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Service Rules for
Accepting Cards as Means of Payment by
Points of Sale/Service

Subdivision in charge	Corporate Banking Director, Product Development Division
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CHAPTER 1. OBJECTIVE

1. The objective of this document is to define the general conditions for the provision and servicing of Terminals provided by the Bank to legal entities and individual entrepreneurs, as well as the organization and implementation of other operations envisaged by these Rules.

CHAPTER 2. DEFINITIONS AND ABBREVIATIONS

2. Definitions and abbreviations used in these Rules have the following meanings:
 - 1) **Bank** – "ID BANK" CJSC,
 - 2) **POSS** – Point of sale/service for the sale of goods and/or provision of services (including an electronic POSS operating in the online domain),
 - 3) **Parties** - the Bank and POSS together,
 - 4) **Card(s)** - Cards of payment systems served by the Bank within the framework of the Contract, using which non-cash payments can be made,
 - 5) **Cardholder** - a person who uses a Card to make payments at the ATM,
 - 6) **Processing center** - "Armenian Card" CJSC, which implements transaction certification, financial processing and calculations,
 - 7) **POS Terminal** - Physical card-service devices through which POSS accepts non-cash payments,
 - 8) **Cash register** - cash register machine, on which the Bank has activated the option of making payments by card,
 - 9) **SoftPOS application** - an application designed for devices with "Android 8.1 and higher operating systems, which enables contactless card payments to be accepted using a smartphone and/or tablet,
 - 10) **VPOS (Virtual POS terminal)** - a service provided by the Bank, using which the Bank ensures the acceptance of card payments for the sale of goods and/or the provision of services by the POSS through the website or mobile application,
 - 11) **ArCalink** - option of accepting non-cash payment through payment cards by creating a link or QR code through the ArCalink service at Sale/service points,
 - 12) **Terminal** - POS terminal, cash register terminal, SoftPOS application, VPOS and ArCalink,
 - 13) **Service** - a service provided by the Bank, by which the Bank ensures the acceptance of non-cash payments by card for the sale of goods and (or) the provision of services in the POSS and the execution of their calculations,
 - 14) **Bank-client system** - online platform "IDBusiness" system, a system that enables the Bank's clients to view information on transactions made with their accounts and/or perform a transaction (including actions related to the transaction),
 - 15) **Electronic signature** – a signature created by using the e-sign system, which is used by the POSS in the course of legal relations with the Bank, the use of the specified signature is equivalent to a handwritten signature by a representative of the POSS, and the documents signed in this way are considered properly signed,

- 16) **Payment system** - a local and/or international payment system cooperating with the Bank, the cards with the logo of which are accepted as means of payment by POSS within the framework of the Contract concluded between the Parties,
- 17) **Certification** - Confirmation or rejection received from the Processing Center during the execution of the Card transaction,
- 18) **Issuing bank** - the organization that issued the Cards accepted as means of payment in POSSs,
- 19) **Malicious operation** - Illegal actions performed by a person against a third person (physical or legal), the purpose of which is to steal significant amounts of money, property or rights to property by abusing trust and extracting personal data,
- 20) **Commission fee**: a commission fee paid by POSS to the Bank for the services provided for in the Contract,
- 21) **Offer** - an application submitted by POSS for concluding a Contract, which, upon acceptance by the Bank, establishes Contractual legal relations between the Bank and the person who submitted the offer,
- 22) **Acceptance** – a confirmation provided by the Bank regarding the acceptance of the Offer submitted by POSS for the purpose of concluding a Contract,
- 23) **Contract** – an agreement between the Bank and the POSS to accept cards as means of payment in compliance with these Rules, which is concluded by accepting the Offer submitted by the POSS, and, if available, as well as the applications that are an integral part of them,
- 24) **Change offer**: an application/offer for changing the terms and/or tariffs in the Contract concluded between the Bank and the Client, approved by the authorized body/person of the Bank's management,
- 25) **Notice** - Notices provided by the Bank to the POSS in connection with the Service, as well as materials/documents, information on changes to the Rules, and other information provided by RA legislation.

CHAPTER 3. GENERAL PROVISIONS

3. The Contract is considered concluded on the day the Bank sends the Acceptance (including its integral appendixes) to the Offer submitted by the POSS to the e-mail address provided by the POSS. Moreover, the Bank provides the Services under the conditions defined by the documents mentioned in this clause.
4. The Offer submitted by the POSS and related documents can be signed by the POSS by putting an electronic signature. The documents provided/sent by the Bank to the POSS, including Contracts, agreements and other documents can be provided/sent with the electronic signature of the Bank's authorized person and the Bank's electronic seal.
5. A customer who is already using the Bank's Service can send a change request (offer) through the Bank-client system (IDBusiness system) or to an e-mail address registered in the Bank, regarding the change of the conditions and tariffs defined by the current Contract, which will be considered by the Bank as a duly submitted Offer. Moreover, the change of the conditions and tariffs defined by the Contract is made within 1 (one) working day after the Bank accepts the change request (Offer) mentioned in this clause.
6. In case of acceptance of the Offer by the Bank, the Acceptance is electronically sent to the POSS e-mail address registered in the Bank, and the Contract is considered duly concluded. And in case of rejection of the Offer by

the Bank, the latter informs the POSS about it the same way.

7. The Bank charges a commission fee for the services provided by it, in the amount and manner defined by the Contract concluded between the Bank and POSS.
8. The Bank transfers the amounts of the transactions that were made in accordance with the Contract and the requirements of these Rules.
9. These Rules, as well as other documents related to the acceptance of cards as means of payment by POSS, are approved by the Bank and may be changed unilaterally. The Bank notifies about the made changes 7 (seven) working days prior to their entry into force in any of the following ways: by publishing them on the Bank's premises, posting on the website, as well as by the communication method established for sending notifications to the POSS.
10. During the term of the Contract, if necessary, the method of the Service provision, as well as the number of Terminals can be changed under the written agreement of the Parties.
11. By agreeing to these Rules, the POSS acknowledges that the additional options of installing and servicing the Terminal in an urgent manner (within 2 (two) working days after the conclusion of the Contract) are not essential conditions of the Contract, and the Bank has the right to refuse their provision.
12. POSS, agreeing to these rules, acknowledges that in the event of termination of the Terminal servicing account contract, POSS shall change the Terminal servicing account specified in the contract with another account of the Bank, otherwise, the Bank has the right to stop servicing the given Terminal, and POSS shall return the mobile terminal provided to it within 3 days after receiving the Bank's notice of termination.

CHAPTER 4. SERVICE PROVISION AND OPERATION PROCEDURE

13. Within 5 (five) working days after the signing of the Contract, the Bank, in accordance with the agreed procedure (the location of the installation of the devices intended for service (including the location of the Electronic payment terminal (POS-terminal) is also agreed)) delivers the Terminal, and the POSS undertakes to accept, install them and ensure necessary technical means for their smooth operation.
14. At the preference of POSS, the hardware and software options of card service is provided in the following ways:
 - 1) through a POS terminal or cash register,
 - 2) with the SoftPos option, through the Bank's SoftPos application,
 - 3) through a virtual POS terminal or ArCalink.
15. In order to accept payments through the SoftPos application, the POSS downloads the Bank's SoftPos application, which has the ability to use NFC (Near-field communication) technology, on its mobile device. Within a maximum of 3 (three) working days after receiving the acceptance, the POSS activates the SoftPos application with the activation code received by the e-mail indicated by the latter.
16. Along with the provision of the SoftPos application, the Reversal and Refund additional features are also

activated at the POSS¹.

17. The Bank can also provide the POSS with a foreign currency VPOS terminal for the purpose of accepting payments only with cards issued by foreign banks, in compliance with RA legislation.
18. The necessary hardware and software support for accepting payments through the VPOS terminal on the POSS website is provided by the POSS.
19. Delivery and return of the POS terminal(s) is performed by sending a letter containing the model(s) and serial number(s) of the POS terminal(s) to the e-mail address specified in the Contract by the POSS or by signing an appropriate handover-acceptance act between the Bank and the POSS. Moreover, in case of electronic handover, if the POSS does not respond to the letter sent by the Bank within 3 (three) working days, then the POS terminal(s) are considered properly handed over.
20. The POSS is not authorized to modify and/or hand over the Terminals, computer programs, normative documents and other materials provided by the Bank to third parties. The POS terminal, SoftPos application should only be used to make sales in the given POS. In case of non-fulfillment of the requirement set forth in this clause, the POSS shall compensate the real damages caused to the Bank.
21. The Bank provides the necessary amount of Terminal components, raw materials and advertising materials, the delivery of which is formalized in a separate act.
22. The POSS shall use the equipment, raw materials and advertising materials received from the Bank exclusively within the framework of the Contract.
23. The POSS ensures the proper control of the Terminals received from the Bank.
24. The POSS has no right to lease/sublease the Terminals provided to it or the rights to them, or to allow other persons to use it.
25. In case of failure of the POS terminal or SoftPos application, as well as loss of the device containing the SoftPos application, or login data of SoftPos, ArCalink software becoming accessible to third parties, immediately inform the Bank about this and immediately suspend the card service process until receiving additional instructions from the Bank.
26. On the basis of the Contract, the Bank implements round-the-clock certification of card transactions made in the POSS.
27. After receiving the approval of the Processing center, the amount of the Transaction is transferred by the Bank in a non-cash manner to the POSS within 5 (five) working days in case of operations with international Cards, and within 2 (two) working days for operations with cards issued by the ArCa system.
28. The POSS has no right to charge Cardholders additional fees and/or apply other conditions than those defined by the POSS for cash transactions in case of transactions paid by cards.

¹ Reversal - a feature of return of the fully or partially cancelled amount of the transaction conducted at the POSS within 72 hours.

Refund – a feature of return of the fully or partially cancelled amount of the transaction conducted at the POSS.

CHAPTER 5. ACTIONS TAKEN IN CASE OF FRAUD AND APPEALED TRANSACTIONS

29. In case of detection or suspicion of fraudulent card transaction(s) at the POSS, the Bank, informing the POSS via e-mail, has the right at any time, at its discretion, to unilaterally suspend or terminate the option of conducting card transactions, as well as to temporarily or permanently suspend the ability of the POSS to manage all account(s) until transactions are clarified. The responsibility for all damages arising from such transactions shall be borne by the POSS, moreover, the eligibility defined in this clause shall apply even in the event of the Contract termination.
30. The Bank has the right to unilaterally terminate, suspend and/or limit the certification of card operations, withdrawals from the POSS account(s), if the Bank receives information that:
- 1) Fraudulent card operations have been conducted through POSS, or there is a reasonable suspicion of such, or
 - 2) POSS has participated in illegal or unlawful activities, or there is a reasonable suspicion of such, or
 - 3) The information provided to the Bank by POSS within the framework of the Contract was not reliable, or
 - 4) POSS engages in activities that may damage the good reputation of the Bank.
31. In the cases specified in clause 29 of this Chapter, the Bank notifies the POSS stating the reasons for the termination of the certification, suspension and/or restriction of withdrawals from the account, moreover, in case of suspension and termination, the withdrawals from the account(s) are also restricted. The notification specified in this clause is sent to the e-mail address registered in the Bank within 1 (one) working day after the restriction is applied, and in case of a non-working day, during the first working day following it. The limitations set forth in this clause are applied until the relevant basis is fully clarified, and the Bank has the right to change the applied limitation within 1 (one) working day following the implementation of the change, informing the POSS about it through the e-mail address registered in the Bank.
32. In the event that the Bank has reasonable suspicion that any type of fraud is being carried out through the Terminals installed at the POSS, or the Terminal/s are operated by the POSS in violation of the Rules of operation, the Bank has the right at any time to unilaterally refuse fulfilling the clauses stipulated in the provisions of the Contract and reclaim the provided Terminals.
33. In case of appeal of the transaction by the Cardholder, within 3 (three) working days after receiving the request by the Bank, the POSS shall provide the Bank with the primary documents of the transaction and all the available information about the transaction and the Cardholder (for example, the name of the Cardholder, the product sold or the service provided, detailed information, the date of delivery of the product or service, if available, the Cardholder's address, phone number, e-mail address, etc.).
34. In the event that the POSS chooses an additional option of manually entering the card number and/or using the transaction chargeback function, the POSS bears all responsibility and risks related to all transactions made through the additional option, including, but not limited to, failure to complete transactions, all risks related to improper execution, invalid transactions, refunds, execution of transactions that are contrary to RA legislation or fraudulent transactions and any kind arising from them, including financial consequences/obligations,

keeping the Bank free from any claims presented by third parties in this regard and/or compensation for actual losses incurred as a result of transactions.

35. During transactions without presenting the card, full identification of the real Cardholder is not performed, in particular, the Cardholder is not present with his card at the Sale Point at the time of the transaction. In case of appeal of the transactions without presentation of the card, the POSS shall provide the Bank with all the documents evidencing the consent of the Cardholder to the transaction, as well as other related documents. The responsibility for the transactions made through the terminals provided to the POSS is fully on the POSS which shall compensate the Bank for the losses incurred as a result of the transactions qualified as Fraudulent Operation. The parties acknowledge that the Bank does not bear any responsibility for the losses suffered by the POSS as a result of transactions classified as Fraudulent Operation. */The clause is valid in the case of a request to install a POS-terminal with the option of performing transactions without presenting a card./*
36. The POSS has no right to accept payment by card possessing information that the transaction is fraudulent/illegal or performed without the Cardholder's consent/permission
37. In the course of the legal relations with the POSS arising under these Rules, the Bank monitors card transactions in accordance with the requirements of the Payment Systems and the Bank's internal legal acts.
38. By agreeing to these Rules, the POSS acknowledges and accepts that the Bank is a partner of the VISA international payment system and based on the requirements set by the VISA international payment system, the Bank shall post the information about the POSS, including personal data, on the Visa Merchant Screening Service (VMSS) website in case the Contract is unilaterally terminated at the initiative of the Bank or the Visa payment system. The information posted on the VMSS website about the POSS can be made available to the persons who have the right to make a request through the given website, with a corresponding request. Personal data related to POSS will be preserved indefinitely, even after the termination of the legal relationship. At the same time, the POSS can at any time request correction or destruction of data on POSS or stop processing, as well as perform other actions related to processing, in compliance with the requirements of the legislation.

CHAPTER 6. RIGHTS AND OBLIGATIONS OF THE PARTIES

39. The Bank has the right to:

- 1) Charge a commission fee for the given card type in the amount specified in the acceptance for the operations performed with the cards from the POSS without notice.
- 2) Unilaterally change the amount of commission for Service transactions by notifying the POSS at least 5 (five) working days in advance through the e-mail address registered in the Bank, indicating the amount of the new commission.
- 3) Require the POSS to submit information certifying the payment in case of a message received from the Payment System, a transaction appeal, a suspicion of fraud, a request submitted by the Bank.
- 4) At any time conduct a unilateral and/or joint inspection with the POSS in order to identify fraudulent card

operations.

- 5) Make changes in the Card servicing technique, not later than 5 (five) calendar days in advance, notifying the POSS.
- 6) Consider invalid the receipts on which the signatures of the Cardholders are missing or which are not presented to the Bank at the first request of the latter. This requirement applies if the transaction was made without the use of a PIN code, and the customer's signature was required for the validation of the transaction (in this case, a signature field is reflected on the receipt).
- 7) If there is a request for a chargeback, charge the entire amount of the transaction from all accounts of the POSS in the Bank without notice.
- 8) Prohibit the servicing of Cards in the POSS, in case of non-fulfillment of any obligation of the POSS, as well as in case of receiving a request to stop the service of the Cards from the Bank and/or any of the international Payment system.
- 9) Take measures for the regular inspection of the POSS website, as well as other Internet portals in informational connection with it, to check compliance with the requirements of Payment systems.
- 10) Charge without notice from all accounts of the POSS in the Bank the amount for the losses suffered by the Cardholder or the Bank and the amounts paid by the latter to the Cardholder as a result of the provision of additional terminal service options, as well as limit the management of the funds in the accounts by the POSS, until receiving relevant clarifications on the consequences. Moreover, the specified restrictions can be applied for a specified period for the adjustment, cancellation, confirmation, clarification of transactions in Payment systems, as well as until the completion of the actions by RA law enforcement agencies, if any are performed.
- 11) Charge without notice from all accounts of the POSS in the Bank the commissions and service fees specified by these rules and the Contract, including the one-time commission for emergency installation of the POS terminal, its value in case of loss or damage.
- 12) In case of lack of funds in the accounts of the POSS for the collection of commissions provided for in Chapter 5 of these Rules, as well as other fees arising as a result of providing Services, form a receivable obligation in the name of the POSS. The classification of the customer's receivables is carried out in accordance with the procedure established by RA legislation.
- 13) Require compensation from the POSS for returning the amounts of invalid transactions to the Cardholders, as well as preserve the amounts of the operations previously paid to the POSS, which were declared invalid by the Bank.
- 14) Unilaterally terminate the operation of the Contract by notifying the POSS electronically, if due to any technical problem it is impossible to install and/or activate the Terminal within the specified period or due to circumstances beyond the Bank's control, technical software problems occur during the installation of the Terminal, which lead to impossibility of the Terminal activation.
- 15) Not make a transfer to the POSS, if there are grounds for invalidating the payment information according to Clause 43 of these Rules.
- 16) Check the data submitted by the POSS, as well as study the disputed operations and the facts of illegal use of

Payment cards during their execution.

- 17) Terminate the Contract unilaterally by notifying the Bank about it 15 /fifteen/ working days in advance (in which case the cash register device may also be deactivated), and in the case provided for in this clause, the POSS is obliged to return the Terminals provided by the Bank within 10 /ten/ days after receiving the Bank's notification about returning the Terminals and terminating the Contract, and in case of non-return, the Bank has the right to charge an amount equivalent to the value of the unreturned Terminals from the accounts of the POSS in the Bank, except for the cases described in Chapter 5 of these Rules.
- 18) In case of termination of the Contract within 12 months after the conclusion of the Contract, the Bank may apply a one-time fine.
- 19) Throughout the legal relationship arising under these Rules, if necessary, request additional information from the POSS in addition to the information and documents submitted to the Bank.

40. The POSS has the right to:

- 1) Receive monetary compensation for transactions made during the period specified in Clause 26 of these rules.
- 2) Demand that the Bank make transfers from card payments through the POSS website within the period specified by these Rules, except for the cases specified in sub-clauses 13) and 15) of Clause 38 of these Rules.
- 3) In case of disagreement with the withholding of funds from the POSS due to an invalid transaction made in the POSS, within 30 (thirty) calendar days after the withholding, request in writing a certification that the transaction has been recognized as invalid on the basis of Clause 43 of these Rules, was appealed (not confirmed) by the Cardholder or issuing bank.


41. The Bank is obliged to:

- 1) Provide "ArCa SecurePay", "Verified by Visa" and "MasterCard Secure Code" logos to POSS to place on the website and apply security system "3-D Secure" during transactions. **/The provision is applicable if the POSS has not preferred the option of 3D Secure deactivation. /**
- 2) Perform technical/payment maintenance of Terminals.
- 3) Conduct training for POSS employees to check mandatory validity conditions of Cards, perform operations with Terminals and service them, as well as possible cases of counterfeiting and their possible prevention mechanisms.
- 4) If necessary, provide advisory assistance to the POSS regarding the necessary technical means for servicing Cards payments and proper service to Cardholders.
- 5) Ensure the compensation of the amounts of operations performed with the Cards to the POSS within the period specified by these Rules:
- 6) Inform the POSS about the withholding of fees in the cases defined by subclause 15) of Clause 38 of these Rules within 2 (two) working days after the withholding, stating the reasons for invalidating the operation. **(Applicable to VPOS.)**

42. The POSS is obliged to:

- 1) Service the Cardholders only after the confirmation of the successful execution of the transaction with its respective certification code has been received from the certification center, regardless of the amount of the transaction.
- 2) In case of card operations, pay the Bank commissions stipulated in the Contract.
- 3) Provide the following on the website of the POSS:
 - a) The presence of the logos of payment and settlement systems,
 - b) Full description of the provided goods/services,
 - c) Goods and money return policy,
 - d) The availability of contact details of customer service subdivision, including the e-mail address or phone number,
 - e) The availability of the location of the point of sale/service on the confirmation and payment page of the cardholder's purchase,
 - f) The transaction currency,
 - g) Delivery policy,
 - h) Multiple (to several addresses under one transaction) delivery policy (if any),
 - i) Consumer data privacy policy,
 - j) Card details security methods,
 - k) The availability of sale of prescription drugs (if any),
 - l) In case of selling a copy of a branded product, it is necessary to indicate the fact of the copy of the product in a visible place and in a visible way for the customer,
 - m) In case of selling copies of branded goods it is necessary to state the fact of selling copies of branded goods in a place and method visible to the client,
 - n) The description of the details of regular charges in case of subscription to the rendered services in a place visible to the client,
 - o) The fact of redirecting cardholder's details to other websites.
- 4) Keep copies of receipts of card transactions, and electronic receipts in case of SoftPos, VPOS and/or ArCalink, within 1 /one/ year, starting from the day of the transaction, keeping their integrity, and provide them to the Bank at the first request of the Bank.
- 5) Accept foreign currency payments only in case of purchases made outside the territory of the Republic of Armenia. (**Applicable to foreign currency vPOS service.**)
- 6) At the request of the Bank, provide information certifying the payment within 3 (three) working days after receiving the request. Specified request may be addressed to the ASC in person or by e-mail.
- 7) Conduct the operations provided for in the Contract only in AMD, **except for foreign currency vPOS**, when the Bank can provide the POSS with a foreign currency vPOS terminal for conducting transactions with cards issued by foreign banks only to accept payments in compliance with the requirements of RA legislation.
- 8) In case of confiscation of an illegally used Card, complete the "Act of Confiscation of Cards" attached to these Rules (hereinafter - Appendix 1) and deliver it to the Bank within three working days.
- 9) In case of card operations, use equipment and materials provided by the Bank or approved by the Bank.

- 10) In case of appeal of a transaction made using a payment card, submit the documents available to the POSS and related to the given transaction, and as requested by the Bank, also reimburse the expenses incurred by the Bank.
- 11) Indemnify the Bank for damages caused to the POS-terminal by negligence or intent of the POSS.
- 12) Perform card operations exclusively using the Equipment and not read Card data using other devices. At the same time, in case of violation of the obligation provided for in this clause, the POSS is obliged to compensate all the damages caused to the Bank as a result of the violation.
- 13) Notify the Bank in writing about changes in the information, address and/or validity conditions, other POSS data specified in the Contract, within 3 (three) working days after the actual implementation of these changes.
- 14) Check the Transfers and deductions made by the Bank.
- 15) Not later than within 5 (five) working days after receiving the Bank's request, compensate the Bank for the losses caused by card operations as a result of appeals of international payment systems and/or card-issuing banks, moreover, in case of such a request, the Bank may charge the amount from the accounts of the POSS or limit the use of the account/s to the amount requested. The claim for compensation of damages mentioned in this clause can be sent to the POSS no later than within 540 (five hundred and forty) calendar days after the execution of the transaction, moreover, this rule and the provisions set forth in this clause continue to apply even if the Contract is terminated (resolved).
- 16) In case of receiving a notification from the Bank regarding changes in the payment card service rules or additional security measures for card operations, as well as other instructions and additional requirements, ensure the fulfillment of the specified instructions and requirements by its employees.
- 17) Provide a clear description of the Payment Terms on the POSS website (if available).
- 18) Inform the Cardholder (before or during the operation using the payment card) about any restrictions established by RA legislation.
- 19) At the request of the Bank, submit information about the operations that cause suspicion of card fraud.
- 20) Not perform the types of activities prohibited by Appendix 2 "Types of Prohibited Points of Sale and Service" attached to this Rules (hereinafter referred to as Appendix 2).
- 21) Unilaterally or jointly with the Bank, daily check to identify suspicious card transactions prohibited by the Contract, and in case of such transactions, immediately email fraud.monitoring@idbank.am to inform the Bank.
- 22) Compensate the Bank for the fines and penalties applied by the Payment Systems for the violations found on the POSS website no later than within 10 (ten) days after receiving the Bank's notification.

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CHAPTER 7. INVALID CARD TRANSACTIONS

43. In case of the need to cancel the payments made by the Cardholder using the Payment card, the POSS writes to the Bank's email address ATM.Merchant@idbank.am from the e-mail address registered in the Bank with a request to cancel the payment transaction. The amount of the canceled transaction is transferred to the Cardholder who executed the transaction within 1 (one) working day after the Bank receives the request specified in this clause, if the transaction was cancelled no later than 72 hours after the time of execution of the transaction, otherwise, within up to 10 working days depending on the internal legal acts of the Bank issuing the card that performed the transaction, about which a reply letter is sent to the POSS. The request defined by this clause can also be submitted by the POSS through the Bank-client system (IDBusiness system).
44. Transactions with cards on the website of the POSS shall be deemed as invalid if:
 - 1) The transactions with payment cards have been performed with violation of the requirements of the Contract or thee Rules,
 - 2) The transaction with payment card has been declared unlawful (invalid) by the Payment system.
45. The POSS acknowledges that the statement sent electronically from the Payment System to the Bank by the Cardholder or the Issuing Bank is sufficient proof of the invalidity of the transaction using cards through the POSS website.
46. The POSS may request, and the Bank undertakes to submit, at the request of the POSS, copies of the documents on the basis of which the transactions were declared invalid.
47. In accordance with clause 43 of these Rules, the return of funds to Cardholders with transactions recognized as invalid is implemented by charging the appropriate amount from the card payments made to the account of the POSS, from the funds to be transferred to the POSS.
48. Withholding of funds specified in clause 46 of these Rules is conducted when making a regular payment to the POSS or by charging an account maintained in the name of the POSS in the Bank. If the POSS's funds are not sufficient to repay the debt, the Bank has the right to demand the payment of the necessary amount from the POSS.
49. The calculation of card transactions on the website of POSS (including transactions made and suspended on the same day, for which the information certifying the payment was not received on the day of the transaction or was received with errors) can be carried out after conducting the necessary study by the Bank, but not later than within 3 (three) working days after receiving the notification of the POSS about the disputed transaction.

CHAPTER 8. CONFIDENTIALITY


50. The parties undertake to maintain the confidentiality of the information received from each other or made known to them during the performance of the Contract, not to disclose, in public or in private, any confidential information to any third party without the written consent of the other party, except as provided by RA legislation.
51. The parties undertake to communicate to each other in writing the information that is considered confidential.

Without a special note, the Payment card number or other requisites, as well as the information related to the transactions with the payment cards are considered confidential.

52. The parties undertake not to modify and provide third parties the computer programs, normative documents and other materials provided by the Bank, except for the cases provided by law.
53. The requirement of paragraph 49 of these Rules does not apply to cases of disclosure of confidential information at the request of bodies or persons provided by law.
54. The damage caused by the violation of the requirements of this Chapter of these Rules is subject to full compensation at the expense of the party in breach, provided that the party that incurred the damage will document the amount of such damage.

CHAPTER 9. RESPONSIBILITY OF THE PARTIES

55. The parties are liable for failure to fulfil or improper fulfillment of the obligations stipulated by the Contract in accordance with the procedure established by the applicable legislation of the Republic of Armenia.
56. In case of violation of the obligations provided for in sub-clause 1) of Clause 43 of these Rules, the Bank has the right to demand payment of a fine for each violation in the amount specified by the Tariffs. In addition, the Bank has the right to collect the entire amount of the fine from all accounts of the POSS in the Bank without notice.
57. The Bank shall not be liable for payment delay, if it is related to failure to inform the Bank in time about the change of valid conditions specified in the Contract or otherwise provided to the Bank, or due to force majeure or failure of technical means or channels not caused by the fault of the Bank:
58. The payment of damages (fines and penalties), compensation for damages does not release the POSS from fulfilling its obligations, nor can it limit the Bank's rights in any way.
59. In the cases specified in the sub-clauses of this clause, POSS bears all the responsibility and risks related to all transactions made through the Service, including, but not limited to, non-execution of transactions, improper execution, invalid transaction, chargebacks, execution of transactions contrary to RA legislation or fraud, and all risks arising from them, including financial consequences/liabilities, keeping the Bank free from any claims submitted by third parties and/or compensation for actual losses incurred as a result of transactions:
 - 1) At the preference of the POSS, the transaction refund function (**Refund**) has been activated for the Service.
 - 2) At the preference of the POSS, the function of attaching the card number (**Binding**) has been activated for the Service, including if 3D secure certification is not required for further transactions with the given card after attaching the card number to the given website.
 - 3) POSS services cards of payment systems that do not provide 3D secure or for which the Processing Center of the Service does not provide 3D secure,
 - 4) At the preference of the POSS, the option to manually enter card data on the Equipment (**Key Enter**) has been activated for the Service,

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- 5) At the preference of the POSS, the option of the reversal of full or partial cancellation (**Reversal**) of the amount of the transaction conducted within 72 hours has been activated for the Service,
- 6) At the preference of the POSS, the option of freezing and partially or fully charging the amount of the Cardholder's Payment card in the amount of the Transaction amount or more (PreAuthorization) has been activated for the Service (**PreAuthorization**).

CHAPTER 10. FORCE MAJEURE


60. The parties are released from responsibility for non-fulfilment or improper fulfillment of the obligations under the Contract, if it is caused by force majeure circumstances that occurred after the conclusion of the Contract, including fire, flood, earthquake, military operations, strikes, any unforeseen actions of state authorities, other circumstances beyond the will of the parties, if such circumstances directly affected the fulfillment of Contractual obligations. In the mentioned cases, the terms of performance of the Contractual obligations are accordingly postponed for the period of validity of these circumstances.

CHAPTER 11. THE ORDER OF RESOLUTION OF DISPUTES

61. In the event of a dispute in terms of the Contract, the Parties shall take measures to settle the dispute through negotiation.
62. Complaints concerning the amounts of money payable and the terms of the transfer shall be accepted for consideration on the basis of written requests from the Parties within 540 (five hundred and forty) calendar days from the date of the disputed transactions.
63. The copies of all the necessary documents for the consideration of the complaint, certified by the competent persons of the parties, are submitted.
64. Relations not regulated under the Contract or these Rules are regulated by the legislation of the Republic of Armenia.
65. Disputes arising in the course of legal relations between the parties shall be submitted to the civil court of first instance of general jurisdiction of the city of Yerevan, RA.

CHAPTER 12. OTHER PROVISIONS

65. The Contract is deemed as concluded and is valid from the moment of receiving this acceptance by the POSS, and is valid for an indefinite term.
66. The operation of the Contract can be terminated at the initiative of each of the parties after notifying the other party in writing 15 (fifteen) working days in advance, except for the cases specified in clauses 29 and 67 of

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these Rules. Before the termination of the Contract, the parties fulfill their obligations towards each other, and the POSS returns the Terminals delivered to it, except for the case provided for in clause 29 of these Rules.

67. According to the provisions of clause 66 of these Rules, in the event of a chargeback to the Bank from the payment systems related to the operations performed in the POSS within 540 (five hundred and forty) calendar days after the termination of the Contract, the termination of the Contract is considered invalid, until the period specified by the Contract for the fulfillment of POSS obligations.
68. Each party is obliged to immediately inform the other party about changes in commercial and legal data.
69. By permitting to install the Terminal the POSS certifies the granting of consent to all conditions specified in the acceptance, including the acceptance of conditions not provided for in the offer or in conflict with the conditions of the offer.
70. These Rules are an integral and inseparable part of the Contract.
71. These Rules are published on the Bank's website and may be unilaterally changed by the Bank from time to time, the amended Rules shall enter into force from the moment of publication, unless the Bank sets a later date for the changes to take effect.
72. Changes in the legislation of the Republic of Armenia and normative acts of the Central Bank of the Republic of Armenia during the operation of the Contract, which will apply to the terms of the Contract, are mandatory for the Parties.
73. In the event of any conflict between these Rules and the Contract, the Contract shall prevail.

APPENDIX 1

CONFISCATION OF THE CARD

Confiscation of cards is performed by the person servicing the cards in the following cases:

- Receiving codes on confiscation of the card from the Processing center while performing electronic authorization (the list is available in the guidelines published on the official website of the Bank)

- In cases defined by the guidelines published on the official website of the Bank

The confiscated cards shall be submitted to the Bank.

ACT ON CONFISCATION OF CARDS

1. Name of the servicing organization

1. Full name of the person in charge

2. Card type

3. Confiscated card number

4. Card validity term

Signature of the person in charge

APPENDIX 2

TYPES OF PROHIBITED POINTS OF SALE AND SERVICES

Identification of Visa's Global Brand Protection Program (GBPP)

GBPP identification refers to all the users of Visa brand. It indicates situations when the Visa brand comes across any illegal activity or such activity which can have a negative impact on the brand. This includes, but is not limited to, the regulations of the launch of the Visa international brand.

1. Illegal sale of prescription drugs:

When concluding a transaction with Points of sale selling prescription drugs, the POSS is obliged to:

- 1) Properly inspect the products, services, and marketing materials of the Point of sale as stated in the "Visa Global Brand Acquirer Risk Standards" to prevent the sale of materials prohibited by applicable law.
- 2) Obtain a written conclusion from an independent and qualified attorney stating that the operations of the Point of sale fully comply with all applicable laws and regulations. Such a conclusion must be reached at least once a year. At the request of Visa, the POSS must submit a copy of the above conclusion along with other compliance related documents.

2. Sale of products or services under counterfeit or illegal trademarks:


The POSS should carefully monitor the business practices of the Points of sale and their agents to take precautionary measures to prevent the sale of counterfeit or illegal copyrighted products or services. Such transactions include, but are not limited to:

- 1) Illegal download of movies, music, computer games, videogames or computer software,
- 2) Counterfeit pharmaceuticals,
- 3) Counterfeit tobacco products (e.g. cigarettes, cigars),
- 4) Counterfeit designer products.

3. Potentially deceptive marketing experience:

Some companies have an incomprehensible charging mechanism, information disclosure policy, aggressive marketing practices, which is very misleading and may have a potential deceptive and fraudulent effect on Cardholders. To protect Cardholders from the above actions, the Visa system requires measures to be taken to prevent negative consequences for the good reputation of Visa Inc, company and its affiliates and to protect Cardholders from such dishonest practices. Therefore, the POSS should properly inspect the products, services and marketing materials of the Points of sale, as stated in the "Visa Global Brand Acquirer Risk Standards". Examples of such Points of sale with potentially deceptive marketing activity are listed below:

- 5) Points of sale that promote the product using a free trial period. In this case, consumers have almost no time to return the product before the transaction is charged without the Cardholder's notice and consent, which leads to the Cardholder's confusion and complaints.
- 6) Points of sale involved in activities known as "data transfer" providing the Cardholder's information to other POSS without the Cardholder's knowledge or consent.
- 7) Points of sale that require Cardholders to indicate that they do not wish to participate in additional transactions, and to receive additional products from the Point of sale in the future. Detailed information about such current payments is often provided in small print, or such

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information can only be found by following the relevant link, which is often in the form of very small boxes and is invisible to Cardholders when ordering or confirming their purchases.

- 1) Fake Points of sale created to collect donations.
- 2) Fake Points of sale that act as official state websites.
- 3) Points of sale that use fake ads with the participation of stars.
4. Incorrect coding of online bets:

These are transactions that have not been properly identified and do not contain the data elements required by regulations of the launch of the Visa international brand. According to the latter Points of sale engaged in online betting must be obliged to apply the following authorization data elements to correctly identify their transactions.

Identifying number	Description
MCC 7995 (Field 18)	Betting, including lottery tickets, gambling chips, horse racing, car racing.
Processing code 11 (Field 3)	Non-cash (quasi-cash) / internet betting transaction
POS condition code 01,08,59 (Field 25)	The card is missing/postal/phone order/e-sale

5. Purchase or sale of photo images, video images, computer images, cartoons, simulation modelling or other mass media (activities), which include, but are not limited to:
 - 1) Child pornography,
 - 2) Zoophilia,
 - 3) Rape (or any other form of sexual behavior),
 - 4) Mutilation (distortion).

APPENDIX 3

Authorization response codes

The transaction is considered completed only when the "000" response code and certification are available

The rejected coupon is issued to the customer and is considered NOT APPROVED regardless of anything

000	Approval	APPROVED
104	Transaction is declined, card blocked	PIN-TRIES EXCEED.
103	Transaction is declined, contact the issuing bank	CALL ISSUER
119	Wrong transaction, breach of system security	SECURITY VIOLATION
903	Transaction is declined, retry transaction	RE-ENTER TRANS.
204	Confiscate the card	PICK-UP CARD
101	Transaction is declined, expired card	EXPIRED CARD
106	Transaction is declined, the allowed number of PIN code entries has been exceeded	PIN-TRIES EXCEED
206	Transaction is declined, the allowed number of PIN code entries has been exceeded	PIN-TRIES EXCEED
208	Confiscate the card	PICK-UP CARD
209	Confiscate the card	PICK-UP CARD
203	Confiscate the card	PICK-UP CARD
202	Transaction is declined, there is no card with such number	INVALID CARD
920	Transaction declined, key problem	INVALID CARD
117	Transaction declined, incorrect PIN	INCORRECT PIN
125	Transaction is declined, there is no card with such number	INVALID CARD
111	Transaction is declined, there is no card with such number	INVALID CARD
Z3	Transaction is declined, no connection	-
200	Transaction is declined, there is no card with such number	INVALID CARD
902	Transaction is declined, retry transaction	RE-ENTER TRANS.
116	Transaction is declined, insufficient funds	INSUFFICIENT FUNDS



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109	Transaction is declined, service point identification number is incorrect	INVALID MERCHANT
107	Transaction is declined, contact the issuing bank	CALL ISSUER