



**BPI SECURE PAY eCOMMERCE MERCHANT AGREEMENT**

**KNOW ALL MEN BY THESE PRESENTS:**

This BPI Secure Pay eCommerce Merchant Agreement (“Agreement”) entered into by and between:

**BANK OF THE PHILIPPINE ISLANDS**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at BPI Card Center, 8753 Paseo de Roxas, Makati City, and is duly represented herein by its Vice President, Cecile Catherine A. dela Paz, (hereinafter referred to as “**BPI**”);

-and-

\_\_\_\_\_, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with business address at \_\_\_\_\_ and is duly represented herein by its \_\_\_\_\_ (hereinafter referred to as “**MERCHANT**”)

**WITNESSETH THAT:**

**WHEREAS**, **BPI** is engaged in the business of acquiring credit, debit, and/or prepaid card transactions at affiliated merchant establishments and is licensed to enter into this Agreement with **MERCHANT** to honor these cards for the purchase of goods and/or services from the **MERCHANT’s** establishments and/or online shopping websites;

**WHEREAS**, **MERCHANT** is duly licensed to engage in business and agrees to avail of the **BPI SecurePay** facility for the payment of its goods and/or services over the Internet, or through mail order/telephone order requests, and agrees to be bound by the terms and conditions set forth hereunder;

**NOW THEREFORE**, for and in consideration of the foregoing premises, **BPI** and **MERCHANT** agree as follows:

**1. DEFINITION OF TERMS**

- a. “**Authorization**” refers to the approval obtained by the **MERCHANT** in processing a Card transaction. This may be obtained electronically via **BPI’s** Secure Pay internet gateway service, **BPI’s** eMOTO facility, or manually by calling **BPI’s** 24-Hour Merchant Hotline 88-100 or 1-800-188-88100 (for provincial merchants) before a Card transaction is honored. Manual authorization through **BPI’s** Merchant Hotline shall only be allowed if merchant’s internet facility is temporarily unavailable, or if the **BPI SecurePay** or **BPI eMOTO** facility failed to provide the necessary approval number. A successful Authorization shall be given an authorization code number obtained from **BPI’s** Merchant Hotline by the **MERCHANT**.
- b. “**BPI SecurePay**” shall mean the service offered by **BPI** as an acquirer that processes card payment authorizations over the internet.
- c. “**Cards**” shall mean a Credit Card, Debit Card and/or a Prepaid Card.
- d. “**Cardholder**” shall mean the customer to whom a Card has been issued, or the individual authorized to use the Card. This is also the person whose name is imprinted/embossed on the Cards and whose signature appears on the signature panel as the authorized user thereof, or in the case of bearer Prepaid Cards, shall refer to the holder of the Card.
- e. “**Chargeback**” shall mean the process by which **BPI** will charge the **MERCHANT** the full/ partial amount of previously approved transactions which have been paid by **BPI** under such

circumstances and situation where the cardholder has disputed the transaction, or where the MERCHANT failed to comply with any of the stipulated conditions and procedures herein.

- f. **“Credit Card”** shall mean an unexpired card issued by BPI or other card issuers, which carry any international brand such as MasterCard/MasterCard Electronic, Visa/Visa Electron, as well as any other proprietary brand such as BPI's Express Credit Classic Card, where funds are drawn from a credit line, and used to pay for goods and/or services at affiliated MERCHANT establishments and/or websites.
  - g. **“Card Verification Code (CVC) or Card Validation Value (CVV)”** refers to the last three digits printed on the signature panel of all credit cards.
  - h. **“Debit Card”** shall mean an unexpired card issued by BPI or other card issuers, which may carry any international brand (e.g. MasterCard Debit/Maestro, Visa Debit/Visa Electron, etc.), where funds are drawn from the cardholder's savings or current deposit account maintained with a bank, and used to pay for goods and/or services at affiliated MERCHANT establishments and/or websites. Debit Cards include, but may not be limited to, those cards issued by Expressnet Member banks such as Banco de Oro and Landbank, or those issued by other ATM Networks if and when a point-of-sale (POS) network integration with these other networks is put in place. BPI's proprietary debit card system is called the Express Payment System.
  - i. **“Mail Order/Telephone Order (MO/TO)”** is a generic term referring to any “Card Not present” transaction. When the cardholder's card is not present, the merchant may be allowed to accept the card details from the cardholder by mail/email or telephone. In this type of transaction, the MERCHANT collects the card details and supplies all of the information into BPI Secure Pay for an authorization request.
  - j. **“Merchant”** shall mean any business establishment and/or website accredited by BPI to honor the Cards as payment for goods sold and/or services rendered.
  - k. **“MasterCard Internet Gateway Service (MiGS)”** is the trademark name for MasterCard's payment gateway which is the engine running BPI Secure Pay.
  - l. **“Prepaid Card”** shall mean an unexpired card issued by BPI or other card issuers, which carry any international brand such as MasterCard/MasterCard Electronic/MasterCard Debit, Visa/Visa Electron/Visa Debit, as well as any other proprietary brands such as the BPI Express Cash and/or Electronic Gift Certificates (eGCs) powered by BPI (e.g. the Ayala eGCs), where funds are drawn from a pre-loaded balance, and used to pay for goods and/or services at affiliated MERCHANT establishments and/or website.
2. **MERCHANT** shall be responsible for its website, including, among others, its development and operation.
- 2.1. The **MERCHANT**'s website must contain, at a minimum, the following information:
    - (a) complete description of its goods and services
    - (b) customer service contact information
    - (c) transaction currency
    - (d) return/refund/cancellation/delivery policy (when applicable);
    - (e) country in which the seller is officially registered and located.
  - 2.2. The **MERCHANT** shall be responsible for the customization of its website to conform to the technical requirements as specified by BPI.
  - 2.3. Should the **MERCHANT** engage the services of a third party to develop and/or operate its online store, BPI shall not in any manner, directly or indirectly be bound and/or prejudiced by any of the terms and conditions agreed upon by the **MERCHANT** and such party.



- 2.4. The **MERCHANT** shall be responsible in developing its own order-entry server, in accordance with the merchant set-up requirements to be provided by BPI, which will communicate with the BPI SecurePay server.
3. An Initial Fee of TWENTY THOUSAND PESOS (PHP20,000.00) shall be collected from the **MERCHANT** payable within thirty (30) days from signing of this Agreement. This fee shall cover the license fee to use the **BPI SecurePay** facility, as well as the technical resources needed to set-up the connectivity and testing facility.
4. BPI, through the **BPI SecurePay** interface program, will allow the merchant server to connect to the gateway and enable the **MERCHANT** to do any of the following:
  - 4.1. Obtain online authorization and/or capture of credit card payments.
  - 4.2. Settle credit card transactions.
  - 4.3. Perform other functions (e.g. void a transaction, review a transaction, print a report).
5. Any modifications made by the **MERCHANT** on the **BPI SecurePay** interface program shall be subject to the review and approval of **BPI**.
6. **BPI** and **MERCHANT** shall not sell, provide or exchange Customer's name and address information obtained in connection with the use of the **BPI SecurePay** facility to any third party and shall treat all such data and/or information as strictly confidential.
7. **MERCHANT** shall undertake the necessary measures it deems appropriate to establish the authenticity and identity of its Customers. **MERCHANT** agrees that **BPI** is not responsible for the authenticity and identity of **MERCHANT**'s customers.
8. All card transactions processed through **BPI SecurePay** shall require the approval of the issuing bank. **BPI**'s approval, however, shall be limited only to verification of the validity and expiry date of the Credit Card, including CVC2, and availability of credit limit at the time of the authorization of the transaction.

Transactions approved under the "Authorize Only" mode should be captured within seven (7) days after such authorization. For transactions captured after the said period, **BPI** reserves the right to reject the transaction or charge back the amount paid to **MERCHANT** on account of such transaction.

9. **BPI** at its discretion, even without prior notice to **MERCHANT**, may impose a maximum transaction limit on transactions that may be approved via **BPI SecurePay**, in order to avoid consummation of fraudulent transactions.
10. **MERCHANT** shall ensure that the following transaction data are available, whenever requested by **BPI**, up to eighteen (18) months from date of transaction;
  - (a) MERCHANT name
  - (b) MERCHANT on-line address
  - (c) Transaction amount and currency
  - (d) Transaction date
  - (e) Delivery Address
  - (f) Order Number
  - (g) Customer Name
  - (h) Name on Card
  - (i) Transaction Amount
  - (j) Description of merchandise/service
  - (k) Delivery Receipt or equivalent proof of delivery

Subsequently, retrieval requests must be responded to within fifteen (15) banking days from request. Failure to produce the accomplished form shall be a ground for chargeback.

11. **BPI** undertakes to pay the **MERCHANT** the proceeds of all approved card transactions net of \_\_\_\_\_ percent (\_\_\_\_%) discount rate computed on the face value of the transaction, less any



chargebacks, if applicable, and one-half percent (0.5%) withholding tax within two (2) banking days after settlement. For the purpose of crediting the proceeds, the **MERCHANT** shall maintain an account (the "Account") with the Bank of the Philippine Islands (BPI). Payments by **BPI** shall be without prejudice to any claims or rights **BPI** may have against the **MERCHANT** and shall not constitute any admission by **BPI** as to the performance by the merchant of its obligations under this Agreement.

12. **MERCHANT** undertakes to reconcile the settlement proceeds with the Daily Transaction Journals provided for by **BPI** and with the **MERCHANT's** own sales records, and undertakes to immediately notify **BPI** of any discrepancies in the settlement amount, whether under or over, within thirty (30) calendar days from receipt of the Daily Transaction Journals. Otherwise, the payments shall be deemed correct and final without prejudice to the Bank's right of set-off and deduction as stipulated in this Agreement. **MERCHANT** holds **BPI** free and harmless and indemnified from any losses and/or liabilities incurred by **MERCHANT** for its failure to reconcile its deposit account with the Daily Transaction Journals within the thirty (30) day period.
13. **MERCHANT** shall establish a fair policy for credits, refunds and cancellations. In all instances when such credits, refunds, or cancellations of Internet transactions of Cardholder are granted, **MERCHANT** shall transmit/submit to **BPI** a corresponding credit advice. No cash refund shall be given on any item originally charged to a credit card account. Said adjustments will be netted off against the **MERCHANT's** daily settlement.
14. **BPI** shall provide the **MERCHANT** with the Merchant Administration User Manual and the Integration Guide upon the execution of this Agreement. These will serve as the **MERCHANT's** reference manual in carrying out the settlement and administrative processes required in the proper operation of this **BPI SecurePay** facility. **BPI** shall be held free and harmless and indemnified from any liabilities, claims or demands that may result from **MERCHANT's** non-conformity with the user manual and integration guide.
15. **BPI** shall refer all transaction/s disputed by the Cardholder to the **MERCHANT** and the latter undertakes to resolve the issue with its Customer immediately upon the receipt of advice from **BPI** of Cardholder dispute or chargeback, as the case may be.

Disputed transaction/s shall be automatically charged back in full to the **MERCHANT** and **MERCHANT** undertakes to receive said chargeback which **BPI** shall offset against future billings.

Simultaneously with **MERCHANT's** resolution with its Customer regarding a particular dispute, **MERCHANT** shall furnish **BPI** within ten (10) calendar days copies of its communications with the Customer and such other pertinent documents, i.e., order forms, to enable **BPI** to properly document its case file on the Cardholder with respect to the disputed transaction.

16. The **MERCHANT** by this Agreement agrees that in case of its failure to comply with any or all the conditions and procedures herein, resulting to the non-acceptance of the transaction by **BPI** and resulting to its subsequent chargeback, **BPI** shall issue the corresponding Chargeback Advice to the **MERCHANT**.

**BPI** upon issuance of the Chargeback Advice, will deduct the Chargeback amount from the next payment due to the **MERCHANT**. If none is due, **BPI** will bill the **MERCHANT**, such bill to be payable immediately upon receipt, for the face amount of the Chargeback Advice.

If **MERCHANT** fails to make timely payment of the chargeback, **BPI** shall, at its option, impose a finance charge on the amount due based on the prevailing bank lending rate, and computed from the time the **MERCHANT** received payment up to the time **BPI** is reimbursed by the **MERCHANT**.

17. The **MERCHANT** assigns to **BPI** effective upon its failure to pay, without need of further act of demand, its obligations arising from excessive chargeback or refunds, any moneys, securities and things of value which are now or may hereafter be in the hands of **BPI** or BPI Family Bank, or any of their subsidiaries or affiliates, on deposit or otherwise to the credit of, or belonging to the **MERCHANT**, and **BPI** is authorized apply the proceeds thereof to such obligation.



- 18. The **MERCHANT** shall hold **BPI**, or any of its officers or representatives, free and harmless and indemnified from any and all liabilities, claims, suits or causes of action that the **MERCHANT's** Customers may pursue against **BPI** in connection with the implementation of this Agreement, except those liabilities, claims, suits or causes of action arising from gross negligence of **BPI**.
- 19. This Agreement shall become effective upon the signing by both parties and shall remain in full force and effect until terminated by either party upon sixty (60) calendar days prior written notice, provided that, **BPI** reserves the right to terminate this Agreement effective immediately without the need of prior notice when **BPI**, at its sole discretion, deems necessary, or when mandated by MasterCard Worldwide or Visa International for reasons including but not limited to, excessive chargeback, disputed Cardholder transactions, fraud or counterfeit card transactions, or if **MERCHANT** has breached the fraud threshold imposed by MasterCard Worldwide or Visa International.
- 20. The enforceability and validity of this Agreement, in whole or in part, shall not be affected by the unenforceability or invalidity, whether temporary or permanent, of any particular provision hereof because of restrictive laws, regulations, or judicial or administrative determinations obtained during any period hereof or for any other cause.
- 21. Only **BPI** may modify, amend or revise the terms and conditions applicable to any of the services provided through the **BPI SecurePay** facility from time to time upon mailing or delivering to the **MERCHANT** a written notice of the modifications, amendments or revised terms and conditions at the address shown on the **MERCHANT's** account records. The modifications, amendments, and revised terms and conditions shall be effective on the effectivity date stated in the notice or if no effectivity date is indicated, upon receipt of such modifications, amendments and revised terms and conditions by the **MERCHANT**, provided, however, that such modifications, amendments or revisions shall not in any way affect or change the rights and obligations of each of the parties under this Agreement nor affect or change the rights and obligations of the **MERCHANT** in the use of the **BPI SecurePay** facility. All other modifications, amendments or revisions will need prior written consent from the **MERCHANT** before its effectivity.
- 22. Neither party has the right to assign, transfer, charge, or sub-license any or all of the respective rights and obligations due or pertaining to them under this Agreement without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties have hereunto signed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2008 at Makati City.

**Bank of the Philippine Islands**

By:

\_\_\_\_\_  
Cecile Catherine A. dela Paz

\_\_\_\_\_  
**MERCHANT**

By:

SIGNED IN THE PRESENCE

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