. the MERCHANT shall accept and honor any return of goods by the Cardholder when properly presented in accordance to Merchant's Refund Policy.
  - i. all approved transactions will be automatically settled.
  - j. if MERCHANT does not raise any objection to the amount of payment by RCBC within fourteen (14) Days after the date RCBC issues a check or credit merchant's account, MERCHANT shall be deemed to have accepted such amount as correct.

5. SECURITY STANDARDS

- 5.1 The MERCHANT shall adhere or fulfill the security requirements of the Merchant's Website to achieve the following objective:
- a. Data Privacy and Confidentiality - The MERCHANT should undertake proper security precautions to ensure that data transfer are not monitored or read by unauthorized parties and data storage systems are well protected.
  - b. Data Integrity - The MERCHANT should take the necessary steps to ensure that data is not altered or modified during transmission. Data integrity could also be compromised within data storage system if proper controls are not maintained. As such, it is imperative for the MERCHANT to prevent unauthorized access to its central computer system and database.
  - c. The Merchant and its Payment Service Provider should be PCIDSS compliant.
  - d. System design - The MERCHANT should have strong security measures to prevent unauthorized access attempts which could lead to the destruction, altering, or theft of data funds, compromised data confidentiality, denial of service (system failures), damage public image, and resulting legal implications.
  - e. 128-bit SSL - The MERCHANT must use at least 128-bit Secure Socket Layer encryption technique for the transmission of cardholder information.
  - f. CVV2/CVC2 - The Merchant's Website must be capable of accepting and transmitting the CVV2 and CVC2 field to RCBC and or its partner.

5.2 3-D SECURE

- a. "3DSSL" or "3-D SECURE" (collectively referred to "3-D Secure") shall mean a 3 Domain Secure Socket Layer e-commerce environment including acquirers/merchants, Issuers/Cardholder and Card Schemes.
- b. 3-D Secure is available for e-Commerce transactions. The Merchant must utilize and ensure to observe and comply with the 3-D Secure process for all e-Commerce transactions. All costs related to 3-D Secure are the Merchants' responsibility.
- c. The Merchant is responsible for ensuring it has correctly integrated the Merchant's server with RCBC Payment Server in line with the instructions in RCBC Integration Guide.
- d. The Merchant's use or display of the Card Schemes Mark will end upon the termination of the Electronic Commerce Agreement or upon notification by the Merchant to discontinue such use or display.
- e. In utilizing 3-D Secure:
  - i. Merchant must comply with the Card Schemes Mark specifications.
  - ii. Merchant must not use the Mark in a way that implies endorsement of any other product or service.
  - iii. Merchant must not use the Mark as an acceptance in any application.
  - iv. Participating Merchant that processes 3-D Secure transactions comply with the requirements specified in the RCBC Integration Guide
- f. Authentication - RCBC reserves the right to request from the Merchant transaction information to support a card issuer request of information. If Merchant does not provide the requested transaction information, Merchant may risk losing the liability shift afforded by Internet authentication.
  - i. Full Authentication - This occurs when the card issuer, cardholder, Merchant and acquirer all correctly process an authentication transaction. The cardholder will successfully authenticate himself or herself (through a browser pop up or in-line window) with their card issuer.
  - ii. Attempted Authentication - This occurs when the cardholder is not registered for authentication, but the Merchant is submitting an authentication request. Attempted authentication take place where authentication attempted but cardholder was not enrolled or authentication could not be completed but a proof of authentication attempt was provided
- g. The Merchant hereby acknowledges that the intellectual property rights in the 3-D Secure is owned by Card Schemes respectively and shall not be copied, reproduced, modified, altered and/or amended in any manner or form whatsoever. The Merchant further acknowledges that it is a mere licensee duly licensed to apply the 3-D Secure application and which license shall duly be revoked or terminated upon termination of this Agreement.
- h. For the non-3D Secure Merchant ID, all disputed transactions and fraud related chargebacks will be solely borne by the Merchant and will be automatically set-off from Merchant's sales proceeds or debit from the Merchant's RCBC account.

6. PAYMENT AND REFUND

- a. Subject to the terms and conditions of this Agreement, RCBC shall deduct the relevant rates as follows:

Card Type	Merchant Discount Rate	
	On-Us	Off-Us
Visa	_____ %	_____ %
MasterCard	_____ %	_____ %
JCB	_____ %	_____ %





Term (Months)	0% Installment
3	
6	
9	
12	
18	
24	
36	

- b. The Merchant shall reconcile its sales records against the report provided by RCBC or any other Merchant's reconciliation methods. If discrepancies or non-receipt of payment on any of the transaction items is detected, Merchant shall notify RCBC of the same within a period of fourteen (14) days following the date of the transaction. In case a merchant fails to reconcile its records within six (6) months, RCBC may refuse payment.
- c. Payment to the Merchant shall be subject to refusal or Chargeback by RCBC in accordance with this Agreement.
- d. For the return of merchandise, service canceled, adjustment made or otherwise, the Merchant shall issue Credit Memo to RCBC which shall contain the following:
  - i. the amount of refund;
  - ii. the transaction date and Authorization Code number;
  - iii. the unique transaction Identifier;
  - iv. the transaction captured date;
  - v. a description of the merchandise so returned, service canceled, adjustment made or otherwise; and
  - vi. Merchant's name and Merchant's identification number with RCBC



**ANNEX D**  
**Dynamic Currency Conversion**  
**Terms and Conditions**

**1. OBLIGATIONS OF RCBC UNDER DCC**

RCBC undertakes the following additional obligations under the DCC service:

- a. Determine the Currencies which the MERCHANT will offer under the DCC. RCBC reserves the right to add or remove accepted Currencies as above-enumerated herein without need of prior notice to the MERCHANTS.
- b. Replace/reprogram all existing point-of-sale terminals to facilitate DCC transactions by the MERCHANT.
- c. Conduct training for MERCHANTS and their employees on the proper way of offering and processing DCC transactions.
- d. Provide collaterals and signage to be displayed at MERCHANTS' establishments as well as a Merchant's Quick Reference Guide.
- e. Ensure that all transaction receipts generated by POS terminals include all cardholder disclosure information requirements, viz:
  - Transaction amount of the goods or services shown in the merchant's local currency
  - Currency symbol or code of merchant's local currency
  - Total transaction amount in the offered DCC transaction currency
  - Currency symbol or code of the offered DCC transaction currency
  - Exchange rate used to determine the offered DCC Transaction amount
  - Any commission, fees or mark ups over the wholesale rate or government-mandated rate.
  - The words "Transaction Currency" next to the total transaction amount in the DCC transaction currency.
  - A statement indicating that DCC is conducted by the merchant. This statement should only appear before the signature line.
  - A statement indicating that the cardholder has been offered a choice of currencies.
  - Proof of the cardholder's choice to pay in the transaction currency

**2. OBLIGATIONS OF THE MERCHANT UNDER DCC**

The MERCHANT undertakes the following additional obligations under the DCC service:

- a. Display collaterals and signage to inform the public that merchant is processing DCC transactions
- b. Offer to cardholders the choice to accept or decline DCC
- c. Prompt the cardholder, verbally or in writing, to select the desired currency to facilitate the DCC
- d. MERCHANTS will not complete a DCC transaction before the cardholder has actively made his or her choice of transaction currency and shall duly honor the cardholder's choice of currency;
- e. Provide the cardholders with a DCC transaction receipt that includes confirmation or proof of the cardholder's choice to accept the DCC service.

The MERCHANT shall hold RCBC free and harmless from any monetary penalties and fines which may be assessed by the Card Schemes (Mastercard, Visa, JCB, UnionPay) for failure or violation of the MERCHANT to follow the procedures and obligations herein above enumerated. For this purpose, the MERCHANT undertakes to pay RCBC for the fines and penalties which may be imposed on RCBC in relation to the service subject of this Agreement.

**3. CHARGEBACK**

Chargeback for incorrect currency is when the transaction is processed in a different currency from the transaction currency on the receipt or the Cardholder states in writing that DCC was performed and the Cardholder did not make an active choice.

**4. MERCHANT REVENUE SHARE**

- 4.1 The Parties hereby agree on a Merchant Revenue Share for DCC transactions of \_\_\_\_%.
- 4.2. RCBC shall pay and settle the Merchant Revenue Share, net of the applicable withholding taxes, to the MERCHANT within the next succeeding month following the DCC transactions of the MERCHANT.
- 4.3. RCBC reserves the right to change or modify the Merchant Revenue Share upon due written notice to the MERCHANT within thirty (30) days from effectivity of the new revenue share.



IN WITNESS WHEREOF, the parties hereto have caused this Addendum Agreement to be executed on the date and place first above written

<b>RIZAL COMMERCIAL BANKING CORPORATION</b>	<div>_____</div> <div>[name of merchant]</div>
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By:

By:

<b>MR. BENJAMIN WILLIAM R. CUMPAS, JR.</b> Senior Vice President Cards and Payments Business Group Head RCBC Bankard Services Corporation	<div>_____</div> <div>[name of authorized rep] [position of authorized rep]</div>
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SIGNED IN THE PRESENCE OF:

_____	_____
_____	_____

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )  
CITY OF PASIG ) S.S.

BEFORE ME, a Notary Public in and for the City of Pasig, Philippines, personally appeared:

Name	CTC/Passport No./Gov’t ID
[name of merchant]	
[name of authorized representative]	
RCBC by RCBC Bankard Services Corporation	
Benjamin R. Cumpas Jr.	

Known to me and to me known to be the same persons who executed the foregoing instrument consisting of \_\_\_\_ pages and all acknowledged to me that their execution of this document is their free and voluntary act and deed and that such reflect the free and voluntary act and deed of the Corporations they herein represent.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ in the place above-written.

Doc. No. \_\_\_\_  
Page No. \_\_\_\_  
Book No. \_\_\_\_  
Series of \_\_\_\_