

Terms and conditions of e-commerce service agreement

Valid from 13.01.2018

Contents

Acceptance of the card	2
Security	2
Execution of transactions	2
Transaction notice	3
Return of goods and specification of the price	4
Chargeback	4
Information	4
Settlements between the parties	4
Validity, amendment and termination of the agreement	5
Liability and settlement of disputes	5
Confidentiality	6
Other provisions	6

Definitions

Settlement day means a day when the bank is open for general banking operations. Generally, the settlement day is any calendar day that is not a Saturday, Sunday, or a national or public holiday.

Authorisation is a query used to verify the validity of a card and the available funds in the account related to the card, as well as to reserve the amount of transaction in the cardholder's account or to cancel the reservation.

"Requirements for accepting internet card payments" means instructions for the acceptance of cards. The instructions form an integral part of the agreement and are available on the bank's website.

Card organisation means MasterCard Worldwide, Visa International or any other international card organisation, whose cards the merchant accepts under the agreement.

Cardholder means a natural person to whom the card is issued.

Card is an electronic means of payment that enables the cardholder to make transactions.

Merchant is a legal or natural person with whom the bank has entered into an agreement.

Account means the merchant's current account, indicated in the agreement.

Agreement means the merchant agreement concluded between the merchant and the bank along with all the accompanying instructions and other parts of the agreement (including the bank's general terms and conditions and price list). The agreement regulates the terms and conditions of transactions carried out at the merchant's point of sale.

Payment Card Industry data security standard (including PCI-DSS, PA-DSS, and PTS; <https://www.pcisecuritystandards.org/>) means the requirements and processes supported by card organisations to protect sensitive card data at the merchant.

Payment solution means a payment solution of the service provider accepted by the bank and chosen by the merchant, which the merchant uses at its point of sale for accepting card payments.

Point of sale is the service place (website) of the merchant where sales activity is carried out and cards are accepted for making transactions.

Bank means AS SEB Pank.

Recurring payment is a transaction from a range of transactions, for which the cardholder has given prospective consent upon making the first transaction or saving the card data at the merchant's point of sale. Accepting fixed payments is allowed only upon the permission of the bank.

Payment with saved card data is a transaction initiated by the cardholder by using the card data previously saved with the cardholder's consent. Accepting payments with saved card data is allowed only upon the permission of the bank.

Chargeback means the bank's claim to cancel the transaction on the grounds specified in the agreement and pay to the bank the transaction amount.

Transaction means a transaction between the cardholder and the merchant for the provision of services and/or sale of goods carried out by using a card at the merchant's point of sale or any other action permitted by the bank. A transaction notice is drawn up to confirm the transaction.

Transaction notice means electronically stored information on the transaction, including on the cancellation of the transaction, which contains transaction data and the authorisation code.

Technical specification means the technical description of the service of the service provider of the payment solution accepted by the bank and chosen by the merchant.

Strong authentication means the identification of a cardholder, i.e. authentication, which is based on the use of at least two security elements operating independently of each other and ensuring confidentiality of the authentication data (such as authentication of the cardholder via the Internet Bank). These security elements are known to or held only by the cardholder.

Processor means a legal person with whom the bank has entered into an agreement for accepting cards and processing transactions.

Acceptance of the card

1. The merchant accepts in the transaction all cards which correspond to the card type and requirements set out in the agreement.
2. The merchant may refuse to accept a card if this arises from legislation. The merchant shall inform the cardholder appropriately of the cards, which are not accepted by the merchant.
3. The merchant shall maintain in a visible place at the point of sale the identification signs and product names of all card organisations, whose cards are accepted by the merchant. For informing of the acceptance of cards, the merchant shall use only those promotional materials, which have been coordinated with the bank.

Security

4. The merchant shall follow the legislation regulating personal data protection, the requirements of card organisations and the Payment Card Industry data security standards, which set out the secure storage of card data. The merchant shall not save or store sensitive card data.
5. The bank may request documents from the merchant, which certify the compliance of the merchant with the Payment Card Industry data security standards. In the event of a serious security incident, the merchant shall cooperate with the bank and law enforcement authorities.
6. The bank shall determine in the agreement the limits applicable to card payments on the website, with the purpose of limiting the misuse of cards. In justified cases, the limits can be changed upon the bank's consent. The merchant shall give sufficient advance notice of its request to change the limits.

Execution of transactions

7. The merchant shall:
 - 7.1. follow the terms and conditions of the agreement in the transactions (including the instructions "Requirements for accepting internet card payments"), the technical specification and other instructions provided by the bank;
 - 7.2. carry out the entire transaction at the point of sale specified in the agreement and not change the point of sale without the bank's consent;

- 7.3. present to the cardholder and the bank all transaction amounts in the currencies specified in the agreement;
 - 7.4. authorise each transaction;
 - 7.5. apply strong authentication measures of the cardholder in the transaction, unless it is impossible for the specific card;
 - 7.6. ensure that all taxes and claims for payment charged from the cardholder by the merchant in connection with the sale of goods and/or services are included in the total cost of the transaction;
 - 7.7. be responsible for the order of the goods and/or services and the fulfilment of warranty obligations;
 - 7.8. carry out transactions only in the area of activity specified in the agreement and not change the area of activity without the bank's consent (bank's interest to provide the service on the agreed conditions depends on the merchant's area of activity).
8. The merchant shall not:
- 8.1. direct the user from the website of the point of sale to a website not specified in the agreement or from a website of any other sales environment to the website of the point of sale specified in the agreement;
 - 8.2. charge in addition to the cost of goods or services also a fee for using the card if this is prohibited by legislation (if charging a fee is permitted, the merchant shall comply with all the requirements of the legislation);
 - 8.3. establish minimum and maximum amounts or other unjustified restrictions to the transaction;
 - 8.4. carry out a transaction, which is in contradiction to the effective legislation, generally accepted moral standards or good manners;
 - 8.5. demand the cardholder to confirm the transaction before the entire sum of the transaction has been made available to the cardholder;
 - 8.6. enable third parties to use the payment solution.
9. The bank may issue to the merchant mandatory transaction or security instructions, which the merchant shall follow as of the time designated by the bank. Such instructions shall be an integral part of the agreement.

Transaction notice

10. The merchant shall present to the bank a transaction notice within five settlement days after the transaction. With the transaction notice, the merchant confirms that the data contained in the transaction notice is accurate and that the merchant has sold to the cardholder the goods and/or services for the sum stated in the transaction notice based on the cardholder's order and the conditions advertised by the merchant.
11. The bank shall accept for processing all transactions which were made and submitted by the merchant in accordance with the terms and conditions of the agreement. The bank may suspend at its own discretion the processing of a transaction notice in order to specify the circumstances of the transaction. The bank shall inform the merchant of suspending the processing on the settlement day following the receipt of the transaction notice. In this case, the deadline for the payment for the transaction referred to in clause 23 extends automatically by the time needed to clarify the facts. If it appears that the merchant has violated the terms and conditions of the agreement or misused the card, the bank may refuse to pay to the merchant for the transaction.
12. Upon the demand of the bank or the processor, the merchant shall submit in writing the data of the transaction notice and other information, which certify the completion of the transaction. If the merchant fails to submit the requested data within five settlement days as of the presentation of the demand, the bank may deem the transaction null and void and demand from the merchant the payment of the transaction amount, by withholding it from the amounts payable to the merchant under the agreement or by making a payment from the merchant's account.
13. The documentation certifying the transaction shall include the following data:
 - merchant's membership number and cash-desk / terminal number;
 - transaction number;
 - date and time of the transaction;
 - authorisation code;
 - cardholder's name and other known personal and contact data;
 - shipping address and delivery date of sending the goods or providing the service;
 - description of the goods or transaction, quantity, price, and total cost;
 - cardholder's IP address.

14. The merchant archives the supporting documentation of the transaction, including the transaction notice and other documents certifying the execution of the transaction (sales invoice, the list of provided services, etc.) in a place out of reach of unauthorised persons for the time prescribed by legislation, but not less than for two years from the date of transfer of the transaction notice to the bank.
15. The merchant shall not:
 - make any amendments in the transaction notice after the transaction;
 - use two or more transaction notices upon the receipt of a card payment.

Return of goods and specification of the price

16. If the merchant permits:
 - 16.1. the return of goods after the execution of a transaction, the merchant shall not make a refund to the cardholder in any other way than through the annulment of the transaction notice;
 - 16.2. corrections in prices and/or modification of an already placed order, the merchant shall make a partial correction to the earlier transaction in the case of a refund to the cardholder.

Chargeback

17. The bank may issue a chargeback to the merchant under the following conditions:
 - 17.1 the transaction is not appropriately authorised and has no authorisation code;
 - 17.2 the transaction notice is incomplete;
 - 17.3 the merchant's transaction notice differs from the transaction notice presented to the cardholder;
 - 17.4 the transaction is not carried out by the cardholder;
 - 17.5 the merchant has not implemented strong authentication measures;
 - 17.6 the cardholder has not received the promised goods or services;
 - 17.7 the goods or services do not have the promised characteristics;
 - 17.8 the merchant has not followed other terms and conditions of the agreement (incl. instructions forming a part of the agreement).
18. Notwithstanding the above, the bank is entitled to deem any invalid transaction notice as valid. In this case, the bank retains the right to later deem this transaction notice invalid and file a chargeback if the bank learns about a deficiency of the transaction.
19. The bank shall issue a chargeback to the merchant via the Internet Bank, by registered mail, e-mail or fax. The merchant shall pay to the bank the amount specified in the chargeback pursuant to clause 25.

Information

20. The merchant may receive information about the transactions via the bank's Internet Bank.
21. The merchant may order regular or one-time transaction-based report, which contains the transaction amount, processing fee (incl. the interchange fee payable to the issuing bank) and the amount to be paid.
22. The processing fee includes the interchange fee payable to the issuing bank and the card scheme fee of the card organisation. The rates of these fees, which are subject to a change from time to time, have been published on the bank's website; the published information serves as a part of the agreement.

Settlements between the parties

23. The bank shall pay to the merchant for the transactions under the agreement within five settlement days as of the transfer of the transaction notice to the bank. If the transaction notice is received by the bank on a day that is not a settlement day, the next settlement day is deemed the date of receipt of the transaction notice. The payment shall be made to the merchant's account specified in the agreement in the currencies indicated in the agreement. If the transaction notice was received by the bank after the time specified in clause 10, the bank may refuse to transfer the amount of the transaction to the merchant.
24. The merchant shall pay to the bank a processing fee on the transactions within the rate specified in the agreement.
25. The bank and the merchant have agreed that the bank shall withhold from the amount payable to the merchant under clause 23 or make a payment from the merchant's account within the following amounts:
 - 25.1. amounts of chargebacks and annulled transaction notices;

- 25.2. costs of processing the chargebacks corresponding to the bank's price list;
- 25.3. claims specified in clauses "Liability and settlement of disputes" and "Confidentiality" and the caused damages;
- 25.4. processing fee and other fees agreed upon between the parties.
26. The merchant shall pay pursuant to the manner described in clause 25:
 - 26.1. the contract fee on the day of concluding the agreement;
 - 26.2. the monthly service fee on the 16th day of each calendar month. If the 16th day of the month is a day off or a public holiday, the bank shall make a service fee payment from the account on the following settlement day.
27. The merchant shall ensure the availability of funds in the account for paying the amounts stated in clauses 25 and 26. If the merchant's current account has insufficient funds for making the payment, the bank may debit the respective amount from other accounts of the merchant at the bank. If the merchant fails to pay the claim in full or in part, it shall pay late interest of 0.1% on the outstanding amount per day.
28. In the case of arrears of the merchant, the bank may leave unpaid and/or set off the arrears of the merchant against any amounts that the bank would have had to pay to the merchant under the agreement.

Validity, amendment and termination of the agreement

29. This agreement shall take effect upon its signing and is concluded without a term.
30. The bank may unilaterally amend the agreement by notifying the merchant of the changes pursuant to the procedure set out in the general terms and conditions no later than one month before the changes take effect.
31. If the change in the agreement is not acceptable to the merchant, they may cancel the agreement during the advance notification period, provided that they fulfil all contractual obligations before the cancellation. If the merchant has not cancelled the agreement within the specified term, it is deemed that the merchant has accepted the change.
32. A party has the right to cancel the agreement by notifying the other party thereof not less than one month in advance.
33. The bank may suspend the performance of the agreement without following the term for advance notice, limit the acceptance of cards and/or cancel the agreement unilaterally, if:
 - 33.1. the merchant violates the agreement;
 - 33.2. the circumstances known to the bank in their logical connection and collection give reason to conclude that the merchant or a person connected to the same is connected to the misuse of cards;
 - 33.3. the merchant remains in arrears to the bank or becomes insolvent;
 - 33.4. the merchant has not made any transactions within two months;
 - 33.5. the merchant has submitted false information to the bank;
 - 33.6. the merchant changes its area of activity;
 - 33.7. it is required by card organisations;
 - 33.8. the grounds specified in the bank's general terms and conditions appear.
34. If the grounds for suspending the agreement cease to exist, the bank shall immediately continue the fulfilment of its contractual obligations.
35. Termination of the agreement shall not relieve either party from the fulfilment of obligations that emerged during the term of the agreement. The merchant shall pay also after the termination of the agreement all chargebacks and other arrears incurred under the agreement pursuant to the manner agreed upon in clause 25 until all obligations have been fulfilled.
36. After the termination of the agreement, the merchant shall not use the service marks, trademarks or design related to the cards and shall not refer to them.

Liability and settlement of disputes

37. A party to the agreement is liable for the direct material damage caused to the other party and third parties as a result of violating the requirements of the agreement.
38. Among other things, the merchant shall compensate to the bank also for the claims of fine, which the card organisation has presented to the bank due to the violation of the requirements specified in clause 4.
39. The merchant is aware that transactions made without strong authentication of the cardholder bear higher risk for the merchant. The merchant is liable for the damages caused by failure to implement strong authentication

measures of the cardholder, incl. for a chargeback even if not implementing strong authentication measures was permitted by the bank (e.g. in the event of fixed payment or a card transaction with saved card data).

40. The fact that one of the parties does not demand the fulfilment of a condition of the agreement or waives its right in the case of the other party's non-compliance with the obligations does not eliminate later implementation of that condition; this situation cannot be considered a waiver of rights in the case of a later violation.
41. The bank is not liable for any damages arising from the use of sub-standard communication networks or connections.
42. Any disputes arising from the agreement shall be settled pursuant to the bank's general terms and conditions.
43. Without any influence to the deadlines designated in the current account agreement, the merchant shall file all claims in connection with the transaction no later than within two years as of the conclusion of the transaction. A claim filed later shall be deemed expired.

Confidentiality

44. The merchant shall maintain the confidentiality of the information which has become known to the same during the performance of the agreement, above all, the data on the cardholder and their activity. The cardholder's data is treated as subject to banking secrecy for the purposes of the Credit Institutions Act.
45. The confidentiality obligation applies indefinitely.
46. The merchant shall ensure that all employees of the same are aware of and comply with the confidentiality obligation.
47. The merchant uses the data collected during the performance of the agreement only for the performance of the agreement (for making a transaction).
48. The terms and conditions of the agreement (except for the product conditions published on the bank's website) are confidential and shall not be disclosed to third parties, unless the right or obligation to disclose arises from legislation or the bank's general terms and conditions or it is requested by card organisations.
49. If the merchant violates the confidentiality obligation, it shall pay to the bank:
 - compensation for the damages related to the claims specified in clause 4; and
 - a contractual penalty of 3,000 euros for each violation.

Other provisions

50. The legislation effective in the Republic of Estonia shall apply to the agreement. In matters not regulated with the agreement, the parties shall be governed by the bank's general terms and conditions and good banking practices.
51. The bank may present to the merchant information provided for in legislation or serving as a part to the agreement via the bank's website.
52. The merchant shall not assign or transfer some or all its contractual rights and obligations.
53. The bank may assign or transfer its contractual rights and obligations by informing the merchant thereof one month in advance.