



## MERCHANT SERVICE TERMS – MERCHANT ACQUIRED PAYMENT SERVICES

### 1 INTRODUCTION

1.1 By using PayU's Merchant Acquired Payment Services ("**the Service**"), you, as the Merchant, agree that you have read, understand and are bound by:

1.1.1 these Merchant Service Terms – Merchant Acquired Payment Services ("**Service Terms**");

1.1.2 the Merchant Service Terms - General ("**General Terms**");

1.1.3 the provisions of the relevant hardcopy or electronic application form relevant to the Service ("**Application Form**"); and

1.1.4 any notices which may be published under "**Notices**" on the Website from time to time.

1.2 Your use of the Service indicates your acceptance without modification of these Service Terms, as read with the General Terms and the Application Form, which will together constitute a legal agreement ("**the Agreement**") between you and PayU.

1.3 Unless the context clearly indicates the contrary, any term defined in the General Terms when used herein, shall bear the same meaning as defined in the General Terms. To the extent that there is any inconsistency between any provision of the

General Terms and these Service Terms, then these Service Terms shall override the General Terms to the extent of the inconsistency.

### 2 DURATION

The Agreement shall commence with effect from the date of activation of the Service by PayU which date shall not be earlier than the requested commencement date set out in your Application Form and shall endure until either of us terminates it in accordance with the General Terms.

### 3 THE SERVICE

3.1 **General:** PayU will, in accordance with your selection as set out in the Application Form, act as an e-commerce service provider to you by providing you with access to the Service including any associated Software, Integration Document and other Documentation. The Service is supported by a comprehensive on-line e-commerce engine which can be used

by you as a Merchant, to facilitate online purchases, manage orders and view transaction reporting.

**3.2 Payment Card Processing:** The Service enables you, as the seller of products and/or services, to receive online payments from third parties (including but not limited to PayU Payers) via e-commerce enabled payment card (for example, Visa, MasterCard, American Express and Diner's Club). You are required to have an acquiring account and to comply with the rules imposed by the card payment associations and your acquiring bank. On your website you will be required to indicate the methods of payment which a Payer is able to use in order to make a payment to you, based on the

methods selected by you in your Application Form. Upon payment by the Payer to you, we will send the payment instruction to your acquiring bank (the details of which you shall provide to us in the Application Form in accordance with the payment method selected by the Payer) and upon receipt of any response from the acquiring bank, PayU will forward such response to you.

**3.3 Real Time Recurring/Payment Card Processing:** The Service enables you, as the seller of products and/or services to process transactions from third parties as real time recurring ("**Real Time Recurring**").

**3.3.1** If you select Real Time Recurring on your Application Form, you are responsible for ensuring that the third parties (including Payers) have provided you with prior consent to the transaction being processed as a recurring transaction and you understand and agree that the transaction will not be passed through 3D Secure or require CVV, which may result in increased risk of chargebacks. On your website you will be required to indicate (and obtain the prior consent of a Payer) that Real Time Recurring can be used by the Payer to make payments to you (including managing card expiry dates and ensuring that your Payer notifies you when their card expires) provided that you have selected Real Time Recurring in your Application Form. Upon payment by the Payer to you, we will send the payment instruction to your acquiring bank (the details of which you shall provide to us in the Application Form in accordance with the payment method selected by the Payer) and upon receipt of any response from the acquiring bank, PayU will forward such response to you.

**3.3.2** If the Payer, as the cardholder, has consented to the use of Real Time Recurring as a method of payment, and their payment method is a credit card, we will store the Payer's credit card details in our PCI secure environment. We will then provide you with a token unique to you, that Payer, and his/her credit card (referred to as a "**Token**"). In other words, once the card details are tokenised, subsequent recurring payments are made by submitting the Token that represents the stored card details.

- 3.3.3 Prior to utilising this Real Time Recurring, you are required to have a secure merchant user profile management system ("**Merchant Profile**") to ensure that the card details are securely stored against your Merchant Profile and only transactions authorized by the Payer (card holder) are processed making use of the Tokens. Tokens presented by you will result in PayU processing the transaction. You are required to notify us immediately in the event of any fraudulent or unauthorised use of a Token.
- 3.3.4 You will not store any of your Payer's cardholder information, but use that Token to effect the recurring payments from such Payer. **It is your sole responsibility to ensure that each Token is kept safe and secure and to prevent any unauthorised use of Tokens.**
- 3.4 **Alternative Payment Methods:** The Service enables you, as the seller of products and/or services, to receive online payments from third parties (including but not limited to PayU Payers) via certain other payment methods selected by you in your Application Form (such as, but not limited to eBucks, MasterPass) (each referred to as an "**Alternative Payment Method**" or "**APM**"). On your website you will indicate the relevant APM's which a Payer is able to use in order to make a payment to you, based on the methods selected by you in your Application Form. Upon payment by the Payer to you, we will send the payment instruction to the relevant APM service provider ("**APM Provider**"), in accordance with the payment method selected by the Payer, and upon receipt of any response from the APM Provider, PayU will forward such response to you.
- 3.5 **PayU Wallet Payment Method:** This Service enables you, as a Merchant to receive payments from third party users ("**Users**") that have a registered PayU Wallet with us ("**Wallet**"). The Users have a separate legal relationship with PayU, governed by a user agreement and privacy policy. The Wallet may contain a card store (where Users store their payment card details) ("**Card Store**") and/or a store of value (where users store funds (credits) that they have transferred into their Wallet) ("**PayU Wallet Balance**"). The availability of the Card Store and/or the PayU Wallet Balance will depend on the specific Services and functionalities you have selected in your Application Form or Service upgrade form.
- 3.5.1 **Card Store:** If you use, select, or have selected these Service Terms only, and you want utilise your own merchant acquiring bank account for all your payments, then the Wallet will only contain the Card Store functionality as method of payment for your Users;
- 3.5.2 **PayU Wallet Balance:** If you use, select, or have selected these Service Terms, but you also want to offer your Users the PayU Wallet Balance functionality, PayU's acquiring bank account must be utilised in order to process Wallet Balance payments. As such, you acknowledge and agree that in order to receive the PayU Wallet Balance functionality, you are required to subscribe as a PayU Easy Merchant (subject to the

Merchant - PayU Acquired Payment Services and the PayU Wallet Service Terms accessible at [www.payu.co.za/legal](http://www.payu.co.za/legal)). **If you have any questions please contact [sales@payu.co.za](mailto:sales@payu.co.za). It is your responsibility to ensure that you understand the nature of the PayU Wallet Payment Method and that the specific Service offerings are known to you and suitable for your purposes.**

- 3.6 Please note that if you use or select the Card Store on, you will not be entitled the benefits directly associated with the PayU Wallet Balance, such as merchant protection.
- 3.7 **MOTO:** If you select a MOTO enabled Service, you are required to have an MOTO enabled acquiring account and to comply with the rules imposed by the card payment associations and any agreements with your acquiring bank.
- 3.8 You acknowledge and agree in order to utilise the Service you need to have entered into a contractual relationship with the relevant third party payment service provider for each payment method you have selected in your Application Form. This means that for credit card payments, you need to have your own merchant acquiring account with a South African bank approved of by PayU and that for each APM, you need your own agreement with the relevant APM Provider.
- 3.9 You acknowledge that APMs are provided to you by the relevant APM Providers and PayU merely facilitates the receipt of payment via these APMs by virtue of its systems being pre-integrated with the APM Providers' systems (thus doing away with the need for your website to be integrated with each such APM). Consequently, any failures or problems you experience with any of the APM's should be taken up directly with the relevant APM Provider in terms of your agreement with it.
- 3.10 Regarding your merchant acquiring account, you are responsible for informing us in the Application Form (and keeping us accurately informed over time as circumstances may change) as to whether or not your website needs to be integrated with the Service such that (a) certain card transactions are processed utilising additional security measures (such as '**MasterCard SecureCode**' or '**Verified by VISA**' by way of example) ("**3D Secure**"); (b) such 3D Secure check may be by-passed for certain transactions; and (c) transactions may be proceeded with despite a 3D Secure check failure. Note that your instructions to us as regards (a) to (c) as aforesaid depends on your agreement with your acquiring bank in this regard and in the event of any conflict between your instructions to us in this regard, and the instructions we receive from your acquiring bank, we will act on your acquiring bank's instructions. If you do not use 3D Secure or you select to use Real Time Recurring, you further understand and agree that you expose yourself to risk and you will be liable (legally responsible) for fraudulent transactions even if the transaction was authorised by other means. You hereby indemnify and hold harmless PayU against

any and all claims, damages, obligations, losses, liabilities, costs or debt, and expenses arising from your failure to use 3D Secure or your selection to use Real Time Recurring.

- 3.11 You shall not make any warranty or representation whatsoever in relation to the Services which may bind PayU, your acquiring bank or relevant APM Provider and make them liable in any way whatsoever.

#### **4 SERVICE FEES AND PAYMENT TERMS**

- 4.1 The Service Fees applicable to the Service are specified in the Application Form.
- 4.2 To the extent that you require PayU to debit the Service Fees due to it on a periodic basis, you hereby authorise PayU to effect the necessary transfers from your designated bank account at the beginning of each and every period so agreed for the continued duration of the Service.
- 4.3 To the extent that you elect to be invoiced rather than utilise the debit order mechanism described above, PayU will invoice you in advance in respect of the relevant Service Fee/s so payable and you shall be obliged to pay such Service Fees on the payment date specified in the invoice.