

**APPENDIX B**  
**(To Merchant Services Terms and Conditions)**  
**Mail Order Programme (MOTO)/ Recurring Payment Transaction (RPT)**

**1. DEFINITION AND INTERPRETATION**

1.1 Words and expressions used in this Appendix have the following meanings:-

“**Input File**” means any electronic data storage file in a format mutually agreed upon by the Bank and the Merchant which contains mutually agreed particulars of the Recurring Payment Transactions;

“**Mail Order Form**” means the Cardholder’s duly completed authorization form, in a format approved by the Bank, authorizing payments to be charged to the Cardholder’s Card;

“**Mail Order Programme**” means the programme established by the Merchant which enables Cardholders to purchase goods and/or services from the Merchants by completing the Mail Order Form;

“**Mail Order Transaction**” means the transaction for the purchase of goods and/or services using the Mail Order Form carrying the Approval Code;

“**Recurring Payment Authorisation**” means the authorization by the Cardholder for payments to be made to the Merchant to be charged to the Card account at specific time intervals; and

“**Recurring Payment Transaction**” means the periodic provision of merchandise and/or services by the Merchant to the Cardholder with payment made to the Merchant periodically pursuant to the Recurring Payment Authorisation.

**2. MAIL ORDER TRANSACTIONS**

2.1 To use the services available under the Mail Order Programme, the Merchant shall submit to the Bank the duly completed Mail Order Form signed by the Cardholder with the Approval Code for the relevant Mail Order Transaction.

2.2 If requested by the Bank, the Merchant must provide additional information/documentary evidence to the Bank which the Bank deems necessary to verify the transaction contemplated in the Mail Order Form. The Bank may refuse to process the Mail Order Form until the requested additional information/documentary evidence has been provided.

2.2. The Merchant is aware that a higher risk of fraud may occur for the mail, telephone or facsimile instructions and that Mail Order Forms may have been issued without proper authority and agrees to be solely responsible for and to solely assume the risk of fraud and to solely bear all losses incurred as a result of such fraud even though Approval Codes have been issued for the fraudulent transaction. Issuance of Approval Codes does not guarantee payment by the Bank or that the Mail Order Form is free from fraud.

**3. SETTLEMENT OF PAYMENT BY THE BANK**

3.1 The Merchant shall deliver the Mail Order Forms to the Bank for payment within three (3) Business Days from the date of the Cardholder’s authorisation of the Mail Order Transaction. The Bank will pay the Merchant the monies due for the properly authorised Mail Order Transaction after deducting the Merchant Discount and all other fees and charges, unless:-

- (a) the Bank has received notice to withhold payment or exercised its discretion to withhold payment; or
- (b) the Merchant has breached any of its obligations.

3.2 If payment is not received by the Merchant within seven (7) Calendar Days from the date the Mail Order Forms are submitted to the Bank for payment the Merchant must immediately notify the Bank in writing. If the Merchant does not notify the Bank that it has not received payment within fourteen (14) Calendar Days from the

date the Mail Order Forms are submitted to the Bank for payment, the Bank will not have to pay the monies claimed by the Merchant under such Mail Order.

3.3 Any discrepancies or errors arising from the settlement process, must be notified to the Bank in writing within seven (7) Calendar Days from the date of the Bank's payment, failing which the Merchant shall be deemed to have waived its right to make any claim against the Bank in respect of such discrepancies or errors.

3.4 If the Bank has reasonable grounds to believe any Mail Order Form is irregular (whether by forgery or otherwise or the transaction violate laws or rules of any governmental agency, or if the Bank receives a written statement from the Cardholder denying the transaction) ("**Irregular Mail Order Form**") such Mail Order Form shall be invalid.

3.5 Without prejudice to Clause 3.4:-

- (a) if the Bank is the issuer of the Card for the Irregular Mail Order Form, the Bank may withhold payment up to six (6) months from the date of presentation of the Irregular Mail Order Form ("**Initial Withholding Period**") for investigation. If the Bank finds out that the Irregular Mail Order Form is actually legitimate, the Bank shall make payment for it free of interest. If the Bank cannot complete its investigations during the Initial Withholding Period, the Bank may lodge a police report against the Merchant and continue to withhold payment until the Bank receives the complete police investigation report. If based on the findings of the police, the Bank is satisfied that the Irregular Mail Order Form is legitimate, the Bank shall make payment for it free of interest.
- (b) If the Bank is not the issuer of the Card for the Irregular Mail Order Form, the Bank may withhold payment for the Initial Withholding Period and try to get confirmation in writing from the relevant Cardholders or the relevant Card issuers on the validity of the Irregular Mail Order Form. If the Bank is not able to get such confirmation before the expiry of the Initial Withholding Period or the relevant Card issuer effects a chargeback on the Bank, the Irregular Mail Order Form shall be deemed invalid. If the Bank cannot obtain confirmation in writing before the Initial Withholding Period expires, the Bank may also lodge a police report against the Merchant and continue to withhold payment until the Bank receives the complete police investigation report. If based on the findings of the police, the Bank is satisfied that the Irregular Mail Order Form is legitimate, the Bank shall make payment for it free of interest.

#### **4. RETURN OF GOODS AND CREDIT SLIPS**

4.1 The Merchant shall establish a fair policy for the exchange or return of goods sold, and will give proper credit or refund for goods returned and issue Credit Slips for such refunds. The Credit Slips must be presented to the Bank within seven (7) Business Days after issuance of such Credit Slips.

4.2 The total amount of each Credit Slip less the relevant Merchant Discount charged by the Bank shall be immediately payable by the Merchant to the Bank.

#### **5. RECURRING PAYMENT TRANSACTIONS**

5.1 The provisions in this Clause 5 shall be applicable in the case of Recurring Payment Transactions:-

- (a) The Merchant shall electronically the transmit Input File to the Bank as directed by the Bank in accordance with the Bank's prevailing practice. The Bank shall not be obliged to verify the accuracy of the information contained in the Input File, and the Merchant shall be responsible for all costs or loss incurred as a result of any errors;
- (b) Upon the Bank's receipt of the Input File, the Bank will attempt to obtain Approval Codes in respect of each Recurring Payment Transaction contained in the Input File, thereafter, the Bank will generate an output file containing all the Card accounts for which Approval Codes have been obtained as well as Card accounts where Approval Codes are not provided or obtained ("**Bank's Output File**") and the Bank's Output File shall be available for the Merchant's retrieval at the Bank's electronic online access portal.

**6. MISCELLANEOUS**

6.1 The Merchant agrees to:-

- (a) comply with all the PCI-DSS requirements when carrying out Mail Order Transactions;
- (b) set-up, maintain, upgrade, ensure the security and integrity of the Merchant's computer system, software necessary to carry out Mail Order Transactions at its own cost and expenses; and
- (c) keep all Cardholders' data, Card accounts data and transactions data (whether physical or electronic) in a secure manner meeting at least the standards prescribed by the PCI-DSS. Once the Merchant becomes aware that any such information or transaction data is lost, stolen, tampered or otherwise compromised, the Merchant shall immediately notify the Bank of this in writing.

**7. APPENDIX B TO BE READ WITH MERCHANT SERVICES TERMS AND CONDITIONS**

This Appendix B is to be read together with the Bank's Merchant Services Terms and Conditions. Where there is inconsistency, Appendix B shall override the Merchant Services Terms and Conditions, in so far as it relates to the Mail Order Programme/ Recurring Payment Transactions.

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